

KANNEGOLLA KRISHNA RAO AND COMPANY

CHARTERED ACCOUNTANTS



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

B.O. Address : D.No. 11-52-30, III Floor, Gudivadavari Street,
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAI SILKS (KALAMANDIR) LIMITED

Report on Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

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

Other Information

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



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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could



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reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SAs, we exercise Professional Judgement and maintain Professional Skepticism throughout the audit.

We also;

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in



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

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7. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit
8. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure – A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure-B**.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration



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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations which would impact its financial position significantly.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Kannegolla Krishna Rao & Co.,

Chartered Accountants

CA. S.S. Gopal Gupta Kannegolla

Partner

M.No. 211147

Firm Regn No. 001727S

Place: Hyderabad

Date: 04th Sep 2020

UDIN: 20211147AAAACE9963



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Annexure - A to the Auditors' Report

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

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

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

(ii)

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

(iii)

- a) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- b) In case of loans granted to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3 (iii) (b) of the order is not applicable to the company in respect of repayment of principal amount.



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- c) There are no overdue amounts in respect of the loans granted to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013 (The Act).
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantee and security made.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of Sec 73 to 76 and the rules framed there under are not applicable to the Company. Accordingly, the provisions of Clause 3 (v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Companies Act, 2013 in respect of the Company's operations. Therefore, the provisions of Clause 3 (vi) of the Order are not applicable to the Company.
- (vii)
- a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employee state insurance, Income-tax, Sales tax, Value added tax, Duty of customs, Service tax, Goods and service tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee state insurance, Income-tax, Sales tax, Value added tax, Duty of customs, Duty of excise, Service tax, Goods and service tax, Cess and other material statutory dues were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no material statutory dues including Income tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value added tax, Goods and service tax, cess and any other material statutory dues pending for deposit with the appropriate authorities on account of any dispute except those were disclosed in the note no.38 as a part of financials.
- (viii) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The Company has raised new vehicle loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.



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- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him during the Financial year. Accordingly, the provisions of paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to me and based on my examination of the records of the company, the Company is not required to get registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company

For Kannegolla Krishna Rao & Co.
Chartered Accountants

K. S. S. Gopal Gupta

CA. S.S. Gopal Gupta Kannegolla

Partner

M.No. 211147

Firm Regn No. 001727S

Place: Hyderabad

Date: 04th Sep 2020

UDIN: 20211147AAAACE9963



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Annexure – B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **M/s Sai Silks (Kalamandir) Limited** ("the Company") as of 31st March 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



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Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kannegolla Krishna Rao & Co.
Chartered Accountants



CA. S.S. Gopal Gupta Kannegolla

Partner

M.No. 211147

Firm Regn No. 001727S

Place: Hyderabad

Date: 04th Sep 2020

UDIN: 20211147AAAACE9963

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Sai Silks (Kalamandir) Limited
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
 CIN : U52190TG2008PLC059968
Balance Sheet as at 31-Mar-2020

(Amount INR)

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

Other relevant Notes to Financial Statements

26 to 45

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

As per my audit report of even date

For and on behalf of the board

For Kannegolla Krishna Rao & Co.
Chartered Accountants

Ch.N.K.D.Prasad

Chairman & Managing Director

DIN : 01929166

Annam Kalyan Srinivas

Whole Time Director

DIN : 02428313

CA. S.S. Gopal Gupta Kannegolla

Partner

Membership No.211147

F. No. 001727S

Place: Hyderabad

Date: 4th Sep, 2020

Ramakrishna Oruganti

Chief Financial Officer

M K Bhaskara Teja

Company Secretary

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

(Amount INR)

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

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

As per my audit report of even date

For and on behalf of the board

For Kannegolla Krishna Rao & Co.,
Chartered Accountants

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

Annam Kalyan Srinivas
Whole Time Director
DIN : 02428313

CA. S.S. Gopal Gupta
Partner

Membership No.211147
F. No. 0017275

Place: Hyderabad

Ramakrishna Oruganti
Chief Financial Officer

M K Bhaskara Teja
Company Secretary

Date: 4th Sep, 2020

Sai Silks (Kalamandir) Limited

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

Cash Flow Statement for the year ended 31-Mar-2020

(Amount INR)

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

As per my audit report of even date

For and on behalf of the board

For Kannegolla Krishna Rao & Co.,
Chartered Accountants



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



Annam Kalyan Srinivas
Whole Time Director
DIN : 02428313

CA. S.S. Gopal Gupta
Partner

Membership No.211147
F. No. 001727S

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

M K Bhaskara Teja
Company Secretary

Sai Silks (Kalamandir) Limited

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

Notes forming part of Financial Statements As At 31-Mar-2020**(Amount INR)****Note 1 Share Capital**

| S. No | Particulars | As At 31.03.2020 | | As At 31.03.2019 | |
|-------|----------------------------------------------------------------------------------------------------------|--------------------|---------------------|--------------------|---------------------|
| | | Number | Amount | Number | Amount |
| (i) | Authorised Equity Shares of Rs. 10/- each with Voting Rights | 4,20,00,000 | 42,00,00,000 | 4,20,00,000 | 42,00,00,000 |
| (i) | Issued, Subscribed and Paid up Equity Shares of Rs. 10/- each fully paid up with Voting Rights | 2,34,54,588 | 23,45,45,880 | 2,34,54,588 | 23,45,45,880 |
| | Total | 2,34,54,588 | 23,45,45,880 | 2,34,54,588 | 23,45,45,880 |

(a) Reconciliation of number of shares:

| S.No. | Particulars | As At 31.03.2020 | | As At 31.03.2019 | |
|-------|--------------------------------------------------------|--------------------|---------------------|--------------------|---------------------|
| | | Number | Amount | Number | Amount |
| 1 | Equity Shares outstanding at the beginning of the year | 2,34,54,588 | 23,45,45,880 | 2,34,04,588 | 23,40,45,880 |
| 2 | Equity Shares Issued during the year | | | 50,000 | 5,00,000 |
| 3 | Equity Shares bought back during the year | | | | |
| 4 | Equity Shares outstanding at the end of the year | 2,34,54,588 | 23,45,45,880 | 2,34,54,588 | 23,45,45,880 |

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

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

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

| S.No. | Particulars | As At 31.03.2020 | | As At 31.03.2019 | |
|-------|-----------------------------------------|--------------------|--------------|--------------------|--------------|
| | | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| | <u>Equity Shares with Voting Rights</u> | | | | |
| 1 | Chalavadi Naga Kanaka Durga Prasad | 64,97,600 | 27.70% | 63,62,600 | 27.13% |
| 2 | Chalavadi Jhansi Rani | 53,60,088 | 22.85% | 54,95,088 | 23.43% |
| 3 | Perumalla Dhanalakshmi | 29,31,900 | 12.50% | 29,31,900 | 12.50% |
| 4 | Chalavadi Devamani | 22,24,200 | 9.48% | 22,24,200 | 9.48% |
| 5 | Chalavadi D K Durga Rao | 16,16,500 | 6.89% | 16,16,500 | 6.89% |
| 6 | Annam Kalyan Srinivas | 15,15,400 | 6.46% | 15,15,400 | 6.46% |
| 7 | Rupamani Naqakanakadurgasri Harshada C | 25,00,000 | 10.66% | 25,00,000 | 10.66% |

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

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

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



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

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

Sai Silks (Kalamandir) Limited
 #6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2020

| Note No. | Particulars | As At 31.03.2020 | As At 31.03.2019 |
|----------|---------------------------------------------------------------------------|-----------------------|-----------------------|
| 2 | Note: Reserves and Surplus | | |
| | Securities Premium Account | | |
| | As per last Balance Sheet | 28,86,62,920 | 28,41,62,920 |
| | (+) Additions during the year on account of shares issued during the year | - | 45,00,000 |
| | Closing Balance | <u>28,86,62,920</u> | <u>28,86,62,920</u> |
| | Profit and Loss Account | | |
| | As per last Balance Sheet | 1,37,07,07,746 | 1,06,74,57,253 |
| | (+) Net Profit for the current year | 45,58,55,435 | 30,32,50,492 |
| | (+) Transfer from Reserves | | |
| | (-) Net Loss for the current year | | |
| | (-) Proposed Dividends | | |
| | (-) Interim Dividends | | |
| | Closing Balance | <u>1,82,65,63,180</u> | <u>1,37,07,07,746</u> |
| | Total | <u>2,11,52,26,100</u> | <u>1,65,93,70,665</u> |
| 3 | Note: Share Application money pending allotme | - | - |



Sai Silks (Kalamandir) Limited
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2020

| Note No. | Particulars | As At 31.03.2020 | As At 31.03.2019 |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| 4 | Note: Long Term Borrowings | | |
| | Secured | | |
| | Term Loans from Banks (Current maturities of which shown separately in note no. 9) | 31,17,71,902 | 39,14,87,423 |
| | Vehicle Loans from Banks (Current maturities of which shown separately in note no. 9) | 3,40,63,568 | 1,21,24,935 |
| | | 34,58,35,470 | 40,36,12,358 |
| | * Term Loans from Banks are secured by first charge on fixed assets of the company both present and future (For details Refer Note No 37) | | |
| | # Vehicles loans are secured by hypothecation of vehicles financed by respective banks. (For details Refer Note No 37) | | |
| 5 | Note: Other Longterm Liabilities | | |
| | Trade / Security amounts Received | 50,49,919 | 13,09,280 |
| | | 50,49,919 | 13,09,280 |
| 6 | Note: Long Term Provisions | | |
| | Provisions for Employee Benefits * | 1,87,42,165 | 1,44,75,695 |
| | Provisions for Taxes (previous Years) | - | - |
| | Provisions - Others** | 1,11,39,000 | 1,21,44,000 |
| | | 2,98,81,165 | 2,66,19,695 |
| | * Provisions for Employee Benefits comprises "Provision for Gratuity " which is based on Actuarial Valuation as detailed in Note no. 28. | | |
| | ** Provisions for Others comprises "Windmill Revenue Compensation". | | |
| 7 | Note: Short Term Borrowings | | |
| | Secured | | |
| | Loans repayable on demand from Banks * | 1,15,84,63,774 | 1,15,72,94,274 |
| | Loans repayable on demand from Others Working Capital Loans from Banks | | |
| | Unsecured | | |
| | Loans from Related Parties ** | 2,18,85,064 | 2,18,85,064 |
| | Other Loans and Advances Deposits Other Loans & Advances | | |
| | | 1,18,03,48,838 | 1,17,91,79,338 |

* Short Term Loans from Banks are secured by hypothecation of stocks, receivables and other current assets of the company on paripassu basis, both present and future

** Loans from Related Parties consists of

| S.No. | Name of the Related Party | As At 31.03.2020 | As At 31.03.2019 |
|-------|------------------------------------|------------------|------------------|
| 1 | Chalavadi Naga Kanaka Durga Prasad | 2,18,73,448 | 2,18,73,448 |
| 2 | Chalavadi Krishna Murty | 11,616 | 11,616 |

The Company has borrowed above unsecured loans on the following terms & conditions:

| Terms & Conditions | Particulars |
|--------------------|---------------------|
| Rate of Interest | Nil |
| Security | Unsecured |
| Terms of Repayment | Repayable on Demand |



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Sai Silks (Kalamandir) Limited
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2020

| Note No. | Particulars | As At 31.03.2020 | As At 31.03.2019 |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| 8 | Note: Trade Payables | | |
| | Total outstanding dues of micro enterprises and small enterprises * | - | - |
| | Dues to Others | 1,70,06,17,444 | 1,41,99,52,090 |
| | | 1,70,06,17,444 | 1,41,99,52,090 |
| | * The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the company is as under: | | |
| | 1. Principal amount due and remaining unpaid as at year end | - | - |
| | 2. Interest due on above and remaining unpaid as at year end | - | - |
| | 3. Principal amount paid beyond the appointed day during the year | - | - |
| | 4. Interest paid on payments made beyond the appointed day during the year U/Sec 16 of MSMED Act, 2006 | - | - |
| | 5. Interest due and Payable on payments made beyond the appointed day during the year otherthan MSMED Act, 2006 | - | - |
| | 6. Interest remaining due and payable for the period of delay in earlier years | - | - |
| | The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors. | | |
| 9 | Note: Other Current Liabilities | | |
| | <u>Current Maturities of Long Term Debt (Secured)</u> | | |
| | Termloans from Banks * | 10,69,38,869 | 12,16,44,964 |
| | Vehicle Loans from Banks # | 1,38,32,590 | 1,05,08,095 |
| | Finance Lease | - | 10,08,500 |
| | Interest Accrued & Due on Loans | - | - |
| | Interest Accrued & But not Due on Loans | 89,33,779 | - |
| | Advances received from Customers | 1,43,85,959 | 1,18,43,836 |
| | Other Payables ~ | 33,47,43,974 | 28,06,75,003 |
| | | 47,88,35,171 | 42,56,80,398 |
| | * Term Loans from Banks are secured against Fixed Assets of the company, both present and future (For details Refer Note No 37). | | |
| | # Vehicles loans are secured by hypothecation of vehicles financed by respective banks. (For details Refer Note No 37). | | |
| | <u>~ Other Payables include</u> | | |
| | Statutory Liabilities | 1,13,67,278 | 84,40,421 |
| | Otherthan Statutory Liabilities | 32,33,76,696 | 27,22,34,582 |
| 10 | Note: Short Term Provisions | | |
| | Provisions for Employee Benefits | | |
| | Provision for Gratuity | 17,69,067 | 14,60,093 |
| | Provisions - Others: | | |
| | Provision for Taxes | 4,73,41,908 | 15,92,21,797 |
| | | 4,91,10,975 | 16,06,81,890 |



Sai Silks (Kalamandir) Limited

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

Notes forming part of Financial Statements As At 31-Mar-2020

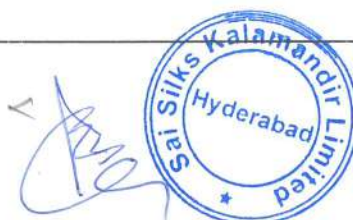
| Note No. | Particulars | As At 31.03.2020 | As At 31.03.2019 |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| 12 | Note: Long Term Loans & Advances | | |
| | (a) Capital Advances | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | 1,92,75,830 | 2,50,06,810 |
| | Doubtful | - | - |
| | (b) Security Deposits | - | - |
| | (c) Loans & Advances to related parties | - | - |
| | (d) Loans & Advances to Employees | - | - |
| | (e) Prepaid Expenses | - | - |
| | (f) Advance Income Tax/TDS (Unsecured, Considered good) | - | - |
| | (g) MAT Credit Entitlement | - | - |
| | (h) Balances with Government Authorities | - | - |
| | (i) Other Loans & Advances | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | - | - |
| | (j) Doubtful | - | - |
| | | 1,92,75,830 | 2,50,06,810 |
| | Less: Provision for other doubtful loans & advances | | |
| | | 1,92,75,830 | 2,50,06,810 |
| | Note: Long Term Loans & Advances include amounts due from | | |
| | Directors | - | - |
| | Other Officers of company | - | - |
| | Firms in which any director is a partner | - | - |
| | Private companies in which any director is a director or member | - | - |
| 13 | Note: Other Non-Current Assets | | |
| | (a) Long-term trade receivables | - | - |
| | (b) Unamortised expenses ** | | |
| | (to the extent not written off or not adj.) | | |
| | (i) Ancillary borrowing costs | - | - |
| | (ii) Share issue expenses | - | - |
| | (iii) Discount on shares | - | - |
| | (iv) Other Expenses | | |
| | Preliminary Expenditure | - | - |
| | Public Issue Expenditure | - | - |
| | Amalgamation Expenditure | - | 2,95,000 |
| | (c) Accruals | - | - |
| | (d) Other Non-current Assets | | |
| | Electricity Deposits | 1,97,13,587 | 1,35,60,171 |
| | Rent Deposit* | 26,49,10,324 | 18,83,67,715 |
| | Telephone Deposit | 34,335 | 34,335 |
| | In Deposit Accounts^ | 4,74,05,635 | 2,07,82,420 |
| | Other Deposits | 2,17,000 | 2,17,000 |
| | | 33,22,80,881 | 22,32,56,641 |
| | * Rent Deposit Includes: | | |
| | - Deposit to SSS Marketing | 12,00,000 | 12,00,000 |
| | - CH N K D Prasad | 3,60,000 | 3,60,000 |
| | - CH Jahnsi Rani | 2,40,000 | 2,40,000 |
| | ^ Deposit accounts includes Deposits having original maturity greater than one year of Rs. 2.17 Cr (in CANARA Bank) and Rs. 2.53 Cr (in SBI) held as collateral security against borrowings | | |



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Sai Silks (Kalamandir) Limited
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2020

| Note No. | Particulars | As At 31.03.2020 | As At 31.03.2019 |
|-----------|-----------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------|
| 14 | Note: Inventories: | | |
| | (a) Raw materials | | |
| | Goods-in-transit | | |
| | (b) Work-in-progress | | |
| | Goods-in-transit | | |
| | (c) Finished goods (other than those acquired for trading) | | |
| | Goods-in-transit | | |
| | (d) Stock-in-trade (acquired for trading) * | 3,68,50,60,523 | 3,41,10,52,141 |
| | Goods-in-transit | | |
| | (e) Stores and spares | | |
| | Goods-in-transit | | |
| | (f) Loose tools | | |
| | Goods-in-transit | | |
| | (g) Packing Material | 3,00,83,200 | - |
| | Goods-in-transit | - | - |
| | | 3,71,51,43,723 | 3,41,10,52,141 |
| | * Mode of valuation: | | |
| | Finished Goods | | : At lower of cost or net realisable value |
| | Raw material & Sticking Material | | : At Cost |
| | Stores, Spare parts, Packing & Branding Material | | : At Cost |
| 15 | Note: Trade Receivables | | |
| | Trade receivables outstanding for a period exceeding six months from the date they were due for payment | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | - | - |
| | Doubtful | - | - |
| | Trade receivables outstanding for a period less than six months from the date they were due for payment * | | |
| | Secured, considered good | - | - |
| | Unsecured, considered good | 1,69,24,620 | 5,93,24,561 |
| | Doubtful | - | - |
| | | 1,69,24,620 | 5,93,24,561 |
| | Less: Provision for doubtful trade receivables | - | - |
| | | 1,69,24,620 | 5,93,24,561 |
| | * Trade receivables include debts due from: | | |
| | Directors | - | - |
| | Other officers of the Company | - | - |
| | Firms in which any director is a partner (give details per firm) | - | - |
| | Private companies in which any director is a director or member (give details per company) | - | - |
| 16 | Note: Cash and Bank Balances | | |
| | (a) Cash and Cash Equivalents | | |
| | (i) Balances with banks; | | |
| | In Deposit Accounts | - | - |
| | In Current Accounts | 10,18,73,397 | 7,09,88,865 |
| | (ii) Cheques, drafts on hand | | |
| | (iii) Cash on hand | 7,88,71,687 | 4,06,31,098 |
| | (b) Other Bank balances | | |
| | In Deposit Accounts* | - | 10,27,46,333 |
| | | 18,07,45,084 | 21,43,66,295 |



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Sai Silks (Kalamandir) Limited
#6-3-790/8, Flat No.1, Bathina Apartment, Ameerpet, Hyderabad -500 016
Notes forming part of Financial Statements As At 31-Mar-2020

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



Sai Silks (Kalamandir) Limited

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

Notes forming part of Financial Statements As At 31-Mar-2020

Note 11 Property, Plant and Equipment

(Amount INR)

| S. No. | Particulars | Gross Block | | | | | | | | | |
|----------------------------|-----------------------------|--------------------------|-----------------------|-------------------|--------------------------------------------|-------------------------------|----------------------|---------------------------------------|----------------------------|------------|--------------------------|
| | | Balance As At 01.04.2019 | Additions | Disposals | Acquisitions through business combinations | Reclassified as held for sale | Revaluation increase | Effect of foreign exchange difference | Borrowing cost capitalised | Other Adj. | Balance As At 31.03.2020 |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 = 1+2-3+4-5 +6-7+8-9 |
| A Tangible assets : | | | | | | | | | | | |
| (a) | Civil Works | | | | | | | | | | |
| | Owned | 23,10,62,988 | 3,81,23,152 | - | - | - | - | - | - | - | 26,91,86,140 |
| | Taken under finance lease | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | - | - | - | - | - | - | - | - | - |
| (b) | Plant & Machinery | | | | | | | | | | |
| | Owned | 28,41,90,003 | 7,61,21,597 | - | - | - | - | - | - | - | 36,03,11,600 |
| | Taken under finance lease | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | - | - | - | - | - | - | - | - | - |
| (c) | Wind Mill | | | | | | | | | | |
| | Owned | 11,47,83,663 | - | - | - | - | - | - | - | - | 11,47,83,663 |
| | Taken under finance lease | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | - | - | - | - | - | - | - | - | - |
| (d) | Computers & Peripherals | | | | | | | | | | |
| | Owned | 5,88,26,213 | 85,93,975 | - | - | - | - | - | - | - | 6,74,20,189 |
| | Taken under finance lease | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | - | - | - | - | - | - | - | - | - |
| (e) | Furniture and Fixtures | | | | | | | | | | |
| | Owned | 1,08,04,65,372 | 31,15,63,388 | - | - | - | - | - | - | - | 1,39,20,28,759 |
| | Taken under finance lease | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | - | - | - | - | - | - | - | - | - |
| (f) | Vehicles | | | | | | | | | | |
| | Owned | 7,32,78,291 | 3,99,59,794 | 26,64,870 | - | - | - | - | - | - | 11,05,73,215 |
| | Taken under finance lease | - | - | - | - | - | - | - | - | - | - |
| | Given under operating lease | - | - | - | - | - | - | - | - | - | - |
| | Total (A) | 1,84,26,06,530 | 47,43,61,907 | 26,64,870 | - | - | - | - | - | - | 2,31,43,03,567 |
| | Previous Year | (1,30,87,88,624) | (53,43,21,401) | (5,03,495) | - | - | - | - | - | - | (1,84,26,06,520) |
| B Intangible assets | | | | | | | | | | | |
| | Computer Software | 1,40,22,188 | - | - | - | - | - | - | - | - | 1,40,22,188 |
| | Brand (Kalamandir) | 20,68,92,906 | - | - | - | - | - | - | - | - | 20,68,92,906 |
| | Brand (KLM Fashions) | 20,00,000 | - | - | - | - | - | - | - | - | 20,00,000 |
| | Total (B) | 22,29,15,094 | - | - | - | - | - | - | - | - | 22,29,15,094 |
| | Previous Year | (22,22,36,534) | (6,78,560) | - | - | - | - | - | - | - | (22,29,15,094) |
| | Grand Total (A + B) | 2,06,55,21,624 | 47,43,61,907 | 26,64,870 | - | - | - | - | - | - | 2,53,72,18,661 |



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



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

Notes forming part of Financial Statements As At 31-Mar-2020

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



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

Notes forming part of Financial Statements As At 31-Mar-2020

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

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

23 Note: Other Expenses

Administration Expenses

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

Selling & Distribution Expenses

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

| | | |
|-----------------|-------------|-------------|
| CSR Expenditure | 1,07,81,352 | 1,21,56,737 |
|-----------------|-------------|-------------|

| | | |
|-----------------------------------|----------|----------|
| Amalgamation Expenses Written Off | 2,95,000 | 2,95,000 |
|-----------------------------------|----------|----------|

| | | |
|--|------------------------------|------------------------------|
| | <u>1,24,68,92,432</u> | <u>1,29,69,68,949</u> |
|--|------------------------------|------------------------------|



Sai Silks (Kalamandir) Limited

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

Notes forming part of Financial Statements As At 31-Mar-2020

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



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

| Note No. | Particulars | FY 2019-20 | FY 2018-19 |
|-----------|----------------------------------------------|------------------|--------------------|
| 26 | Note: Auditors Remuneration | | |
| | Payments to Auditors comprises: | | |
| | As Auditors - Statutory Audit | 75,000 | 75,000 |
| | For taxation matters | 25,000 | 25,000 |
| | For company law matters | - | - |
| | For management services | - | - |
| | For other services | - | - |
| | Reimbursement of Expenses | - | - |
| 27 | Note: Deferred Tax Liability (Net) | | |
| | DTL Provision for the period on Depreciation | 17,87,361 | 2,80,74,992 |
| | DTA Provision for the period on Gratuity | (3,65,569) | 13,28,993 |
| | Total Deferred Prov. For the period | 21,52,931 | 2,67,46,000 |

28 Note: Retirement Benefits :

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

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

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

29 Note on CSR Expenditure:

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

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

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

Gross Amount required to be spent

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



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

| S.No. | Name of the Related Party | Nature of Relationship |
|-------|-----------------------------------------|--------------------------------------------------------------------|
| 1 | CHNKD Prasad | MD & Whole Time Director |
| 2 | Annam Kalyan Srinivas | Executive Director |
| 3 | CHDK Durga Rao | Executive Director |
| 4 | Oruganti Rama Krishna | Key Managerial Personnel (CFO) |
| 5 | Rupamani Nagakanakadurgasri Harshada Ch | Key Managerial Personnel (CEO) |
| 6 | KOTI BHASKARA TEJA MATTE | Key Managerial Personnel (CS) |
| 7 | Naveen Nandigam | Non Executive / Independent Director |
| 8 | Sirisha Chintapalli | Non Executive / Independent Director |
| 9 | Laxminivas Jaju | Non Executive / Independent Director |
| 10 | Ch Jhansi Rani | Relative of Director |
| 11 | Annam Suchitra | Relative of Director |
| 12 | Supriya Padarthy | Relative of Director |
| 13 | CH Mohana Durga Rao | Relative of Director |
| 14 | Chalavadi Krishna Murty | Relative of Director |
| 15 | Annam Subash Chandra Mohan | Relative of Director |
| 16 | Annam Venkata Rajesh | Relative of Director |
| 17 | Annam Sowjanya | Relative of Director |
| 18 | Annam Bhavani | Relative of Director |
| 19 | Lavanya Mankal | Relative of Director |
| 20 | DEVAMANI VENKATA KANAKA DURGA HANISH | Relative of Director |
| 21 | RACHAMADUGU BALAJI BHARADWAJ | Relative of Director |
| 22 | Sai Readymades | Enterprise over which Directors having Significant Influence (EDS) |
| 23 | Sai Retail India Limited | Enterprise over which Directors having Significant Influence (EDS) |
| 24 | SSS Marketing | Enterprise over which Directors having Significant Influence (EDS) |
| 25 | Sai Swarnamandir Jewellers Pvt Ltd | Enterprise over which Directors having Significant Influence (EDS) |
| 26 | Sumaja Creations | Enterprise over which Directors having Significant Influence (EDS) |
| 27 | K Factory | Enterprise over which Directors having Significant Influence (EDS) |
| 28 | Karamandir Foundation | Enterprise over which Directors having Significant Influence (EDS) |
| 29 | Kalamandir International Pvt Ltd | Enterprise over which Directors having Significant Influence (EDS) |
| 30 | Varanasi Lakshmi Holdings Pvt Ltd. | Enterprise over which Directors having Significant Influence (EDS) |
| 31 | Soul of Photo Tech LLP | Enterprise over which Directors having Significant Influence (EDS) |



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Transactions with Related Parties:

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



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

| S.No. | Name of the Party / Personnel | Concern | Ref. for Relationship as per AS-18 | Details of Relation | Nature of Transaction | FY 2019-20 | | FY 2018-19 | |
|-------|-----------------------------------|-----------------|------------------------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------|----------------------------------------------------------|----------------------------------------------------|
| | | | | | | Transaction Value | Outstanding Dr/ (Cr) | Transaction Value | Outstanding Dr/ (Cr) |
| 1 | Sai Retail India Limited | Public Limited | 3 (E) | Directors interested | Purchases Rent (Expense) Rent (Income) | 8,68,94,79,435 11,04,000 1,20,000 | - - - | 8,45,19,84,948 8,28,000 2,04,000 | 2,23,46,339 - - |
| 2 | SSS Marketing | Partnership | 3 (E) | Relative of Director Interested | Commission paid Rent Deposit | 18,00,000 - | (79,803) 12,00,000 | 18,06,465 - | 3,65,437 12,00,000 |
| 3 | Sumaja Creations | Proprietary | 3 (E) | Relative of Director Interested | Advertisement Manpower Service (Income) | 20,70,24,002 18,00,000 | (12,33,84,647) - | 26,40,50,430 - | (11,75,77,980) - |
| 4 | Varamahalakshmi Holdings Pvt Ltd. | Private Limited | 3 (E) | Directors interested | Rent Expense | 10,20,000 | (7,19,529) | 10,20,000 | (10,12,429) |
| 5 | K Factory | Partnership | 3 (E) | Directors interested | Purchases | - | (4,76,761) | - | (4,76,761) |
| 6 | Soul of Pluto Tech LLP | LLP | 3 (E) | Directors interested | Software Consultation / Maintenance (Exp) Support Service (Income) Rent (Income) Rent Deposit Received | 2,22,00,000 60,00,000 14,00,000 6,00,000 | 39,86,887 - - (6,00,000) | 72,50,000 - - - | (26,81,849) - - - |
| 7 | CHNKD Prasad | Individual | 3 (D) | Director | Remuneration Rent Expense Shares Allotted Rent Deposit Unsecured Loan | 1,19,35,484 7,20,000 - - - | (17,05,638) (54,000) - - (2,18,73,448) | 1,20,00,000 7,20,000 50,00,000 - 2,00,00,000 | (22,67,972) (54,000) - - (2,18,73,448) |
| 8 | CH Jhansi Rani | Individual | 3 (D) | Relative of Director | Salary Rent Expense Rent Deposit | 35,80,645 4,80,000 - | (1,01,830) (36,000) 2,40,000 | 33,50,000 4,80,000 - | (2,36,029) (36,000) 2,40,000 |



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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 2019-20 | | FY 2018-19 | |
|-------|---------------------------------------|------------|------------------------------------|----------------------|-----------------------|-------------------|----------------------|-------------------|----------------------|
| | | | | | | Transaction Value | Outstanding Dr/ (Cr) | Transaction Value | Outstanding Dr/ (Cr) |
| 9 | Annam Kalyan Srinivas | Individual | 3 (D) | Director | Remuneration | 59,67,742 | (3,17,685) | 58,25,000 | (3,27,797) |
| 10 | CHDK Durga Rao | Individual | 3 (D) | Director | Remuneration | 38,79,032 | (1,98,218) | 38,00,000 | (3,16,620) |
| 11 | Annam Subhash | Individual | 3 (D) | | Salary | - | - | 15,25,000 | - |
| 12 | Annam Rajesh | Individual | 3 (D) | | Salary | 38,79,032 | (2,20,786) | 38,00,000 | (2,52,476) |
| 13 | Annam Sowjanya | Individual | 3 (D) | | Salary | 10,74,194 | (74,370) | 10,10,000 | (80,460) |
| 14 | Annam Suchitra | Individual | 3 (D) | | Salary | 10,74,194 | (65,956) | 10,10,000 | (86,363) |
| 15 | CH Mohana Durga Rao | Individual | 3 (D) | | Salary | 38,79,032 | (2,45,384) | 38,00,000 | (2,77,996) |
| 16 | Supriya Padarthy | Individual | 3 (D) | Relative of Director | Salary | 10,74,194 | (80,287) | 10,10,000 | (89,800) |
| 17 | Annam Bhavani | Individual | 3 (D) | | Salary | 10,74,194 | (71,738) | 10,10,000 | (83,227) |
| 18 | Lavanya Mankal | Individual | 3 (D) | | Salary | 10,74,194 | (1,23,793) | 6,80,000 | (1,25,776) |
| 19 | Ch Krishna Murty | Individual | 3 (D) | | Unsecured Loan | - | (11,616) | - | (11,616) |
| 21 | DEVAMANI VENKATA KANAKA DURGA HANISHA | Individual | 3 (D) | | Salary | 11,93,548 | (93,348) | 12,00,000 | (88,854) |
| 22 | RACHAMADUGU BALAJI BHARADWAJ | Individual | 3 (D) | | Salary | 23,87,097 | (1,86,897) | 24,00,000 | (1,59,026) |
| 20 | Oruganti Rama Krishna | Individual | KMP | CFO | Remuneration | 8,81,142 | (40,513) | 8,95,863 | (66,255) |
| 23 | KOTI BHASKARA TEJA MATT | Individual | KMP | CS | Remuneration | 7,11,484 | (47,394) | 3,04,103 | (65,606) |
| 23 | Kalamandir Foundation | Trust | 3 (E) | Managing Trustee | Donations for CSR | 1,00,80,130 | - | 1,06,31,420 | - |
| 24 | Jinesh Kumar Sankhala | Individual | KMP | | Sitting Fees | - | - | 60,000 | (1,36,000) |
| 25 | Naveen Nandigam | Individual | KMP | Non Exicutive | Sitting Fees | 60,000 | (54,000) | 60,000 | (1,08,000) |
| 26 | Sirisha Chintapalli | Individual | KMP | Directors | Sitting Fees | 60,000 | (54,000) | | |
| 27 | Laxminivas Jaju | Individual | KMP | | Sitting Fees | 60,000 | (1,64,500) | | |
| 28 | Vanitha Nagulavari | Individual | KMP | | Sitting Fees | - | - | 60,000 | (1,08,000) |



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

| Note No. | Particulars | FY 2019-20 | FY 2018-19 |
|-----------|----------------------------------------------------------------------------------------------------|--------------|--------------|
| 31 | Note: Earnings Per Share | | |
| | Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders (INR) | 45,58,55,435 | 30,32,50,492 |
| | No of Equity Shares | 2,34,54,588 | 2,34,54,588 |
| | Weighted Average no. of equity shares | 2,34,54,588 | 2,34,18,972 |
| | Basic and Diluted Earnings per share (INR) | 19.44 | 12.95 |
| | Face value per share (INR) | 10.00 | 10.00 |

The Calculation of Earnings Per Share (EPS) as disclosed in the Profit and Loss Account has been made in accordance with Accounting Standard (AS - 20) on Earnings Per Share issued by the Institute of Chartered Accountants of India.

32 Note: Earnings in foreign currency

Export of Goods calculated on FOB basis - -

33 Note: Expenditure in foreign currency

- 17,79,082

34 Note: Tax Expense

The Tax Expenses for the year comprises of;

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

Provision for tax for the year comprises current income tax and deferred tax. Current income tax is determined in respect of taxable income with deferred tax being determined as the tax effect of timing differences representing the difference between taxable income and accounting income that originate in one period, and are capable of reversal in one or more subsequent period(s). Such deferred tax is quantified using rates and laws enacted or substantively enacted as at the end of the financial year.

35 (a) Note: Obligations towards operating leases

The company has entered into operating lease arrangements for its premises at various locations.

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

The future minimum lease rental obligation under non-cancellable operating leases in respect of these assets is on account of lock-in period and notice period in some of the lease agreements entered by the company for operating of showrooms:

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

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

36 Note: Capital and Other commitments

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

| | | |
|----------------------------------------------------------------------------------------------------------------------|---|--------------|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | - | 58,58,70,702 |
| (b) Uncalled liability on shares and other investments partly paid | - | - |
| (c) Other commitments (specify nature) | - | - |



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

Note No.37

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

| Sl No. | Lender | Primary Security | Collateral Security | Terms of Payment | Int. Rate |
|--------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 1 | SBI Term Loan- 31466177740 (Wind Mill) | 1st charge on fixed assets of the company both present and future. | 1. Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members as specified in the below schedule. | It is repayable in 36 Installments starting from Jul-2011 till Apr-20 as follows. ROI @ 13.5%(At the time of Sanction) But currently it is @ 10.80%: 2011-12_13L PQ, 2012-13_13L PQ, 2013-14_15L PQ, 2014-15_17L PQ, 2015-16_20L PQ, 2016-17_23L PQ, 2017-18_26L PQ, 2018-19_30L PQ, 2019-20_35L PQ, 2020-21_29L PQ. | 1 year MCLR + 2.25% (On the date of Sanction 1 Year MCLR is 7.85%) |
| 2 | SBI Corporate Loan - 37599016822 | 1st charge on fixed assets of the company both present and future. | 1. Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members as specified in the below schedule. | Repayable in 20 Quarterly installments 1.50 Cr each. (From 31-Dec-18 to 30-Sep-23) ROI @ 13.1%(at the time of Sanction) but currently it is 10.80%. | 1 year MCLR + 2.25% (On the date of Sanction 1 Year MCLR is 7.85%) |
| 3 | Canara Bank Term Loan - 4929773000015 | 1. Showcases, Furniture and Fixtures and other fixed assets of 8 showrooms - Exclusive First charge by way of hypothecation 2. Intangibles (Brand Value) - Paripassu I charge by way of assignment | 1. Fixed assets of all showrooms and Intangible assets on Paripassu II Charge basis. 2. For Term Loan and WC Limits together, the company offered Collateral security as detailed below | Repayable in 20 Quarterly installments 1.10 Cr each. (From 30-Jun-19 to 31-Mar-24) ROI @ 13.95% p.a | 1 year MCLR + 4.50% + 0.85% (TP) (On the date of Sanction 1 Year MCLR is 8.60%) |



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

| Sl.No | Lender | Primary Security | Collateral Security | Terms of Payment | Int. Rate |
|-------|----------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| 1 | State Bank of India (CC and SLC) | Hypothecation of stocks, receivables and other current assets of the company on 1st Charge Basis | 1. Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members and Pledge of Shares as specified in the below schedule apart from the cash collateral in the name of the promoter / company as detailed below | On demand DP Margins : Paid Stock-25% Debtors - 100% | 1 Year MCLR+0.95% In Case of SLC/Adhoc: 1% over the ROI on CC [On the date of Sanction 1 year MCLR is 7.85%] |
| 2 | Canara Bank (CC) | Hypothecation of stocks, other current assets of the company on Paripassu 1st Charge Basis | 1. Fixed assets of all showrooms and Intangible assets on Paripassu II Charge basis. 2. For Term Loan and WC Limits together, the company offered Collateral security as detailed below | On demand DP Margins : Paid Stock-25% Debtors - 100% | 1 Year MCLR+4.5% [On the date of Sanction 1 year MCLR is 8.60%] |

1.2 Schedule of Collateral property

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



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| | | | | | |
|----|-------------------------------------------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------|
| 4 | Land and Building (Admeasuring 311.11 Sq.Yds) | S.Mohan Rao S/o S.Vemkateswarlu and Smt. S.Swarnalatha w/o S.Mohan Rao | Kukatpally Housing board Colony, Phase I & II, Ward No.15, Block No.24, Kukatpally viillage & Municipality, Balanagar Mandal, RR District (AP). | State Bank of India | Being a Cellar + G + 4 Floors commercial Building totally admeasuring 9610 sft. And other civil works there on. |
| 5 | Open Land (Admeasuring Ac 4.30 Gts) | Smt.M.R.Soumya | In Sy. No. 105/2A1, Bannikuppa Village, Bidadi Hobli, Ramanagar, Bangalore. | State Bank of India | Sale Deed No. 3540/2006 |
| 6 | Commercial Plot Admeasuring 2893 Sq Yards | Varamahalakshmi Holdings Pvt. Ltd. | Sy no. 8-5-255/1 (7,7/1,8 to 12), Diamond Colony, Saroor Nagar, Ranga Reddy, Telangana | State Bank of India | |
| 7 | Cash Collateral of 8.50 Crores | Existing 2.40 Cr and Addl 6.10 Cr | | State Bank of India | |
| 8 | 30% Pledge of paid up Shares of the company held by Promoters | | | State Bank of India | |
| 9 | Open Plot (Admeasuring 540 Sq Yards) | Sai Readymades | Plot no. OS-2, Ramky Pearls in Sy no.143,144,145,146,147,149,150,151, 152,153,154,155 & 156, Kukatpalli, Medchal-Malkajgiri Dist., Hyd.,TG | CANARA Bank | Market Value of Rs. 4.70 Cr CANARA Bank accepted as collateral for Rs. 4.00 Cr (85% of M.V) By MODT |
| 10 | Open Plot (Admeasuring 540 Sq Yards) | Sai Readymades | Plot no. OS-13, Ramky Pearls in Sy no.143,144,145,146,147,149,150,151, 152,153,154,155 & 156, Kukatpalli, Medchal-Malkajgiri Dist., Hyd.,TG | CANARA Bank | Market Value of Rs. 4.70 Cr CANARA Bank accepted as collateral for Rs. 4.00 Cr (85% of M.V) By MODT |
| 11 | Term Deposit of Rs. 2.12 Cr. | | | CANARA Bank | By Pledge |
| 12 | Pledged 1.75 crore equity shares worth Rs. 17.50 crores held by the promoters | | | CANARA Bank | By Pledge |

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



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1.3 Personal Guarantees of the following persons:

| SI No. | Particulars | Offered to |
|--------|------------------------------------------------------------------|----------------------------------|
| 1 | Sri Chalavadi Naga Kanaka Durga Prasad S/o C. Krishna Murthy | State Bank of India, Canara Bank |
| 2 | Sri Annam Kalyan Srinivas S/o A Chandra Sekhar | State Bank of India, Canara Bank |
| 3 | Sri Annam Subhash Chandra Mohan S/o A, Chandra Sekhar | State Bank of India |
| 4 | Sri Chalavadi DK Durga Rao S/o C Krishna Murthy | State Bank of India, Canara Bank |
| 5 | Sri Annam Veikata Rajesh S/o A, Chandra Sekhar | State Bank of India |
| 6 | Sri S Mohan Rao, S/o Venkateswarlu | State Bank of India |
| 7 | Smt S Swarnalatha W/O S Mohan Rao | State Bank of India |
| 8 | Smt T R Saroja D/o Late T S Ramaiah | State Bank of India |
| 9 | Smt M R Sowmya W/O Girija Shanker | State Bank of India |
| 1 | Corporate Gaurantor Varamahalakshmi Holdings Pvt. Ltd. | State Bank of India |

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

| SI.No | Lender | Primary Security | Terms of Payment | Int. Rate |
|-------|-----------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------|-----------|
| 1 | HDFC Commercial vehicle Loan - 47771368 | Ultra Light Commercial vehicle - Mahindra Bolero | Repayable in 36 monthly installments of Rs.20,913/- each commencing from 15 Jun'17 | 8.75% |
| 2 | HDFC Commercial vehicle Loan - 47769475 | Ultra Light Commercial vehicle - Mahindra Bolero | Repayable in 36 monthly installments of Rs.20,913/- each commencing from 15 Jun'17 | 8.75% |
| 3 | HDFC Auto Loan - 597243332 | Tata Tiago | Repayable in 36 monthly installments of Rs.16,337/- each commencing from 07 Sep'18 | 9.50% |
| 4 | Yes Bank Loan - 396709 | Jaguar F Pace | Repayable in 36 monthly instalments of Rs.1,45,457/- each commencing from 15 Sep'18 | 8.79% |
| 5 | Toyota FSIL Vehiclle Loan- Innova-NHYD1076175 | Innova | Repayable in 60 monthly installments of Rs.41,406/- each commencing from 20Jul'16 | 9.25% |
| 6 | Toyota FSIL Vehiclle Loan- Innova-NHYD1077164 | Innova | Repayable in 60 monthly instalments of Rs.41,406/- each commencing from 02Aug'16 | 9.25% |
| 7 | Toyota FSIL Vehiclle Loan- Innova-NHYD1082159 | Innova | Repayable in 60 monthly installments of Rs.41,406/- each commencing from 20Sep'15 | 9.25% |



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| | | | | |
|----|-------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------------------------|-------|
| 8 | Kotak Mahindra Vehicle Loan - Benz - Cf 12806897 | Benz | Repayable in 60 monthly installments of Rs.1,28,380/- each commencing from 05May'16 | 9.38% |
| 9 | Kotak Mahindra Vehicle Loan - Jaguar Cf-13123058 | Jaguar | Repayable in 60 monthly installments of Rs.98,270/- each commencing from 01Aug'16. | 8.98% |
| 10 | Kotak Mahindra Vehicle Loan - Volvo - Cf 12806991 | Volvo | Repayable in 60 monthly installments of Rs.90,515/- each commencing from 05May'16. | 9.39% |
| 11 | Kotak M Vehicle Loan - Land Rover - CF-13265958 | Land Rover | Repayable in 60 monthly installments of Rs.1,10,607/- each commencing from 05Sep'16. | 9.13% |
| 12 | Kotak M Vehicle Loan- Benz2017-CF-14170601 | Benz2017 | Repayable in 36 monthly installments of Rs.2,18,717/- each commencing from May'2017. | 7.89% |
| 13 | Canara Bank-Creta Car Vehicle Loan - 4929603000020 | Hyundai Creta | Repayable in 84 monthly installments of Rs. 24,895/- each commencing from May'2019. | 9.15% |
| 14 | Canara Bank-MG Car Vehicle Loan - 4929603000023 | MG | Repayable in 84 monthly installments of Rs. 26,939/- each commencing from Nov'2019. | 8.65% |
| 15 | Canara Bank-Skoda Car Vehicle Loan - 4929603000022 | Skoda | Repayable in 84 monthly installments of Rs. 52,927/- each commencing from Oct'2019. | 8.90% |
| 16 | Canara Bank-Innova Crysta Vehicle Loan - 4929603000024 | Innova | Repayable in 84 monthly installments of Rs. 34,370/- each commencing from Jan'2020. | 8.65% |
| 17 | HDFC Bank-BMW Vehicle Loan - 96977239 | BMW | Repayable in 60 monthly installments of Rs.2,38,130/- each commencing from Jan'2020. | 8.50% |
| 18 | Daimler Financial Services India Private Ltd - Benz Car Vehicle Loan_10130378 | Benz | Repayable in 60 monthly installments of Rs.1,54,888/- each commencing from Dec'2019. | 7.66% |
| 19 | Toyota FSIL-Toyota Vellfire Vehicle Loan--NHYP1184355 | Vellfire | Repayable in 60 monthly installments of Rs.1,89,910/- each commencing from Apr'2020. | 8.31% |



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

Note No

Particulars

38 Note: Contingent Liabilities

The company has filed Rectification u/s 154 in relation to the following and which is pending
 - For an amount of Rs. 14,62,828/- in respect of the AY 2012-13, due to variation in calculation of Interest on deferred payments u/s 234B & C.
 - For an amount of Rs. 84,56,774/- in respect of the AY 2016-17, due to variation in calculation of Interest on deferred payments u/s 234A, 234B & C.

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

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

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

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

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

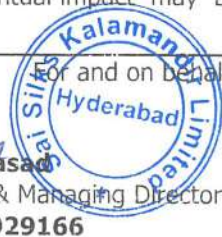
44 The retail industry as a whole has been adversely impacted by the spread of COVID-19. The Operations of the company were impacted to certain extent owing to the complete Lock down imposed from 22-03-2020. In this crisis, our priorities are to protect the employees and their families from COVID-19,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

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

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

For and on behalf of the board

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



Ann
Annam Kalyan Srinivas
 Whole Time Director
DIN : 02428313

Obandu
Ramakrishna Oruganti
 Chief Financial Officer

Prasanna C. Jayanti
Prasanna C. Jayanti
 Chief Executive Officer

M K Bhaskara Teja
M K Bhaskara Teja
 Company Secretary

Note No.45: Significant Accounting Policies

General Information:

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

The Accounting Policies following by the Company are as follows:

1. Basis of Accounting;

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

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

2. Use of Estimates;

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

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

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

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

4. Borrowing Cost(AS 16);

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



5. Investments(AS 13);

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

6. Inventories(AS 2);

Inventories are valued as follows;

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

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

7. Transactions in Foreign Currency(AS 11);

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

8. Revenue Recognition (AS 9);

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

9. Miscellaneous Expenditure(AS 26);

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

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

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

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



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

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

12. Cash Flow Statement(AS 3);

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

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

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements. The same is in compliance with AS-29 to the extent applicable.

14. Impairment of Assets(AS 28);

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

15. Leases(AS 19);

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

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

18. Accounting on Amalgamation (AS-14)

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

