

15th ANNUAL GENERAL MEETING**Thursday, 24th August, 2023**

At 10.30 A.M. at

Reg.off: 6-3-790/8, Flat No-1, Bathina Apartments,
Ameerpet, Hyderabad, Telangana 500016**Contents**

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Company Information**CIN: U52190TG2008PLC059968****Board of Directors****Mr. Ravindra Vikram Mamidipudi -Chairman**
-Independent Director**Mr. Nagakanaka Durga Prasad Chalavadi**
-Managing Director**Mr. Pramod Kasat**
-Independent Director**Mr. Kunisetty Venkata Ramakrishna**
-Independent Director**Ms. Sirisha Chintapalli**
-Independent Director**Mr. Kalyan Srinivas Annam**
-Whole Time Director**Mr. Doodeswara Kanaka Durgarao Chalavadi**
-Whole Time Director**Chief Financial officer**
Mr. Venkata Lakshmi Narasimha Sarma Konduri**Company Secretary & Compliance officer**
Mr. Matte Koti Bhaskara Teja**Registered office:**#6-3-790/8, Flat No-1,
Bathina Apartments, Ameerpet,
Hyderabad, Telangana 500016
Ph: 040 666566555,
E-Mail: info@sskl.co.in
Website: www.sskl.co.in**Statutory Auditors**M/s Sagar & Associates
Chartered Accountants
6-3-244/5, Sarada Devi Street, Prem Nagar
Hyderabad- 500 004,
Telangana, India**Internal Auditors**M/s. L V N S Sumanth & Associates
5-5-35/162/f5, Soni Complex,
Prashanth Nagar, Kukatpally,
Hyderabad, Telangana.**Secretarial Auditors****M/s. P S Rao & Associates**
6-3-347-22/2, Flat-10, 4th Floor, Iswarya Nilayam,
Dwarakapuri Colony, Punjagutta, Hyderabad,
500082 Telangana.**Bankers**State Bank of India
Canara Bank
HDFC Bank Ltd
IDBI Bank Ltd

COMMITTEES

Audit Committee	Stakeholders' Relationship Committee
Mr. Ravindra Vikram Mamidipudi - Chairman Mr. Kunisetty Venkata Ramakrishna - Member Mr. Pramod Kasat - Member Mr. Nagakanaka Durga Prasad Chalavadi (resigned w.e.f 13.07.2023) Ms. Sirisha Chintapalli – Member (Appointed w.e.f 13.07.2023)	Ms. Sirisha Chintapalli – Chairperson Mr. Nagakanaka Durga Prasad Chalavadi - Member Mr. Kalyan Srinivas Annam – Member
Nomination & Remuneration Committee	Corporate Social Responsibility Committee
Mr. Kunisetty Venkata Ramakrishna - Chairman Mr. Pramod Kasat - Member Mr. Ravindra Vikram Mamidipudi - Member Ms. Sirisha Chintapalli - Member	Mr. Ravindra Vikram Mamidipudi - Chairman Mr. Nagakanaka Durga Prasad Chalavadi - Member Mr. Kalyan Srinivas Annam - Member
Risk Management Committee	Executive Management & IPO Committee
Mr. Nagakanaka Durga Prasad Chalavadi - Chairman Mr. Kalyan Srinivas Annam - Member Mr. Doodeswara Kanaka Durgarao Chalavadi - Member Mr. Ravindra Vikram Mamidipudi - Member Mr. Venkata Lakshmi Narasimha Sarma Konduri - Member	Mr. Nagakanaka Durga Prasad Chalavadi – Chairman Mr. Kalyan Srinivas Annam - Member Mr. Doodeswara Kanaka Durgarao - Member

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the members of **Sai Silks (Kalamandir) Limited** will be held on Thursday, 24th August, 2023 at 10.30 A.M. at the Registered Office of the Company situated at 6-3-790/8, Flat No.1, Bathina Apartments, Ameerpet, Hyderabad - 500016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2023 along with the Notes thereon and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. Kalyan Srinivas Annam (DIN: 02428313) who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

3. **To re-appoint Ms. Sirisha Chintapalli (DIN: 08407008), to the office of Independent Director and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Sirisha Chintapalli (DIN: 08407008), who was appointed as an Independent Director and who holds office as an Independent Director up to 11th April, 2024 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, that is, up to 11th April, 2029;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. **To re-appoint Mr. Nagakanaka Durga Prasad Chalavadi, Managing Director (DIN: 01929166) and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.**

“RESOLVED THAT pursuant to the provisions of section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and schedule V to the Act (including any statutory modification(s) or re-enactments thereof for the time being in force), the reappointment of Mr. Nagakanaka Durga Prasad Chalavadi (DIN: 01929166) by the Board of directors, to the office of Managing Director of the Company, a Key Managerial Personnel as defined under Section 2(51) of the said Act, for a period of 3 years w.e.f 01.04.2024 on such terms and conditions, as recommended by the Nomination and Remuneration Committee, as detailed hereunder, be and is hereby approved :

Remuneration w.e.f 01.04.2024

Basic Salary: Rs. 2,00,00,000/- (Rupees Two Crores only) per annum.

House Rent Allowance: Rs. 1,20,00,000/- (Rupees One Crore Twenty Lakhs only) per annum (i.e, @60% of basic salary).

Other Allowances:

- LTA- Rs. 10,00,000/- (Rupees Ten Lakhs Only) per annum.
- Car Running & Maintenance Allowance – Rs. 2,40,000 /- (Rupees Two Lakhs Forty Thousand Only) per annum.
- Other Allowances – Rs.1,67,60,000/- (Rupees One Crore Sixty Seven Lakhs Sixty Thousand Only) per annum.

Other Terms:

- In addition to the aforesaid monetary emoluments, Mr. Chalavadi Naga Kanaka Durga Prasad shall be entitled for an annual insurance premium not exceeding Rs.16,00,000/-
- Further, Mr. Chalavadi Naga Kanaka Durga Prasad shall not, so long as he holds the office of Managing Director of the Company, be entitled to receive any fee for attending any meeting of the Board or the Committee thereof.

“RESOLVED FURTHER THAT Mr. Chalavadi Nagakanaka Durga Prasad shall not be subject to retirement by rotation.”

“RESOLVED FURTHER THAT in the event of loss or inadequate profits for any financial year, Mr. Chalavadi Nagakanaka Durga Prasad shall be entitled to draw the aforesaid remuneration as minimum remuneration for the particular financial year.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration including annual increments based on the performance appraisal, provided the same does not exceed the limits specified under Schedule V to the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

“RESOLVED FURTHER THAT Mr. M. K. Bhaskara Teja, the Company Secretary of the Company or any Director of the Company be and are hereby severally authorised to file the requisite forms and documents with the Registrar of Companies, MCA in the said regard.”

5. **To re-appoint Mr. Kalyan Srinivas Annam, Whole Time Director (DIN: 02428313) and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.**

“RESOLVED THAT pursuant to the provisions of section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and schedule V to the Act (including any statutory modification(s) or re-enactments thereof for the time being in force), the reappointment of Mr. Kalyan Srinivas Annam (DIN: 02428313) by the Board of directors to the office of Whole Time Director of the Company, for a period of 3 years w.e.f 01.04.2024 on such terms and conditions, as recommended by the Nomination and Remuneration Committee, as detailed hereunder, be and is hereby approved :

Remuneration w.e.f. 01.04.2024

Basic Salary: Rs. 79,60,000/- (Rupees Seventy Nine Lakhs Sixty Thousand only) per annum.

House Rent Allowance: Rs. 47,76,000/- (Rupees Forty Seven Lakhs Seventy Six Thousand only) per annum (i.e, @60% of basic salary).

Other Allowances:

- LTA- Rs. 3,98,000/- (Rupees Three Lakhs Ninety Eight Thousand Only) per annum.
- Car Running & Maintenance Allowance – Rs.2,40,000 /- (Rupees Two Lakhs Forty Thousand Only) per annum.
- Other Allowances – Rs. 65,26,000/- (Rupees Sixty Five Lakhs Twenty Six Thousand Only) per annum.

Other Terms:

- In addition to the aforesaid monetary emoluments, Mr. Kalyan Srinivas Annam shall be entitled for an annual insurance premium not exceeding Rs.6,00,000/-
- Further, Mr. Kalyan Srinivas Annam shall not, so long as he holds the office of Whole Time Director of the Company, be entitled to receive any fee for attending any meeting of the Board or the Committee thereof.

“RESOLVED FURTHER THAT in the event of loss or inadequate profits for any financial year, Mr. Kalyan Srinivas Annam shall be entitled to draw the aforesaid remuneration as minimum remuneration for the particular financial year.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration including annual increments based on the performance appraisal, provided the same does not exceed the limits specified under Schedule V to the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

“RESOLVED FURTHER THAT Mr. M. K. Bhaskara Teja, the Company Secretary of the Company or any Director of the Company be and are hereby severally authorised to file the requisite forms and documents with the Registrar of Companies, MCA in the said regard.”

6. **To re-appoint Mr. Doodeswara Kanaka Durgarao Chalavadi, Whole Time Director (DIN: 02689280) and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution.**

“RESOLVED THAT pursuant to the provisions of section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and schedule V to the Act (including any statutory modification(s) or re-enactments thereof for the time being in force), the reappointment of Mr. Doodeswara Kanaka Durgarao Chalavadi (DIN: 02689280) by the Board of directors to the office of Whole Time Director of the Company, for a period of 3 years w.e.f 01.04.2024 on such terms and conditions, as recommended by the Nomination and Remuneration Committee, as detailed hereunder be and is hereby approved:

Remuneration w.e.f 01.04.2024

Basic Salary: Rs. 35,60,000/- (Rupees Thirty Five Lakhs Sixty Thousand only) per annum.

House Rent Allowance: Rs. 21,36,000/- (Rupees Twenty One Lakhs Thirty Six Thousand only) per annum (i.e, @60% of basic salary).

Other Allowances:

- LTA- Rs. 1,78,000/- (Rupees One Lakh Seventy Eight Thousand Only) per annum.
- Car Running & Maintenance Allowance – Rs. 2,40,000 /-
- (Rupees Two Lakhs Forty Thousand Only) per annum.
- Other Allowances – Rs. 27,86,000/- (Rupees Twenty Seven Lakhs Eighty Six Thousand Only) per annum.

Other terms:

- In addition to the aforesaid monetary emoluments, Mr. Chalavadi Kanaka Doodeswara Durga Rao shall be entitled for an annual insurance premium not exceeding Rs.5,00,000/-
- Further, Mr. Chalavadi Kanaka Doodeswara Durga Rao shall not, so long as he holds the office of Whole Time Director of the Company, be entitled to receive any fee for attending any meeting of the Board or the Committee thereof.

“RESOLVED FURTHER THAT in the event of loss or inadequate profits for any financial year, Chalavadi Kanaka Doodeswara Durga Rao shall be entitled to draw the aforesaid remuneration as minimum remuneration for the particular financial year.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration including annual increments based on the performance appraisal, provided the same are not exceeding the limits specified under Schedule V to the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

“RESOLVED FURTHER THAT Mr. M. K. Bhaskara Teja, the Company Secretary of the Company or any other Director of the Company be and are hereby severally authorised to file the requisite forms and documents with the Registrar of Companies, MCA in the said regard.”

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

**Sd/-
Matte Koti Bhaskara Teja
Company Secretary**

**Place: Hyderabad
Date: 13.07.2023**

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The Proxy form duly filled in should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. All alterations/corrections made in the form of Proxy should be initialed by the Member.
- Members/Proxies are requested to bring their copies of Annual Report and the attendance slip sent herewith duly filled in for attending the meeting.
- A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint single person as proxy for his entire shareholding and such person shall not act as a proxy for any other person or shareholder.
- Information in respect of Directors seeking re-appointment pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by ICSI is attached herewith. Additionally, information as required under Schedule V to the Companies Act, 2013 in respect of reappointments of Managing Director and Whole time Directors is also attached herewith.
- As per SS-2, complete particulars of the venue of the Meeting through route map has been attached herewith the Notice.
- Explanatory Statement in respect of items of Special Business as required under Section 102 of the Companies Act, 2013 is annexed herewith.

**EXPLANATORY STATEMENT
(Under Section 102 of the Companies Act, 2013)**

Item No.3

The Board of Directors and subsequently the members, in their Annual General Meeting, had appointed Ms. Sirisha Chintapalli (DIN: 08407008) as an Independent Director of the Company, to hold office upto 11th April, 2024, ("first term").

The Nomination and Remuneration Committee of the Board of Directors, (the "NR Committee") on the basis of the report of performance evaluation, has recommended re-appointment of Ms. Sirisha Chintapalli as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company. The Board, based on the performance evaluation and as per the recommendation of the NR Committee, considers that, given her professional background and experience, the continued association of Ms. Sirisha Chintapalli would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director.

Accordingly, it is proposed to re-appoint Ms. Sirisha Chintapalli as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Ms. Sirisha Chintapalli is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given her consent to act as a Director. The Company has also received declaration from Ms. Sirisha Chintapalli that she meets the criteria of independence as prescribed, both, under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In the opinion of the Board, Ms. Sirisha Chintapalli fulfils the conditions for appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations. Ms. Sirisha Chintapalli is independent of the management. Details of Ms. Sirisha Chintapalli are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof and reimbursement of expenses for participating in the Board and other meetings. Copy of draft letter of appointment of Ms. Sirisha Chintapalli setting out the terms and conditions of appointment is available electronically for inspection by the Members.

Ms. Sirisha Chintapalli is interested in the resolution set out at Item No. 3 of the Notice with regard to her reappointment. Neither Ms. Sirisha Chintapalli nor any of her relatives hold any shares in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item No.3 of the Notice for approval by the Members.

Item Nos. 4, 5 & 6:

As the members are aware, the following managerial personnel were reappointed to their respective office of Managing Director / Whole time Directors of the Company as detailed hereunder:

Sl. No.	Name	Designation	Period of appointment
1.	Mr. Nagakanaka Durga Prasad Chalavadi (Mr. Prasad)	Managing Director	3 years (01.04.2021 to 31.03.2024)
2.	Mr. Kalyan Srinivas Annam (Mr. Kalyan)	Whole Time Director	3 years (01.04.2021 to 31.03.2024)

3.	Mr. Durgarao Doodeswara Kanaka Chalavadi (Mr. Durgarao)	Whole Time Director	3 years (01.04.2021 to 31.03.2024)
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Note : Mr. Prasad, Mr. Kalyan and Mr. Durgarao hereinafter collectively referred to as managerial personnel.

The tenure of offices of aforesaid managerial personnel expires on 31.03.2024. As the members are aware, all the aforesaid managerial personnel have proved their indispensable position in the Company. All the three managerial personnel are stalwarts in their respective areas. It is felt that the Company retains their services and reappoint them for another term of 3 years.

The proposed remuneration structure of the said managerial personnel forms part of respective resolutions.

In the said backdrop, the Board of Directors reappointed the said managerial personnel for a period of 3 years wef 01.04.2024 in its Board Meeting held on July 13, 2023.

The aforesaid appointments (including remuneration) of the said managerial personnel shall be subject to your approval.

Pursuant to the provisions of Part II and Part III to Schedule V of the Companies Act, 2013, any such appointment of a Key Managerial Personnel carrying the aforesaid remuneration, needs to be approved by the members by passing a Special Resolution. Considering the profitability parameters of the Company for the FY 2022-23, the remuneration proposed to be paid to the Managing Director / other managerial personnel is well within the limits prescribed under the provisions of Section 197 of the Companies Act, 2013 and calculated in accordance with Section 198 of the Companies Act, 2013. However, as a matter of abundant caution and preventive measures, the approval of the shareholders is being sought pursuant to the said provisions. The management is highly confident that the Company will continue to report healthy profits in the ensuing years also.

Hence, the resolutions as set out at Item No.4, 5 and 6 in the Notice are recommended for your consideration and approval.

Copies of draft letters of appointment of the said managerial personnel setting out the terms and conditions are available for inspection by members at the Registered Office of the Company during the working hours on any working day till the conclusion of the ensuing AGM.

Mr. Prasad and Mr. Durgarao are related as brothers to each other. Further, Mr. Prasad, Mr. Durgarao and their relatives are shareholders in the Company. Hence, Mr. Prasad and Mr. Durgarao and their relatives may be deemed to be interested in the resolutions laid at Item No.4 and 6 in the Notice.

Mr. Kalyan and his relatives are shareholders in the Company. Hence, Mr. Kalyan and his relatives may be deemed to be interested in the resolution laid at Item No.5 in the Notice.

The other Key Managerial Personnel and their relatives are not interested /concerned in any of the said resolutions, whether financial or otherwise.

Save and except the aforesaid, none of the Directors, Key Managerial Personnel and their relatives is interested /concerned in the said resolution, whether financial or otherwise.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the Memorandum of interest of Directors under the provisions of the Companies Act, 2013.

Information in respect of Director seeking re-appointment as per Secretarial Standards on General Meetings issued by ICSI and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the Director	Nagakanaka Durga Prasad Chalavadi
Date of Appointment including terms and conditions of appointment	Currently holds the office of Managing Director of the Company, whose tenure shall expire on 31.03.2024. Reappointment to the office of Managing Director for a period of 3 years w.e.f 01.04.2024, subject to the approval of members in their ensuing AGM. (The remuneration details forms part of Resolution / Explanatory Statement). Not liable to retire by rotation.
Date of first appointment on the Board	03.07.2008
Date of Birth	07.07.1968 (55 Years)
Expertise in Specific Functional areas and Experience	He is the founder promoter of our company. He has more than 17 years of experience in the retail sector, including as one of the partners of the erstwhile partnership firm under the name 'Sai Silks' (now converted into our Company) and is responsible for the overall management, finance, internal controls and security systems of our Company. Has good working knowledge in systems and software applications related to retail industry.
Educational Qualification	Bachelor's Degree in Commerce from Nagarjuna University and Master's Degree in Business Administration from Institute of Management Education, Pune. He also holds Post Graduate Diploma in computer applications from Institute of Computer Software Sciences.
Directorships in other Companies	Sai Retail India Limited
Membership / Chairmanship of committees of Other Boards	<u>Sai Retail India Limited</u> Member of CSR Committee and Nomination and Remuneration Committee
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Proposed Remuneration: No change in remuneration structure. (proposed remuneration forms part of the Resolution laid in the Notice). Last drawn Remuneration: Rs. 5 Crores per annum for FY 2022-23
Shareholding in the Company as on 31.03.2023	56,975,505 Equity shares of face value of Rs.2 /- each

Relationship between Directors inter-se/ Manager and KMPs	Brother of Mr. Durgarao Doodeswara Kanaka Chalavadi, Whole Time Director
Number of Meetings of the Board attended during the year 2022-23	8/8

Additional Disclosure in terms of Section II of Part II of Schedule V of the Companies Act, 2013

I. GENERAL INFORMATION				
Nature of Industry		Retail Trading		
Date of commencement of commercial operation		The Company was incorporated in the year 2008 and has commenced its operations.		
In case of new Company, expected date of commencement of activities as per project approved by FI, appearing in the prospectus		N.A		
Financial Performance		Rs. in (Crores)		
Financial parameters:		2022-23	2021-22	2020-21
Turnover (operational revenue)		(audited)	(audited)	(audited)
Net profit after tax		1351.46	1129.32	677.25
Amount of dividend paid		96.6	57.6	5.38
Rate of dividend declared				
Foreign Investments or collaborations		Nil		
II. INFORMATION ABOUT THE APPOINTEE				
	Mr. Nagakanaka Durga Prasad Chalavadi			
Background Details	Mr. Nagakanaka Durga Prasad Chalavadi, aged about 55 years, has a rich experience of more than 17 years in retail textiles industry. Bachelor’s Degree in Commerce from Nagarjuna University and Master’s Degree in Business Administration from Institute of Management Education, Pune. He also holds Post Graduate Diploma in computer applications from Institute of Computer Software Sciences. He has strong business perspective and managerial skills, highly experienced in managing cross functional peer teams and strategy formulation skills.			
Past remuneration (Rs per annum)	2022-23	2021-22	2020-21	
	5.00 Crores	2.44 Crores	0.88 Crores	

Job profile and his suitability	Having an extensive experience of more than 17 years in Textile Industry, possessing strong business perspective and managerial skills, highly experienced in managing cross functional peer teams and strategy formulation skills, Mr. Nagakanaka Durga Prasad Chalavadi, remains an undisputed choice for leading the Company in its course of journey. His experience working as a SAP consultant and his technology background helps him build the right systems and software for all business needs.
Recognition or awards	<ul style="list-style-type: none"> • “Inspirational leaders of new India” by Planman - 2013 • “Gem of India” by All India Achievers Conference
Remuneration proposed	Proposed Remuneration: Not exceeding Rs. 5.00 Crores per annum. <i>(For details, refer Resolution laid at Item No.4 in the Notice hereto)</i>
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	Taking into consideration the size of the Company, future growth plans, the experience of Mr. Nagakanaka Durga Prasad Chalavadi and the work profile being handled by him, the remuneration as mentioned above is on par with the remuneration being paid to similar position in other Companies.
Pecuniary relationship directly or indirectly with the Company, or relation with the managerial personnel, if any.	Apart from the remuneration, pecuniary relationship / transactions with Mr. Nagakanaka Durga Prasad Chalavadi: <ul style="list-style-type: none"> • Lease of premises to the Company • Brother of Mr. Durgarao Doodeswara Kanaka Chalavadi, Whole Time Director

III. OTHER INFORMATION

Reasons of loss or inadequacy of profits	Considering the profitability parameters of the Company for the FY 2022-23, the remuneration proposed to be paid to the Managing Director / other managerial personnel is well within the limits prescribed under the provisions of Section 197 of the Companies Act, 2013 and calculated in accordance with Section 198 of the Companies Act, 2013. However, as a matter of abundant caution and preventive measures, the approval of the shareholders is being sought hereunder. The management is highly confident that the Company will continue to report healthy profits in the ensuing years also.
Steps taken or proposed to be taken for improvement	The Company, in its usual course of business is expanding its market reach by opening new stores under various brands and formats. It is also putting its efforts to reduce its overhead costs by optimal utilization of available resources in terms of manpower and finance costs.
Expected increase in productivity and profits in measurable terms	The Company is all set to launch its IPO and raise money for its expansion programme and other objects as mentioned in the Draft Red Herring Prospectus filed with SEBI. In view of the said, it shall not be appropriate on the part of the Company to state the expected / projected increase in the revenue or profitability. However, in view of the proposed expansion plans etc., infusion of funds, repayment of loans etc., the Company is all set to register a sustained growth in the ensuing years.

Information in respect of Director seeking re-appointment as required under the Secretarial Standards on General Meetings issued by ICSI and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the director	Kalyan Srinivas Annam
Date of Appointment including terms and conditions of appointment	Currently holds the office of Whole time Director of the Company, whose tenure shall expire on 31.03.2024. Reappointment to the office of Whole Time Director for a period of 3 years w.e.f 01.04.2024, subject to the approval of members in the ensuing AGM. (The remuneration details forms part of Resolution / Explanatory Statement).
Date of first appointment on the Board	01.04.2009
Date of Birth	16.07.1974 (Age: 49 years)
Expertise in Specific Functional areas	He has been associated with our Company since 2009. He has approximately 16 years of experience in the retail business, including as one of the partners of the erstwhile partnership firm under the name 'Sai Silks' (now converted into our Company). He is responsible for projects, strategic planning, brand building and business development of our Company and leads all related media and advertising activities for the Company. He is also responsible for the legal administration activities of our Company.
Educational Qualification	He holds a Bachelor's Degree in Law from Nagarjuna University and a Post Graduate Diploma in Business Management from Institute of Marketing and Management, New Delhi.
Directorships in other Companies	Sai Retail India Limited
Membership / Chairmanships of committees of Other Boards (other than the Company)	Nil
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Proposed Remuneration: No change in remuneration structure. (proposed remuneration forms part of the resolution laid in the Notice). Last drawn Remuneration: Rs. 1.99 Crores per annum for FY 2022-23
Shareholding in the Company as on 31.03.2023	1,50,96,975 Equity shares of Rs.2/- each
Relationship between Directors inter-se	Not related to any Director / KMP of the Company
Number of Meetings of the Board attended during the year	8/8

Additional Disclosure in terms of Section II of Part II of Schedule V of the Companies Act, 2013

I. GENERAL INFORMATION				
Nature of Industry		Retail Trading		
Date or expected date of commencement of commercial operation		The Company was incorporated in the year 2008 and has commenced its operations.		
In case of new Company, expected date of commencement of activities as per project approved by FI, appearing in the prospectus		N.A		
Financial Performance		Rs. in (Crores)		
Financial parameters:		2022-23	2021-22	2020-21
Turnover (operational revenue)		(audited) 1351.46	(audited) 1129.32	(audited) 677.25
Net profit after tax		96.6	57.6	5.38
Amount of dividend paid				
Rate of dividend declared				
Foreign Investments or collaborations		Nil		
II. INFORMATION ABOUT THE APPOINTEE				
	Mr. Annam Kalyan Srinivas			
Background Details	Mr. Annam Kalyan Srinivas, aged about 49 years, has a rich experience of approximately 16 years in the field of strategic planning, brand building and business development. He has good legal acumen and is also responsible for the legal administration activities of our Company.			
Past remuneration (Rs per annum)	2022-23	2021-22	2020-21	
	1.99 Crores	1.05 Crores	0.44 Crores	
Job profile and his suitability	Having an extensive experience of approximately 16 years in Textile Industry and being instrumental in building the brand image of the Company, Mr. Kalyan is best suited for the said position.			
Recognition or awards	Received various awards on behalf of the Company.			

Remuneration proposed	Not exceeding Rs.1.99 Crores per annum. <i>(For details, refer Resolution laid at Item No.5 in the Notice hereto)</i>
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	Taking into consideration the size of the Company, the experience of Mr. Kalyan and the work profile being handled by him, the remuneration as mentioned above is on par with the remuneration being paid to similar position in other Companies.
Pecuniary relationship directly or indirectly with the Company, or relation with the managerial personnel, if any.	Apart from the remuneration, pecuniary relationship / transactions with Mr. Annam Kalyan Srinivas : Nil

III. OTHER INFORMATION

Reasons of loss or inadequacy of profits	Considering the profitability parameters of the Company for the FY 2022-23, the remuneration proposed to be paid to the managerial personnel is well within the limits prescribed under the provisions of Section 197 of the Companies Act, 2013 and calculated in accordance with Section 198 of the Companies Act, 2013. However, as a matter of abundant caution and preventive measure, the approval of shareholders is being sought hereunder. The management is highly confident that the Company will continue to report healthy profits in the ensuing years also.
Steps taken or proposed to be taken for improvement	The Company, in its usual course of business is expanding its market reach by opening new stores under various brands and formats. It is also putting its efforts to reduce its overhead costs by optimal utilization of available resources in terms of manpower and finance costs.
Expected increase in productivity and profits in measurable terms	The Company is all set to launch its IPO and raise money for its expansion programme and other objects as mentioned in the Draft Red Herring Prospectus filed with SEBI. In view of the said, it shall not be appropriate on the part of the Company to state the expected / projected increase in the revenue or profitability. However, in view of the proposed expansion plans etc., infusion of funds, repayment of loans etc., the Company is all set to register a sustained growth in the ensuing years.

Information in respect of Director seeking appointment/ re-appointment as per Secretarial Standards on General Meetings issued by ICSI and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name of the Director	Doodeswara Kanaka Durgarao Chalavadi
Date of Appointment including terms and conditions of appointment	Currently holds the office of Whole Time Director of the Company, whose tenure shall expire on 31.03.2024. Reappointment to the office of Whole Time Director for a period of 3 years w.e.f 01.04.2024, subject to the approval of members in the ensuring AGM. (The remuneration details forms part of Resolution / Explanatory Statement).
Date of first appointment on the Board	01/06/2009
Date of Birth	03/08/1970 (52 years)
Expertise in Specific Functional areas and Experience	He has been associated with our Company since 2009. He has approximately 13 years of experience in the field of retail business. He is responsible for the procurement and marketing activities of our Company. He was previously associated with FIS Management Services, LLC.
Educational Qualification	He holds a Bachelor's Degree in Commerce from Nagarjuna University and a Master's Degree in computing from Griffith University, Australia.
Directorships in other Companies	NIL
Membership / Chairmanship of committees of Other Boards	NIL
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Proposed Remuneration: No change in remuneration structure. (proposed remuneration forms part of the resolution laid in the Notice). Last drawn Remuneration: Rs. 0.39 Crores per annum for for FY 2022-23
Shareholding in the Company as on 31.03.2023	64,35,250 Equity shares
Relationship between Directors inter-se/ Manager and KMPs	Brother of Mr. Nagakanaka Durga Prasad Chalavadi, Managing Director of the Company.
Number of Meetings of the Board attended during the year 2022-23	7/8

Additional Disclosure in terms of Section II of Part II of Schedule V of the Companies Act, 2013

I. GENERAL INFORMATION																															
Nature of Industry	Retail Trading																														
Date or expected date of commencement of commercial operation	The Company was incorporated in the year 2008 and has commenced its operations.																														
In case of new Company, expected date of commencement of activities as per project approved by FI, appearing in the prospectus	N.A																														
Financial Performance	<div style="text-align: right;">Rs. in (Crores)</div> <table> <tr> <td></td><td>2022-23</td><td>2021-22</td><td>2020-21</td></tr> <tr> <td></td><td>(audited)</td><td>(audited)</td><td>(audited)</td></tr> <tr> <td>Financial parameters:</td><td></td><td></td><td></td></tr> <tr> <td>Turnover (operational revenue)</td><td>1351.46</td><td>1129.32</td><td>677.25</td></tr> <tr> <td>Net profit after tax</td><td>96.6</td><td>57.6</td><td>5.38</td></tr> <tr> <td>Amount of dividend paid</td><td></td><td></td><td></td></tr> <tr> <td>Rate of dividend declared</td><td></td><td></td><td></td></tr> </table>				2022-23	2021-22	2020-21		(audited)	(audited)	(audited)	Financial parameters:				Turnover (operational revenue)	1351.46	1129.32	677.25	Net profit after tax	96.6	57.6	5.38	Amount of dividend paid				Rate of dividend declared			
	2022-23	2021-22	2020-21																												
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Amount of dividend paid																															
Rate of dividend declared																															
Foreign Investments or collaborations	Nil																														

II. INFORMATION ABOUT THE APPOINTEE	
	Mr. Durgarao Doodeswara Kanaka Chalavadi
Background Details	Mr. Durgarao Doodeswara Kanaka Chalavadi, aged about 52 years, has rich experience in the field of procurement, marketing and research functions. He has played a key role in expansion of retail business of the Company. He has experience of approximately of 13 years as a software developer and has worked as a systems analyst and database administrator at Fidelity National Finance, USA.

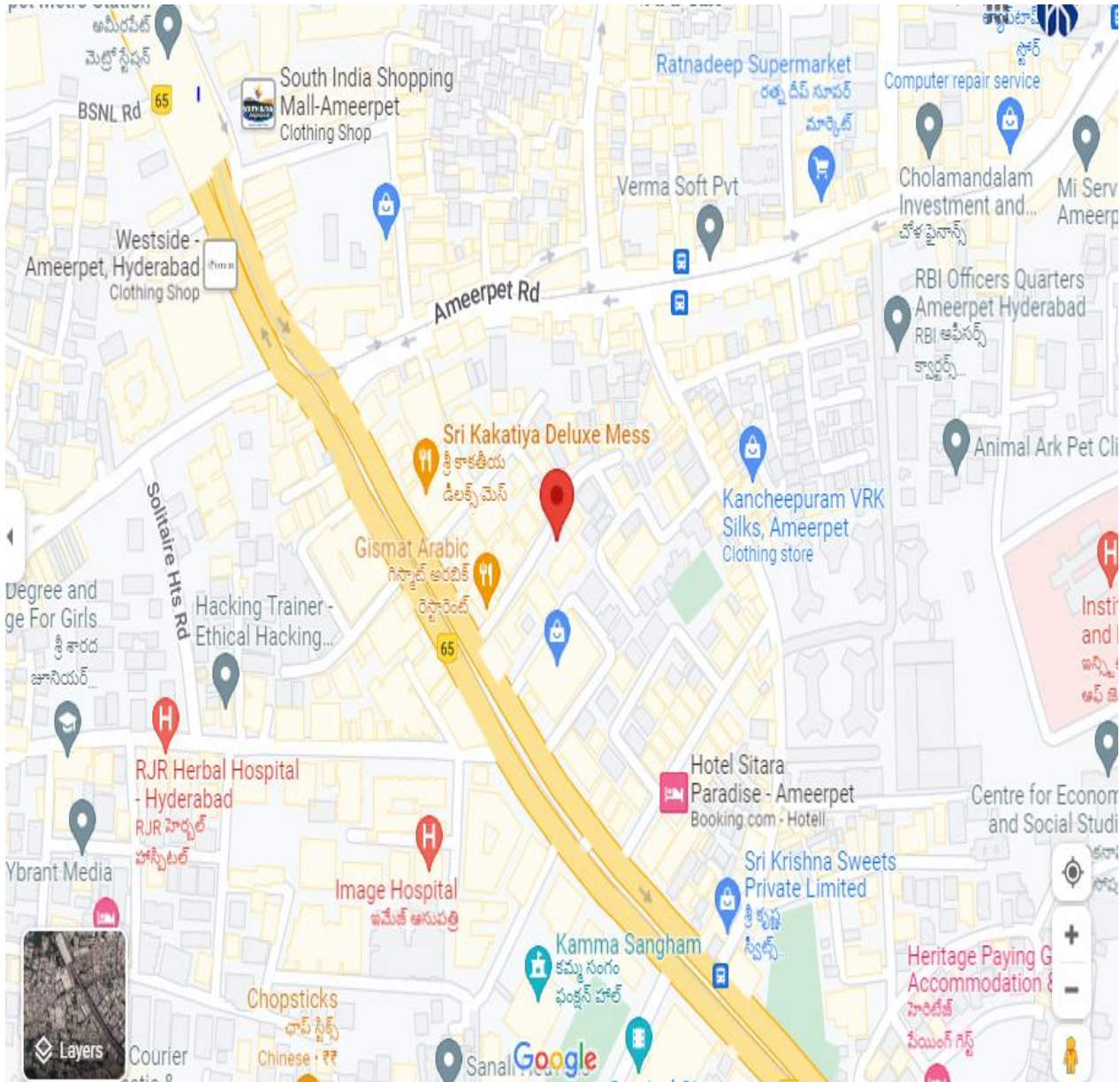
Past remuneration (Rs per annum)	2022-23 0.39 Crores	2021-22 0.36 Crores	2020-21 0.29 crores
Job profile and his suitability	Having played a key role in expansion of retail business of the Company, possessing expertise in procurement, marketing and research functions, Mr. Durga Rao is best suited for the position.		
Recognition or awards	Nil		
Remuneration proposed	Not exceeding Rs.89 lacs per annum. <i>(For details, refer Resolution laid at Item No.6 in the Notice hereto)</i>		
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	Taking into consideration the size of the Company, the experience of Mr. Durgarao Doodeswara Kanaka Chalavadi and the profile being handled by him, the remuneration as mentioned above is on par with the remuneration being paid to similar position in other Companies.		
Pecuniary relationship directly or indirectly with the Company, or relation with the managerial personnel, if any.	Apart from the remuneration, pecuniary relationship / transactions with Mr. Durgarao Doodeswara Kanaka Chalavadi : Nil Brother of Mr. Nagakanaka Durga Prasad Chalavadi, the Managing Director of the Company.		

III. OTHER INFORMATION

Reasons of loss or inadequacy of profits	Considering the profitability parameters of the Company for the FY 2022-23, the remuneration proposed to be paid to the managerial personnel is well within the limits prescribed under the provisions of Section 197 of the Companies Act, 2013 and calculated in accordance with Section 198 of the Companies Act, 2013. However, as a matter of abundant caution and preventive measure, the approval of shareholders is being sought hereunder. The management is highly confident that the Company will continue to report healthy profits in the ensuing years also.
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Steps taken or proposed to be taken for improvement	The Company, in its usual course of business is expanding its market reach by opening new stores under various brands and formats. It is also putting its efforts to reduce its overhead costs by optimal utilization of available resources in terms of manpower and finance costs.
Expected increase in productivity and profits	The Company is all set to launch its IPO and raise money for its expansion programme and other objects as mentioned in the Draft Red Herring Prospectus filed with SEBI. In view of the said, it shall not be appropriate on the part of the Company to state the expected / projected increase in the revenue or profitability. However, in view of the proposed expansion plans etc., infusion of funds, repayment of loans etc., the Company is all set to register a sustained growth in the ensuing years.

Route Map



DIRECTORS' REPORT

Dear Shareholders,

Your Board of Directors have immense pleasure in presenting the 15th Annual Report of your Company together with the Audited Accounts for the FY ended 31st March 2023.

1. FINANCIAL RESULTS:

PARTICULARS	(Rs. In Crores except EPS)	
	FY 2022-23	FY 2021-22
Revenue from Operations	1351.47	1129.32
Profit for the year before Exceptional Items, Depreciation & Taxation	174.57	108.11
Depreciation and Amortization expense	41.00	30.82
Profit before Exceptional Items & Taxation	133.57	77.29
Exceptional Items	0	0
Profit before Taxation (PBT)	133.57	77.29
Tax Expenses (including deferred tax)	35.98	19.60
Profit after Taxation (PAT)	97.59	57.69
Other Comprehensive Income	(0.92)	(0.02)
Total Comprehensive Income	96.67	57.67
Earnings Per Equity Share (in Rs.)	8.11	4.79

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

Your company has successfully reported another year of good performance amidst volatile industry trends. For the FY ended 31st March, 2023, your Company reported an operating turnover of Rs.1351.47 Crores when compared to Rs. 1129.32 Crores for the FY 2021-22. Thus, registering a growth of 20 % (approx) year on year basis. The Profit Before Tax (PBT) for the FY 2022-23 at Rs. 133.57 Crores was a notable increase over the PBT for the FY 2021-22, which stood at Rs. 77.29 Crores. The said growth in terms of topline as well as bottom line has encouraged your management and the employees, that will go a long way in helping them achieve better landmarks in the coming years. After adjusting for taxes and deferred taxes, the PAT stood at Rs.97.59 Crores for the FY 2022-23 as against Rs. 57.69 Crores for the FY 2021-22.

During the FY 2022-23, your Company has opened the following new stores:

Sl. No.	Format	Store Location
1.	Kalamandir	Ameerpet, Hyderabad, Telangana
2.	Kalamandir	Patny, Hyderabad, Telangana
3.	Kalamandir Royale	Jubilee Hills, Hyderabad, Telangana
4.	Kanchipuram Varamahalakshmi	Anna Nagar, Chennai, Tamilnadu
5.	Valli Silks	Rajahmundry, Andhra Pradesh
6.	Kanchipuram Varamahalakshmi	Pondy Bazaar, Chennai, Tamilnadu
7.	Mandir	Khajaguda, Hyderabad, Telangana
8.	Kalamandir	Kammanahalli, Karnataka

Thus, as on the date of this Report, the total stores tally stands (under various formats) as hereunder:

Kalamandir	Mandir	Varamahalakshmi Silks	KLM Fashion Mall	Total
12	4	19	19	54

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

Material changes affecting the financial position of the Company

As reported earlier, few of the significant events taken up during the FY 2022-23 are listed hereunder:

- resolved to undertake an IPO of its equity shares and list its shares on the Stock Exchanges. The Company has filed the Draft Red-Herring Prospectus (DRHP) with Securities and Exchange Board of India (SEBI) and obtained final observations in November 2022.
- resolved to set up an ESOP Scheme under the name and style “Sai Silks (Kalamandir) Limited Share Based Employee Benefit Scheme – 2022”
- sub-division of the nominal value of equity shares from Rs.10 per share to Rs.2 per share.
- Business Assets Transfer Agreement (“BTA”)**

Our Company entered into a Business Assets Transfer Agreement (“BTA”) dated April 1, 2022 with Sai Retail India Limited, (SRIL). Pursuant to which, inter alia, SRIL decided to discontinue its apparel business and sell its business assets relating to its apparel business, including the inventory to our Company, on an arms-length basis. In terms of the BTA, SRIL has agreed to certain non-compete provisions restricting it from undertaking a business substantially similar to, or competing with, the business of our Company, and has transferred to our Company all the current and fixed assets for its apparel business including, lease improvements, furnitures, rental deposits, inventory and employees’ salary advances for a consideration that was based on the prevailing market price, and aggregated to ₹ 2,129.06 million. Further, our Company has also absorbed employees of SRIL to the extent they were responsible for purchase and other operations of SRIL’s apparel business, and on terms of service no less favourable than those which such employees enjoyed immediately prior to the March 31 2022, the cut-off date as envisaged under the BTA.

- Search and seizure of operations in the premises was conducted in May 2023, by income tax department under section 132 of Income Tax Act, 1961. Information and documents have been submitted to income tax department as per information called from time to time. Scrutiny proceedings are in progress and as on date neither income tax demand determined nor levied consequent to such operations.

Further, save and except as discussed in this report, there have been no material changes affecting the financial position of the Company between the end of the financial year and date of this report.

3. **TRANSFER TO RESERVES:**

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

4. **NATURE OF BUSINESS**

There has been no change in the nature of business of your Company during the under review and the company continues to carry on its existing business operations.

5. **DIVIDEND:**

As discussed elsewhere in this Report, your Company has been constantly expanding its operations and reach by opening new stores under different formats. Further, as mentioned earlier, the Company is also proposing to undertake an IPO of its equity shares. In view of the said proposals having a long term bearing on the funds flow of the Company, the Board of Directors felt it prudent not to recommend any dividend for the financial year ended 31st March, 2023.

Your company has formulated a Dividend Distribution Policy, with an objective to provide the dividend distribution framework to the stakeholders of the company. The Policy sets out various financial, internal and external factors, which shall be considered by the Board in determining the dividend pay-out. The policy is annexed as **Annexure-X** and also available on the website of the company i.e., <https://sskl.co.in/wp-content/uploads/2022/07/Dividend-Distribution-Policy-SSKL.pdf>

6. **SHARE CAPITAL:**

The Share Capital of the Company as on 31.03.2023, and also as on date of this Report, stands as follows:

Sl. No.	Particulars	(Amt. in Rs.)
1.	Authorised Capital: 21,00,00,000 Equity Shares of Rs.2/- each	 42,00,00,000
2.	Issued, Subscribed & Paid-up capital: 12,63,39,085 Equity Shares of Rs.2/- each	 25,26,78,170
	Total Equity Capital	25,26,78,170

During the year under review, the following changes have occurred in the share capital of the Company.

- Sub-division of the nominal value of equity shares from Rs.10 per share to Rs.2 per share

Pursuant to the resolution passed by the board at its meeting held on 03rd May, 2022 and the shareholders in their Extra-Ordinary General Meeting held on 18th May, 2022, the company has split face value of its equity shares, i.e., from Rs. 10/- per equity share to Rs. 2/- per equity share. Accordingly, the authorized share capital of the company stands amended from Rs. 42,00,00,000 comprising 4,20,00,000 equity shares of Rs. 10/- each to Rs. 42,00,00,000 comprising 21,00,00,000 equity shares of Rs. 2/- each.

- Allotment of shares to SSKL Employees Trust.

During the year under review, the Company has issued and allotted 60,16,145 equity shares of face value of Rs.2/- each at a price of Rs.22/- (including a premium of Rs.20/-) to SSKL Employees Trust.

Taking into consideration, the aforesaid sub-division and the allotment of shares to the Trust, the paid up share capital of the company stands at Rs.25,26,78,170 comprising of 12,63,39,085 equity shares face value Rs. 2/- each.

7. ESOP

As you are aware, your Company, during the FY 2022-23 has instituted an ESOP Scheme for the enduring benefits to its employees, under the name and style Sai Silks (Kalamandir) Limited Share based employee Scheme -2022. A Trust under the name and style “SSKL Employees Trust” has also been formed in this regard. The Company, under the said Scheme may grant an aggregate number of up to 6,016,145 employee stock options, in one or more tranches. The purpose of the ESOP Scheme is, among other things, to: (a) motivate the employees to contribute to the growth and profitability of our Company; (b) achieve sustainable growth and to create value to the Shareholders by aligning the interests of the employees with the long-term interests of our Company; and (c) incentivize the senior and critical talents in line with corporate growth and creation of Shareholders’ value. Pursuant to the said Scheme, your Company, during the FY 2022-23 has issued and allotted 60,16,145 equity shares of face value Rs.2/- each at a price of Rs.22/- (including a premium of Rs.20/-) to SSKL Employees Trust. There are no options granted pursuant to the ESOP Scheme as of the date of this Report.

8. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the FY 2022-23, the following changes took place in the offices of directors / Key Managerial Personnel of the company:

1. Mr. Doodeswara Kanaka Durgarao Chalavadi (DIN: 02689280) retired by rotation in the previous AGM held on 30.09.2022 and was reappointed thereat.
2. Mr. Kunisetty Venkata Ramakrishna was appointed to the office of Non-executive Independent Director of the Company effective 04.06.2022.
3. Mr. Naveen Nandigam and Mr. Laxmi Nivas Jaju resigned from their respective office of independent director effective 03.05.2022.

Apart from the aforesaid, there was no change in the office of Director / KMPs of the Company during the FY 2022-23.

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

Further, resolution proposing reappointment of Ms. Sirisha Chintapalli (DIN 08407008) to the office of Independent Director forms part of notice of the ensuing AGM.

In the opinion of the Board, all the Independent Directors of your Company (existing and proposed) possess integrity, experience, expertise, and the requisite proficiency required under all applicable laws and the policies of your Company. In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, all the Independent Directors of your Company have got their names included in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

Further, the Board of Directors have reappointed the following managerial personnel to their respective office of Managing Director / Whole Time Directors of the Company, subject to the approval of members in their AGM, as detailed hereunder:

Sl. No.	Name	Designation	Period of reappointment
1.	Mr. Nagakanaka Durga Prasad Chalavadi	Managing Director	3 years (01.04.2024 to 31.03.2027)
2.	Mr. Kalyan Srinivas Annam	Whole Time Director	3 years (01.04.2024 to 31.03.2027)
3.	Mr. Durgarao Doodeswara Kanaka Chalavadi	Whole Time Director	3 years (01.04.2024 to 31.03.2027)

Respective resolutions seeking approval of members form part of notice of the ensuing AGM.

9. **BOARD MEETINGS:**

The Board met 8 times during the Financial Year 2022-23 on the following dates:

03.05.2022, 28.05.2022, 04.06.2022, 15.06.2022, 14.07.2022 (adjourned and held on 15.07.2022), 21.07.2022, 19.09.2022 and 30.12.2022 (adjourned and held on 06.01.2023)

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

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

Name of the Director	Number of Meetings attended/ Total Meetings held during the F.Y. 2022-23
Mr. Nagakanaka Durga Prasad Chalavadi	8/8
Mr. Kalyan Srinivas Annam	8/8
Mr. Doodeswara Kanaka DurgaRao Chalavadi	7/8
Mr. Ravindra Vikram Mamidipudi	8/8

Mr. Pramod Kasat	8/8
Mr. Kunisetty Venkata Ramakrishna	5/5 (Appointed w.e.f 04.06.2022)
Ms. Sirisha Chinthapalli	7/8

Notes:

- Mr. Naveen Nandigam and Mr. Laxmi Nivas Jaju resigned from the Board effective 03.05.2022.

10. COMMITTEES' COMPOSITION & MEETINGS:
COMMITTEES' COMPOSITION

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

Name of the Committee	Members
Audit Committee	<ul style="list-style-type: none"> - Mr. Ravindra Vikram Mamidipudi – Chairman - Mr. Pramod Kasat - Member - Mr. Kunisetty Venkata Ramakrishna- Member - Mr. Nagakanaka Durga Prasad Chalavadi* - Ms. Sirisha Chintapalli- Member#
Nomination and Remuneration Committee	<ul style="list-style-type: none"> - Mr. Kunisetty Venkata Ramakrishna – Chairman - Mr. Pramod Kasat - Member - Mr. Ravindra Vikram Mamidipudi – Member - Ms. Sirisha Chintapalli - Member
Stakeholders' Relationship Committee	<ul style="list-style-type: none"> - Ms. Sirisha Chintapalli – Chairperson - Mr. Kalyan Srinivas Annam - Member - Mr. Nagakanaka Durga Prasad Chalavadi - Member
Executive Management & IPO Committee	<ul style="list-style-type: none"> - Mr. Nagakanaka Durga Prasad Chalavadi- Chairman - Mr. Doodeswara Kanaka Durgarao Chalavadi - Member - Mr. Kalyan Srinivas Annam - Member
Corporate Social Responsibility Committee	<ul style="list-style-type: none"> - Mr. Ravindra Vikram Mamidipudi - Chairman - Mr. Nagakanaka Durga Prasad Chalavadi - Member - Mr. Kalyan Srinivas Annam - Member
Risk Management Committee	<ul style="list-style-type: none"> - Mr. NagakanakaDurga Prasad Chalavadi- Chairman - Mr. Doodeswara Kanaka Durgarao Chalavadi - Member - Mr. Kalyan Srinivas Annam – Member - Mr. Ravindra Vikram Mamidipudi – Member - Mr. Venkata Lakshmi Narasimha Sarma Konduri– Member

*Mr. Nagakanaka Durga Prasad Chalavadi was resigned w.e.f 13.07.2023

#Ms. Sirisha Chintapalli was appointed w.e.f 13.07.2023

COMMITTEE MEETINGS:

A. Audit Committee:

The Committee met 4 times during the financial year under review i.e., on **28.05.2022, 15.06.2022, 04.10.2022 and 30.12.2022**

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2022-23
Mr. Mamidipudi Ravindra Vikram- Chairman	4/4
Mr. Pramod Kasat	4/4
*Mr. Nagakanaka Durga Prasad Chalavadi	4/4
Mr. Kunisetty Venkata Ramakrishna	@ 3/3

@ He was entitled to attend only 3 meetings, since he appointed to the committee w.e.f 04.06.2022 upon reconstitution of the said committee by the Board.

*Mr. Nagakanaka Durga Prasad Chalavadi was resigned w.e.f 13.07.2023

B. Nomination and Remuneration Committee:

The Committee met 2 times during the financial year under review i.e., on **04.06.2022 & 09.06.2022**

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2022-23
Mr. Kunisetty Venkata Ramakrishna- Chairman	@1/1
Mr. Mamidipudi Ravindra Vikram	2/2
Ms. Sirisha Chintapalli	2/2
Mr. Pramod Kasat	2/2

@ He was entitled to attend only 1 meeting, since he appointed to the committee w.e.f 04.06.2022 upon reconstitution of the said committee by the Board.

C. Stakeholders Relationship Committee

The Committee met 1 time during the financial year under review i.e., on **19.09.2022**

Attendance :

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2022-23
Ms. Sirisha Chintapalli- Chairperson	1/1
Mr. Nagakanaka Durga Prasad Chalavadi	1/1
Mr. Kalyan Srinivas Annam	1/1

D. Corporate Social Responsibility Committee

The Committee met once during the financial year under review i.e., on **28.05.2022**

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2022-23
Mr. Ravindra Vikram Mamidipudi – Chairman	1/1
Mr. Kalyan Srinivas Annam	1/1
Mr. NagakanakaDurga Prasad Chalavadi	1/1

E. Risk Management Committee

The Committee met 2 times during the financial year under review i.e., on **19.09.2022 & 30.12.2022**

Attendance:

Name of the Member	Number of Meetings attended/ Total Meetings held during the F.Y. 2022-23
Mr. Nagakanaka Durga Prasad Chalavadi	2/2
Mr. Doodeswara Kanaka Durgarao Chalavadi	2/2
Mr. Kalyan Srinivas Annam	2/2
Mr. Mamidipudi Ravindra Vikram	2/2
Mr. KVLN Sarma	2/2

11. BOARD EVALUATION, NOMINATION AND REMUNERATION POLICY:

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

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

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

- a) Policy on appointment of Directors & Board Diversity
- b) Remuneration Policy for Directors, Key Managerial Personnel, and the Senior Management employees

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

12. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received respective declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations. There has been no change in the circumstances affecting their existing status as independent directors of your Company.

In compliance with Schedule IV to the Companies Act, 2013 the Independent Directors held their meeting on 30.12.2022 without the presence of non-independent directors and members of the management, inter alia, to discuss the following:

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

All the Independent Directors were present at the aforesaid meeting.

13. DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

- (f) it has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. CORPORATE GOVERNANCE:

As stated elsewhere, your Company is in the process of undertaking IPO of its equity shares and eventually get its shares listed on the Stock Exchanges. In view of the said, it has complied with the provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Listing Regulations), to the extent feasible and applicable. Pursuant to the said, a Report on Corporate Governance for the financial year 2022-23 is enclosed as *Annexure – V*

A certificate from the Managing Director and the CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statement including cash flow statement, etc., forms part of the Annual Report.

15. AUDITORS:**a) STATUTORY AUDITORS**

The Shareholders in their 13th AGM held on 30th November, 2021 appointed M/s. Sagar & Associates (Regd No. FRN 003510S), Chartered Accountants, Hyderabad as statutory auditors of the company to hold the office as such till the conclusion of 18th Annual General Meeting i.e., for a period of 5 consecutive financial years. The Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

Auditors observation(s)

The Notes on Financial Statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

Further the matter pertaining to search and seizure of operations as mentioned under "Emphasis of matter" in the Auditor report is self-explanatory and do not call for any further comments.

b) INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Rules made thereunder, the Company has appointed M/s SARC & Associates (Regd No.006085N), Chartered Accountants, Visakapatnam to the office of Internal Auditor of the Company for the FY 2022-23, in place of M/s. LVNS Sumanth & Associates.

c) SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s P. S Rao & Associates, Company Secretaries have been appointed as Secretarial Auditors to conduct Secretarial Audit for the FY ended 31st March, 2023. Copy of Secretarial Audit Report is attached herewith as **Annexure-IV**

The reported delay in filing of forms and returns with the Registrar of Companies was purely on account of inadvertence and unintentional. We assure that there was no malafide intention as such and further we assure of timely filings and compliances. As regards, delay in filing of particulars of charges in respect of vehicle loans was on account of procedural compliances with the lender Bank. We assure the same will be filed in the due course of time.

d) COST RECORDS:

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

16. FIXED DEPOSITS:

The Company has neither accepted nor repaid any deposits during the financial year ended on 31.03.2023. Further, there were no outstanding deposits as at the beginning of the FY or at any time during the financial year 2022-23. Hence, no details are required to be provided pursuant to Rule 8 (5) (v) & (vi) of the Companies (Accounts) Rules, 2014.

Further, the Company has not borrowed any unsecured loans from its Directors during the FY ended 31st March, 2023 and there were no amounts (unsecured loans) outstanding as on 31st March, 2023.

17. SUBSIDIARIES / JOINT VENTURES / ASSOCIATE COMPANIES:

The Company does not have any Subsidiary or Joint venture or Associate Company as on the closure of the financial year under report and even as on the date. Further no Company has become or ceased to be the Subsidiary or Joint venture or Associate of your Company during the financial year.

18. CORPORATE SOCIAL RESPONSIBILITY:

Your Board of Directors and the CSR committee feel proud to mention that we have been undertaking CSR activities as a part and parcel of our life, whether mandated by law or otherwise. It has been a wholehearted endeavor on our part to do our bit to the society we live in. As far as FY 2022-23 is concerned your company has undertaken the activities in the areas of Child education, Scholarships, food to the poor people and welfare of challenged people and health care either on its own or in association with **KALAMANDIR FOUNDATION**.

The Board has adopted a CSR policy, pursuant to the recommendation of the CSR committee, with a vision to actively contribute to the social and economic development of the communities in which your company operates and in doing so, build a better, sustainable way of life for the weaker sections of the society.

The Annual Report on CSR activities as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as '**Annexure - III**' to this report. The CSR Policy is posted on the website of the Company and the web link is <https://sskl.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf>

The CSR Committee, constituted by the Board, is in place and is actively involved in identifying areas as per the contemporary needs of the society. While identifying such areas, it ensures that the same are commensurate with the Company's Policy in general. Further, the Committee also supervises the progress of CSR activities of the Company.

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

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

Pursuant to the provisions of Section 135 of the Companies Act, 2013, your Company was required to spend an amount of Rs.95.38 lakhs towards CSR Activities for the financial year 31st March, 2023. However, your Company's total expenditure towards CSR aggregated to Rs.102.82 Lakhs for the year ended 31st March, 2023, thus exceeding its obligation. Out of the said amount of Rs.102.82 Lakhs, your Company spent Rs. 34.18 Lakhs through Kalamandir Foundation and Rs.68.64 lakhs was spent by the Company on its own.

Further, as reported earlier, your Company had taken up an ongoing project during FY 2020-21 and earmarked an amount of Rs. 76.17 Lakhs towards the said project. Out of said project cost, the Company had already spent Rs.50 lacs during FY 2021-22. The balance amount of Rs.26.17 lacs has been spent during the FY 2022-23, thus completing the project obligation.

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

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

20. ANNUAL RETURN:

In accordance with section 134(3)(a) of the Companies Act 2013, a copy of Annual Return in the prescribed format i.e., Form MGT-7 along with attachments is placed on the website of the Company, <https://sskl.co.in/wp-content/uploads/2023/07/Annual-Return-2022-23.pdf>

21. RELATED PARTY TRANSACTIONS:

The Company has not entered into any related party transaction, which are not at arm's length basis during the FY ended 31st March, 2023.

During the FY 2023, all the contracts/arrangements/ transactions entered in to by the Company with the related parties were in the ordinary course of business and on arm's length basis and were in compliance with the

provisions of the Companies Act. The details of related party transactions, which were entered into during the previous year / current year are provided at Note No.45 which form part of the notes to financial statements.

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

Further your company has a policy on Related Party Transactions which can be accessed at <https://sskl.co.in/wp-content/uploads/2022/07/Policy-On-Related-Party-Transactions.pdf>

22. LOANS, GUARANTEES AND INVESTMENTS:

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

23. INTERNAL FINANCIAL CONTROL:

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

The evaluation of these internal financial controls was done through the internal audit process, established within the Company and also through appointing professional firm to carry out such tests by way of systematic internal audit program. Based on the review of the reported evaluations, the directors confirm that, for the preparation of financial accounts for the year ended March 31, 2023 the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively and that no material weakness were noticed.

24. RISK MANAGEMENT POLICY:

The Company has in place a Risk Management Policy, aimed at a) embed the management of risk as an integral part of our business processes; b) establish an effective system of risk identification, analysis, evaluation and treatment within all areas and all levels of the Company; c) avoid exposure to significant financial loss; d) contribute to the achievement of the Company's objectives; and e) assess the benefits and costs of implementation of available options and controls to manage risk.

Further Risk management policy is also available on the company website at <https://sskl.co.in/wp-content/uploads/2022/07/Risk-Management-Policy.pdf>.

25. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The company has in place a Vigil mechanism / whistle blower policy in terms of section 177(9) of the Companies Act, 2013 which enables employees, officers and stakeholders to freely convey their concerns about illegal or

unethical practices. No person has been denied access to the chairman of the Audit Committee to lodge their grievances. The Vigil mechanism / whistle blower policy is also available on the company's website <https://sskl.co.in/wp-content/uploads/2022/07/Vigil-Mechanism-Policy.pdf>

Mr. Ravindra Vikram Mamidipudi, Independent Director and chairman of the Audit committee is the Head of the Vigil Mechanism; all the employees have direct access to report their concerns and complaints. During the year under the review, no complaint has been received.

The details of the vigil mechanism are provided in the **Annexure - VIII** to this Report.

26. MANAGEMENT DISCUSSION AND ANALYSIS

As stated elsewhere, our company is in the process of IPO since last year and in view of the said has complied with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the said, a report on Management and Discussion and Analysis attached as **Annexure-IX**

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

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

The composition of said committee may be referred at Report on Corporate Governance attached herewith.

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

28. SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no orders passed by the Regulators / Courts / Tribunals that would impact the going concern status of your Company and its future operations. Further, it is confirmed that there were no instances of fraud to be reported by the Auditors under sub-section (12) of section 143 vide their Report for the FY 2022-23.

29. INSOLVENCY AND BANKRUPTCY CODE, 2016 & STATUS THEREOF

During the year under review, neither any application was made nor any proceeding stands pending under the Insolvency and Bankruptcy Code, 2016, as on 31st March, 2023.

30. DETAILS OF DIFFERENCE BETWEEN THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH REASONS THEREOF

Not applicable (As there were no instances of one-time settlement with the Banks or financial institutions during the year under review)

31. SECRETARIAL STANDARDS:

The Company has complied with the applicable clauses of the Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.

32. ACKNOWLEDGEMENTS:

Your Board members extend their hearty appreciation for the sustained co-operation and support by the Banks, Government authorities, Business Partners, Weavers and Suppliers, Customers and other Stakeholders and more importantly the employees of the Company, who have provided their unflinching support during the tough times of the Company.

For and on behalf of the Board of Directors

Sd/-
Nagakanaka Durga Prasad Chalavadi
Managing Director
DIN:01929166

Sd/-
Kalyan Srinivas Annam
Whole Time Director
DIN:02428313

Place: Hyderabad
Date: 13. 07.2023

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

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

A. Conservation of Energy: NA

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

B. Technology Absorption: NA

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

C. Foreign Exchange Earnings and Outgo during the year: 2022-23 (Amount in Rs.)

Foreign Exchange Earned:	Nil
Foreign Exchange Outgo:	Rs.1,66,43,874

For and on behalf of the Board of Directors

Sd/-
Nagakanaka Durga Prasad Chalavadi
Managing Director
DIN:01929166

Sd/-
Kalyan Srinivas Annam
Whole Time Director
DIN:02428313

Place: Hyderabad
Date: 13.07.2023

Form No. AOC-2

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

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

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions: Sales	Duration of the contracts/arrangements/transactions: Ordinary Course of business	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Sai Retail India Ltd (Enterprise over which Directors having significant influence)	Business Assets Transfer Agreement (BTA)	One time Agreement	Refer Note 1	10.03.2022	Nil
SSS Marketing (Enterprise over which Directors having significant influence)	Commission	5 years with effect from 01.04.2019	2% on net sales or 1,50,000 per month - whichever is higher	14.03.2019	12,00,000
Sumaja Creations (Enterprise over which Directors having significant influence)	Advertisement	5 years with effect from 01.04.2019	Advertisement and publicity services as per the agreement	14.03.2019	Nil
Naga Kanaka Durga Prasad Chalavadi (Managing Director)	Rent	4 years 4 years	Lease rentals (per month) for <u>Office premises</u> 1. Flat No:1 – Rs. 1 lac effective February 2022 and Rs.1.2 lacs effective February 2023 2. Flat No:3 – Rs. 0.50 lacs effective	25.11.2021 25.11.2021	11,00,000

		4 years	February 2022 and Rs.0.60 lacs effective February 2023 3. Flat no:4 – Rs. 0.50 lacs effective February 2022 and Rs.0.60 lacs effective February 2023	25.11.2021	
		4 years	4. Flat no:8 – Rs. 0.50 lacs effective February 2022 and Rs.0.60 lacs effective February 2023	25.11.2021	
		4 years	5. Flat no:11 – 0.50 lacs effective March 2022 and Rs.0.60 lacs effective February 2023	25.11.2021	
		4 years	6. Flat no:16 – Rs. 0.50 lacs effective February 2022 and Rs.0.60 lacs effective February 2023	25.11.2021	
		4 years	7.6-3-841/E/1 Rs. 1 lac effective February 2022 and Rs.1.2 lacs effective February 2023	25.11.2021	
Ch. Jhansi Rani (Relative of Directors)	Rent	4 years	Lease rentals for Office premises Flat No:14 – Rs. 0.50 lacs till February 2023 and Rs.0.60 lacs effective March, 2023	25.11.2021	2,40,000
Devamani Venkata Kanaka Hanisha Chalavadi	Rent	2 years	Lease rentals for premises at Vijayawada	25.11.2021	Nil

			Rs.0.40 lacs effective January, 2023		
Varamahalakshmi Holdings (P) Ltd. (Enterprise over which Directors having significant influence)	Rent	2 years	Lease rentals for Office premises 1. Vizag – Rs. 0.60 lacs 2. Rajahmundry– Rs. 0.25 lacs 3. Bhimavaram Rs. 0.30 lacs effective June, 2022	10.03.2022 10.03.2022 10.03.2022	Nil Nil Nil
Soul of Pluto Tech LLP (Enterprise over which Directors having significant influence)	Software & software maintenance services	3 years	Software licensing & servicing agreement Rs.18.5 lacs per month subject to maximum of 30 lacs per month.	04.09.2020	Nil
Soul of Pluto Tech LLP (Enterprise over which Directors having significant influence)	Rent (income)	5 years	Lease rentals for Office premises Rs.1,00,000 per month, (to be enhanced in terms of Agreement)	01.04.2019	6,00,000

Note:

1. Business Assets Transfer Agreement (“BTA”) dated April 1, 2022 was entered with Sai Retail India Limited, (SRIL) pursuant to which, inter alia, SRIL decided to discontinue its apparel business and sell its business assets relating to its apparel business, including the inventory to our Company, on an arms-length basis. In terms of the BTA, SRIL has agreed to certain non-compete provisions restricting it from undertaking a business substantially similar to, or competing with, the business of our Company, and has transferred to our Company all the current and fixed assets for its apparel business including, lease improvements, furnitures, rent deposits, inventory and employees’ salary advances for a consideration that was based on the prevailing market price, and aggregated to ₹ 2,129.06 million. Further, our Company has also absorbed employees of SRIL to the extent they were responsible for purchase and other operations of SRIL’s apparel business, and on terms of service no less favourable than those which such employees enjoyed immediately prior to the March 31 2022, the cut-off date as envisaged under the BTA.
2. Lease agreements entered with Sai Retail India Limited during the previous years and having unexpired term during FY 2022-23 stands terminated

For and on behalf of the Board of Directors

Sd/-

Sd/-

Naga Kanaka Durga Prasad Chalavadi
M0061naging Director
DIN:01929166

Kalyan Srinivas Annam
Whole Time Director
DIN:02428313

Place: Hyderabad
Date: 13.07.2023

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

This CSR Report pertains to the period commencing on 01st April, 2022 and ending on 31st March, 2023

A brief outline of the Company's CSR policy, including overview of projects or programmes undertaken and a reference to the CSR policy and projects /programmes:

A. CSR Policy:**CSR Vision Statement & Objective****CSR Vision:**

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

Objective:

- i. To operate its business in a sustainable manner respecting the society & the environment, while recognizing the interests of all its stakeholders.
- ii. To also take up directly or indirectly programs that will benefit the communities in and around its malls/stores/shopping complexes which will over a period of time enhance the quality of life and economic well-being of the local residents.
- iii. Through its regular services and additionally through its CSR initiatives, SSKL will generate community goodwill and create a positive image of SSKL as a socially responsible corporate.

Resources:

1. 2% of the average net profits of the Company made during the three immediately preceding financial years.
2. Any income arising therefrom.
3. Surplus arising out of CSR activities

Identification of CSR works:

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

Areas Identified for CSR activities:

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

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

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

Implementation Process:

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

Monitoring:

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

3. Composition of the CSR Committee:

- Mr. Ravindra Vikram Mamidipudi, Chairman
 - Mr. Nagakanaka Durga Prasad Chalavadi, Member
 - Mr. Kalyan Srinivas Annam, Member
4. The web-link where composition of CSR Committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the Company:

weblink: <https://sskl.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf>

5. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – (attach report): **Not applicable**
6. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: Rs. 10,84,856 (pertaining to FY 2022-23)

Sl.No	Particulars	Rupees
1	Amount available for set off (surplus of FY 2021-22)	4,20,953
2	Amount to be set off for the FY 2022-23	4,20,953
3	Amount available for set off for the FY 2023-24	11,65,673

7. Average Net Profit of the Company as per Section 135 (5) of the Act : **Rs. 47,69,12,462**
8. (a) Two percent of average net profit of the Company as per Section 135(5) of the Act : **Rs. 95,38,249**
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
 (c) Amount required to be set-off for the financial year, if any : 4,20,953
 (d) Total CSR Obligation for the financial year (7a +7b -7c) : **Rs.91,17,296**
9. (a) **CSR amount spent or unspent for the financial year 2022-23:**

Total amount spent for the Financial Year (in Rupees)	Amount unspent (in Rupees)				
	Total amount transferred to unspent CSR Account as per section 135 (6)		Amount transferred to any fund specified under schedule vii as per the second provision of Section 135 (5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
102,82,969	-		-	-	-

(b) Details of CSR amount spent against ongoing projects for the Financial year 2022-23: NIL

S No	Name of the Project	Item from the List of Activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Project Duration	Amount allocated for the Project	Amount spent in the current financial year (in Rs.)	Amount transferred to unspent CSR Account for the Project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing agency	
				State	District						Name	CSR Reg No.
-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the FY 2022-23:

Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number.
1	Promoting Education	Child Education	Yes	Andhra Pradesh	Vijayawada	15,00,000	No	SKPVV Hindu High School Committee	CSR00014688
2	Promoting Education	Child Education	Yes	Telangana	Hyderabad	50,00,000	No	Vasavi Foundation for Empowerment	CSR00002672
3	Promoting Education	Child Education	Yes	Telangana	Hyderabad	27,89,751	No	Kalamandir Founda	CSR00009299

								tion	
4	Health, hygiene and safe drinking water	Health and Hygiene	Yes	Telangan	Hyderabad	80,000	No	Kalamandir Foundation	CSR00009299
5	Poverty, Hunger, Malnutrition	Poverty, Hunger, Malnutrition	Yes	Telangan	Hyderabad	3,64,969	Yes	NA	NA
6	Welfare challenged	Poverty, Hunger, Malnutrition	Yes	Telangan	Hyderabad	1,00,000	No	Kalamandir Foundation	CSR00009299
7	Poverty, Hunger, Malnutrition	Poverty, Hunger, Malnutrition	Yes	Telangan	Hyderabad	4,48,249	No	Kalamandir Foundation	CSR00009299

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

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

(f) Total amount spent for the financial year (8c+8d+8e) : **Rs.102,82,969**

(g) Excess amount for set off, if any: **Rs. 11,65,673**

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

S No	Preceding Financial year	Amount transferred to Unspent CSR Account number under Section 135(6) (in Rs.)	Amount spent in the reporting year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
1	FY 2021-22	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	FY 2020-21	76,16,595	26,16,595 (refer Note)	Nil	Nil	Nil	Nil
3	FY 2019-20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Note :

Amount spent during FY 2021-22 – Rs.50,00,000

Amount spent during FY 2022-23 – Rs. 26,16,595

TOTAL Rs. 76,16,595

Thus spending the total CSR obligation pertaining to FY 2020-21.

 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year 2021-22: **Nil**

S No	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of the reporting Financial Year (in Rs.)	Status of the project - Completed/Ongoing.
-	-	-	-	-	-	-	-	-

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

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

For and on behalf of the Board of Directors

Sd/-

 Nagakanaka Durga Prasad Chalavadi
 Managing Director
 DIN:01929166

Sd/-

 Kalyan Srinivas Annam
 Whole Time Director
 DIN:02428313

Sd/-

 Ravindra Vikram Mamidipudi
 Chairman CSR Committee
 (DIN: 00008241)

 Place: Hyderabad
 Date: 13.07.2023

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended March 31, 2023

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

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder – **Not Applicable**
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings–**Not applicable to the Company during the audit period.**
- v. Regulations and Guidelines under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') - **Not applicable**
- vi. Other laws applicable specifically to the Company

We have been informed that generally applicable laws such as fiscal laws, labour laws and trade related laws etc., alone are applicable to the Company and hence there are no other laws applicable specifically to the Company.

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

- i. Listing Agreement entered into by the Company with Stock Exchange(s) – **N.A**
(Since the securities (equity shares) of the Company are not listed)
- ii. Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

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

- *There were few instances where the Company filed forms and returns required to be filed with the Registrar of Companies with additional fee.*
- *The particulars of creation of charge in respect of vehicle loans obtained from HDFC Bank Ltd., (5 instances) remains to be filed with the ROC, beyond the prescribed time under the Companies Act, 2013.*

We further report that:

The Board of Directors of the Company is duly constituted with requisite number of Independent Directors and Women Director as per the provisions of Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in accordance with the provisions of the Act.

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

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

I further report that:

- As per the information provided by the management, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- During the audit period, there were no specific events / actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

**For P.S. Rao & Associates
Company Secretaries**

Place: Hyderabad
Date: 13.07.2023

Sd/-
Vikas Sirohiya
Partner
M.No. 15116
C.P. No: 5246
Peer Review No. 710/2020
ICSI Unique Code: P2001TL078000
UDIN: A015116E000601075

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

Annexure A

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

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

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

Disclaimer

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

For P.S. Rao & Associates
Company Secretaries

Sd/-

Vikas Sirohiya
Partner

M.No. 15116

C.P. No: 5246

Peer Review No. 710/2020

ICSI Unique Code: P2001TL078000

UDIN: A015116E000601075

Place: Hyderabad
Date: 13.07.2023

Annexure – V
Report on Corporate Governance
1. Company's philosophy on Corporate Governance

Sai Silks (Kalamandir) Limited has continued the legacy of good Corporate Governance practices. The existing governance practices are regularly reviewed and are refined in the light of changing environment.

Your company is committed to maintain a high standard of corporate governance practices within the Company and devotes considerable effort to identify and formalize best practices. We believe that effective corporate practices are fundamental to the smooth, effective and transparent operation of the Company and its ability to attract investment, protect the rights of stakeholders and enhance the value of stakeholders.

Your company firmly believes that good corporate governance practices ensure efficient conduct of the affairs of the company while upholding the core values of transparency, integrity, honesty and accountability and help the company in its goal to maximize value for all its stakeholders. It is a system by which all business operations are directed and controlled.

2. Board of Directors

The Board is the apex body of the company constituted for overseeing the Company's overall functions.

a. Composition and Category of Directors

Our Board of directors comprises of an optimum combination of Executive and Non-executive directors with a Non-Executive Independent Director appointed as the Chairman. The strength of our board of directors as on date of this report is 7 (seven). Out of 7 Directors, 3 directors are executive directors and remaining 4 directors are independent & non-executive directors including one woman director. The composition of the board is in conformity with section 149 of the Companies Act 2013 and Regulation 17 of SEBI (LODR) Regulations.

None of the directors of the company serves as an independent director in more than 7 listed companies, nor any of the whole time director serves as an independent director in more than 3 listed companies.

As on 31st March 2023, the composition of the board is as follows:

S.No	Name of the Director	Designation
A	Executive Directors	
	Mr. Nagakanaka Durga Prasad Chalavadi (DIN: 01929166)	Managing Director (Promoter)
	Mr. Kalyan Srinivas Annam (DIN: 02428313)	Whole Time Director (Promoter Group)
	Mr. Doodeswara Kanaka Durgarao Chalavadi	Whole Time Director (Promoter Group)

	(DIN: 02689280)	
B	Non-Executive Directors	
	Mr. Ravindra Vikram Mamidipudi (DIN:008241)	Chairman & Independent Director
	Mr. Pramod Kasat (DIN: 00819790)	Independent Director
	Ms. Sirisha Chintapalli (DIN: 08407008)	Independent Director
	Mr. Kunisetty Venkata Ramakrishna (DIN: 00133248)	Independent Director

Note:

1. Mr. Kunisetty Venkata Ramakrishna was appointed as an Independent Director w.e.f 04.06.2022
2. Mr. Naveen Nandigam and Mr. Laxmi Nivas Jaju resigned from the Board of Directors of the Company effective May 03, 2022

b. Number of Board Meetings and Attendance of Directors thereat

The board met 8 times during the financial year 2022-23 on the following dates:

03.05.2022	14.07.2022 (Adjourned and held on 15.07.2022)
28.05.2022	21.07.2022
04.06.2022	19.09.2022
15.06.2022	30.12.2022 (Adjourned and held on 06.01.2023)

c. Directors Attendance

Name of Director	03.05.2022	28.05.2022	04.06.2022	15.06.2022	14.07.2022	15.07.2022 (Adjourned meeting)	21.07.2022	19.09.2022	30.12.2022	06.01.2023 (Adjourned meeting)
Mr. Nagakanaka Durga Prasad Chalavadi	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Kalyan Srinivas Annam	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Doodeswara Kanaka Durgarao	Present	Present	Present	Present	Present	Present	Present	Absent	Present	Present
Mr. Ravindra Vikram Mamidipudi	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Pramod Kasat	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Ms. Sirisha Chintapalli	Present	Absent	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Kunisetty Venkata Ramakrishna	N.A	N.A	N.A	Present	Present	Present	Present	Present	Present	Present

Notes:

1. Mr. Kunisetty Venkata Ramakrishna was appointed as an Independent Director w.e.f 04.06.2022
2. Mr. Naveen Nandigam and Mr. Laxmi Nivas Jaju resigned from the Board of Directors of the Company effective 03.05.2022.

d. Number of other board of directors or committees in which a director is a member or chairperson and name of the listed entities where the person is a director and the category of directorship.

The number of directorships and committee membership including name of the listed entities and category of directorship in other companies as on the date of the report are given hereunder

Name of the Director	Directorship in other companies (Note-1)		Committee memberships held in other Public companies		Name of the listed entities & Category of directorship	Attendance at the last AGM (30.09.2022)
			Member	Chairman		
	Public	Private				
Mr. Nagakanaka Durga Prasad Chalavadi	1	0	None	None	None	Yes
Mr. Kalyan Srinivas Annam	1	0	None	None	None	Yes
Mr. Doodeswara Kanaka Durgarao	0	0	None	None	None	Yes
Ms. Sirisha Chintapalli	1	2	1	1	• Zen Technologies Limited - Independent Director	Yes
Mr. Ravindra Vikram Mamidipudi	7	12	15	8	• GTN Industries Limited - Independent Director • Ahlada Engineers Limited - Independent Director • ASM Technologies Limited - Independent Director-Chairperson	Yes
Mr. Pramod Kasat	3	2	5	2	• Advanced Enzyme Technologies Limited - Independent Director	No

					<ul style="list-style-type: none"> • Natural Capsules Limited – Independent Director • Fermenta biotech Limited. – Independent Director 	
Mr. Kunisetty Venkata Ramakrishna	0	1	0	0	Nil	Yes

Note:

1. The Directorships held by Directors in other Companies, as mentioned above are as on the date of this report and do not include Directorships in Foreign Companies.

e. Relationship Between Directors

Mr. Nagakanaka Durga Prasad Chalavadi (Managing Director) and Mr. Doodeswara Kanaka Durgarao Chalavadi (Whole Time Director) are brothers and hence relatives as per section 2(77) of the Companies Act, 2013. No other director is related to each other in terms of definition “relative” under the Act.

f. Number of Shares / Convertible instruments held by Non-executive Directors

None of the Non-Executive Directors holds any shares / convertible instruments in the Company.

g. web link for familiarisation programmes imparted to Independent directors

<https://sskl.co.in/wp-content/uploads/2022/07/Familiarization-to-Independent-directors.pdf>

h. List of core skill / expertise / competencies / is identified by the board of directors as required in the context of its business.

The Board skills matrix provides a guide as to the skills, knowledge, experience, personal attributes and other criteria appropriate for the board of the company. Ours is a skill based board comprising of directors who collectively have the skills, knowledge and experience to effectively govern and direct the company. The Board is of the opinion that the skill or competence required for the directors in relation to the present business of the company includes the following:

Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business	Names of Directors who possess such skills/ expertise/competence
Leadership qualities and in-depth knowledge and experience in general management of organization	Mr. Nagakanaka Durga Prasad Chalavadi Mr. Kalyan Srinivas Annam Mr. Doodeswara Kanaka Durgarao Chalavadi
Exposure to sales and marketing management based on understanding of the customers, ads and publicity	Mr. Nagakanaka Durga Prasad Chalavadi Mr. Kalyan Srinivas Annam Mr. Doodeswara Kanaka Durgarao Chalavadi
Ability to analyse and understand the key financial statements, experience in the fields of taxation, audit, financial management, banking, insurance and investments, treasury, fund raising and internal controls	Mr. Ravindra Vikram Mamidipudi Mr. Kunisetty Venkata Ramakrishna Mr. Nagakanaka Durga Prasad Chalavadi Mr. Pramod Kasat

Interpersonal relations, human resources management, communication, corporate social responsibility including environment and sustainability	Mr. Ravindra Vikram Mamidipudi Mr. Nagakanaka Durga Prasad Chalavadi Mr. Kalyan Srinivas Annam Mr. Kunisetty Venkata Ramakrishna
Technical, professional skills and knowledge including legal, governance and regulatory aspects	Mr. Ravindra Vikram Mamidipudi Mr. Nagakanaka Durga Prasad Chalavadi Mr. Pramod Kasat Ms. Sirisha Chintapalli

- i. In the opinion of the board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.
- j. **Detailed reasons for the resignation of an independent director who resigns before the expiry of his[/her] tenure along with a confirmation by such director that there are no other material reasons other than those provided.**

During the FY 2022-23 under review, Mr. Naveen Nandigam and Mr. Laxmi Nivas Jaju resigned from the Board of Directors of the Company effective May 03, 2022 due to their personal reasons. Further the Company has obtained the confirmation from the said directors that there were no material reasons other than those specified thereunder.

3. AUDIT COMMITTEE

The company has in place an audit committee as per the provisions section 177 of the Companies Act, 2013. The Committee was last re-constituted pursuant to a resolution passed by our Board in its meeting held July 13, 2023.

As on the date of this report, the composition of Audit committee stands as follows:

Sl.No	Name	Category
1	Mr. Ravindra Vikram Mamidipudi	Chairperson
2	Mr. Kunisetty Venkata Ramakrishna	Member
3	Mr. Pramod Kasat	Member
4	Ms. Sirisha Chintapalli (Appointed w.e.f 13.07.2023)	Member
5	Mr. Nagakanaka Durgaprasad Chalavadi (Resigned w.e.f 13.07.2023)	Member

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, Regulation 18 of the Listing Regulations and its terms of reference include the following:

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- (a). to investigate any activity within its terms of reference;
- (b). to seek information from any employee;
- (c). to obtain outside legal or other professional advice;

(d). to invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer.

(e). to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(f). such other powers as may be prescribed under the Companies Act and the Listing Regulations.

Role of Audit Committee

The role of the Audit Committee shall include the following:

- a) oversight of financial reporting process and the disclosure of financial information relating to our Company to ensure that the financial statements are correct, sufficient and credible;
- b) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of our Company and the fixation of the audit fee;
- c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) formulation of a policy on related party transactions, which shall include materiality of related party transactions;
- e) reviewing, at least on a quarterly basis, the details of related party transactions entered into by our Company pursuant to each of the omnibus approvals given;
- f) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:
 - (i) Matters required to be included in the director's responsibility statement to be included in the Boards report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) Significant adjustments made in the financial statements arising out of audit findings;
 - (v) Compliance with listing and other legal requirements relating to financial statements;
 - (vi) Disclosure of any related party transactions; and
 - (vii) Modified opinion(s) in the draft audit report.
- g) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to our Board for approval;
- h) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring

agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our Board to take up steps in this matter;

- i) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- j) approval of any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company, subject to the conditions as may be prescribed;
- k) scrutiny of inter-corporate loans and investments;
- l) valuation of undertakings or assets of our Company, wherever it is necessary;
- m) evaluation of internal financial controls and risk management systems;
- n) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- o) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- p) discussion with internal auditors of any significant findings and follow up thereon;
- q) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
- r) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- s) recommending to our Board the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- t) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- u) reviewing the functioning of the whistle blower mechanism;
- v) monitoring the end use of funds raised through public offers and related matters;
- w) overseeing the vigil mechanism established by our Company, with the chairman of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
- x) approval of appointment of chief financial officer (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- y) reviewing the utilization of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;
- z) carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- (aa). consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and
- (bb). carrying out any other functions required to be carried out by the Audit Committee as contained in the Listing Regulations or any other applicable law, as and when amended from time to time
- (cc). To formulate, review and make recommendations to the Board to amend the terms of reference of Audit Committee from time to time;

The Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- c) Internal audit reports relating to internal control weaknesses;
- d) The appointment, removal and terms of remuneration of the chief internal auditor;
- e) Statement of deviations in terms of the SEBI Listing Regulations:
- i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and
- ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.
- f) review the financial statements, in particular, the investments made by any unlisted subsidiary.

Names of members, Chairperson, Meetings and Attendance

The committee met 4 times during the financial year under review i.e., on 28.05.2022, 15.06.2022, 04.10.2022 and 30.12.2022.

Sl.No	Name	Designation	28.05.2022	15.06.2022	04.10.2022	30.12.2022
1	Mr. Mamidipudi Ravindra Vikram	Chairperson	Present	Present	Present	Present
2	Mr. Pramod Kasat	Member	Present	Present	Present	Present
3	*Mr. Nagakanaka Durga Prasad Chalavadi	Member	Present	Present	Present	Present
4	Mr. Kunisetty Venkata Ramakrishna	Member	@NA	Present	Present	Present

*Mr. Nagakanaka Durga Prasad Chalavadi was resigned w.e.f 13.07.2023

@Mr. Kunisetty Venkata Ramakrishna was appointed w.e.f 04.06.2022

The Company Secretary of the Company acts as to the Committee.

All the members of the Audit Committee are financially literate and have expertise in accounting/ financial management.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

4. **NOMINATION AND REMUNERATION COMMITTEE**

The company has in place a Nomination and Remuneration committee in line with the provisions of section 178 of the companies Act, 2013. The Nomination and Remuneration Committee was last re-constituted pursuant to a resolution passed by the Board in its meeting held on June 4, 2022.

As on the date of this report, the composition of Nomination and Remuneration committee stands as follows:

Sl.No	Name	Category
1	Mr. Kunisetty Venkata Ramakrishna	Chairperson
2	Mr. Ravindra Vikram Mamidipudi	Member
3	Mr. Pramod Kasat	Member
4	Ms. Sirisha Chintapalli	Member

The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy").

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

- The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

2. Formulation of criteria for evaluation of the performance of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. To recommend, implement, design, execute, approve schemes of ESPS, ESOP, SAR, Sweat Equity and do all other activities as detailed under Sai Silks (Kalamandir) Limited Employee Share based benefits Scheme 2022.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management;
8. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."
9. Analysing, monitoring and reviewing various human resource and compensation matters;
10. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
11. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
12. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
13. Administering, monitoring and formulating detailed terms and conditions of the employee stock option scheme, if any, of the Company;
14. Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
15. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;
16. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and
17. Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.
18. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- Use the services of an external agencies, if required;
- Consider candidates from a wide range of backgrounds, having due regard to diversity; and
- Consider the time commitments of the candidates.

Performance evaluation criteria by Independent Director

The criteria for performance evaluation cover the areas such as qualifications, experience, knowledge and competency, ability to function as a team, initiative, availability and attendance, commitment, integrity, constructive contribution, protection of interest of stakeholders, Independence and independent views. The independent directors reviewed the performance of Non-Independent directors and the entire board of directors, including the chairman, while considering the views of the Executive and Non-Executive directors, excluding the director being evaluated based on the above evaluation criteria laid down by the Nomination and Remuneration committee. The Independent directors were highly satisfied with the overall functioning of the board and its various committees, which demonstrated a high level of commitment and engagement. They also appreciated the exemplary leadership of the chairman of the Board and its committees in upholding and following the highest values and standards of corporate governance. Post the review by the Independent Directors, the results were shared with the entire board and its respective committees. The Board expressed its satisfaction with the evaluation results, which reflects very high degree of engagement of the board and its committees with the management. Based on the outcome of the evaluation and assessment cum feedback of the directors, the board and the management have agreed on various action points, which will be implemented during the ensuing years.

Number of members, Chairperson, meetings and attendance

The Committee met 2 times during the financial year under review i.e., on 04.06.2022 & 09.06.2022

Sl.No	Name	Designation	04.06.2022	09.06.2022
1	Mr. Kunisetty Venkata Ramakrishna	Chairperson	@NA	Present
2	Mr. Mamidipudi Ravindra Vikram	Member	Present	Present
3	Ms. Sirisha Chintapalli	Member	Present	Present
4	Mr. Pramod Kasat	Member	Present	Present

@Mr. Kunisetty Venkata Ramakrishna was appointed w.e.f 04.06.2023

The Company Secretary of the Company acts as secretary to the Committee.

Details of remuneration for the year ended March 31, 2023
i. Executive Directors
Rs. In Million

Name of the Director	Salary	Other Benefits	Company's contribution to PF	Commission	Performance linked incentive	Total Remuneration
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Mr. Nagakanaka Durga Prasad Chalavadi	50.00	-	-	-	-	50.00
Mr. Kalyan Srinivas Annam	19.90	-	-	-	-	19.90
Mr. Doodeswara Kanaka Durgarao Chalavadi	3.90	-	-	-	-	3.90

Payment of remuneration to the Executive / Whole Time Directors of the company is governed by the terms and conditions of their appointment as recommended by the Nomination and Remuneration committee and approved by the Board and Shareholders.

Details of shares held by Managing Director & Executive Directors in the Company as on date of this Report

Name of the Director	Designation	Shareholding (Face value Rs.2 each)
Mr. Nagakanaka Durga Prasad Chalavadi	Managing Director	5,69,75,505 equity shares
Mr. Kalyan Srinivas Annam	Whole Time Director	1,50,96,975 equity shares
Mr. Doodeswara Kanaka Durgarao Chalavadi	Whole Time Director	64,35,250 equity shares

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The company has in place a stakeholders relationship committee in line with the provisions of the section 178 (5) of the Companies Act, 2013. The Stakeholders' Relationship Committee was re-constituted pursuant to a resolution passed by our Board in its meeting held on May 3, 2022.

As on the date of this report, the composition of stakeholders' relationship committee stands as follows:

Sl.No	Name	Category
1	Ms. Sirisha Chintapalli	Independent Director (Chairperson)
2	Mr. Nagakanaka Durga Prasad Chalavadi	Managing Director (Member)
3	Mr. Kalyan Srinivas Annam	Whole Time Director (Member)

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee include the following:

1. Resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent; and
4. Consider and specifically look into various aspects of interest of shareholders, debenture holders and other security holders;
5. Investigate complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

6. Give effect to all transfer/transmission of shares and debentures, dematerialisation of shares and rematerialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
7. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
8. Carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.
9. Approve, register, refuse to register transfer or transmission of shares and other securities;
10. Sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
11. Allot and get the shares listed;
12. Authorise affixation of common seal of the Company;
13. Issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
14. Approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
15. Carry out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
16. Further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Number of members, Chairperson, Meetings and Attendance

The committee met one time during the Financial year under review, i.e.; 19.09.2022

Name	Designation	19.09.2022
Ms. Sirisha Chintapalli	Chairperson	Present
Mr. Kalyan Srinivas Annam	Member	Present
Mr. Nagakanaka Durga Prasad Chalavadi	Member	Present

Mr. M. Bhaskara Teja, Company Secretary was appointed as the Compliance officer of the Company and also acts as Secretary to the Committee.

No. of shareholders complaints received during the FY	Nil
No. of complaints not solved to the satisfaction of the shareholders	Nil
No. of pending complaints	Nil

6. CORPORATE SOCIAL RESPONSIBILITY

The company has in place a Corporate Social Responsibility (CSR) Committee in line with the provisions of section 135 of the Companies Act, 2013 to recommend the amount of expenditure to be incurred on the activities prescribed as per the approved policy and to monitor the Corporate Social Responsibility policy of the company from time to time. The Corporate Social Responsibility Committee was re-constituted pursuant to a resolution passed by the Board on May 3, 2022.

As on the date of this report, the composition of Corporate Social Responsibility committee stands as follows:

Sl.No	Name	Category
1	Mr. Ravindra Vikram Mamidipudi	Independent Director (Chairperson)
2	Mr. Nagakanaka Durga Prasad Chalavadi	Managing Director (Member)
3	Mr. Kalyan Srinivas Annam	Whole Time Director (Member)

The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder, including:

- i. formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
 - ii. Support the economically backward and children in the need of health and education;
 - iii. Support the humanity during the natural calamities, donation of clothes to flood relief camps;
 - iv. Collaborate in the initiatives of other NGOs for the cause of fostering the needy children health care;
 - v. Support the initiatives that would help the public at large in understanding the health hazards;
 - vi. Conduct the workshops and create awareness about conservation of natural resources;
 - vii. Promote the activities, which would support the welfare and well-being of the Weavers Community;
 - viii. Eradicate extreme hunger and poverty;
 - ix. Infrastructure Development (village roads, culverts, bus shelters, solar lighting etc);
 - x. Ensure environmental sustainability;
 - xi. Drinking water / Sanitation;
 - xii. Healthcare;
 - xiii. Community Development;
 - xiv. Education and vocational training;
 - xv. Skill Development;
 - xvi. Child care and nutrition.
- (b). review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (c). review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a), amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, and the distribution of the same to various corporate social responsibility programs undertaken by the Company;
- (d). delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e). review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

- (f). The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its corporate social responsibility policy, which shall include the following:
- (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
 - (ii) the manner of execution of such projects or programmes as specified in the rules notified under the Companies Act;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the Company; and
- (g) monitor the corporate social responsibility policy of the Company and its implementation from time to time; and
- (h) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

The committee met one time during the Financial year under review, i.e.; 28.05.2022

Sl.No	Name	Designation	28.05.2022
1	Mr. Mamidipudi Ravindra Vikram	Chairperson	Present
2	Mr. Nagakanaka Durga Prasad Chalavadi	Member	Present
3	Mr. Kalyan Srinivas Annam	Member	Present

The Company Secretary of the Company acts as secretary to the Committee.

CSR policy is available on the Company's website: <https://sskl.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf>

7. RISK MANAGEMENT COMMITTEE

The Risk Management Committee was constituted pursuant to a resolution passed by the Board in its meeting held on May 3, 2022.

The Company has in place a Risk Management Committee and this committee consists of 5 members are as follows:

Sl.No	Name	Category
1	Mr. Nagakanaka Durga Prasad Chalavadi	Managing Director (Chairperson)
2	Mr. Doodeswara Kanaka Durgarao Chalavadi	Whole Time Director (Member)
3	Mr. Kalyan Srinivas Annam	Whole Time Director (Member)
4	Mr. Mamidipudi Ravindra Vikram	Independent Director (Member)
5	Mr. KVLN Sarma	Chief Financial Officer (Member)

The Company Secretary of the Company acts as Secretary to the Committee.

The scope and function of the Risk Management Committee are in accordance with Regulation 21 of the Listing Regulations. The terms of reference of the Risk Management Committee are as follows:

1. To formulate a detailed risk management policy which shall include:
 - i. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - ii. Measures for risk mitigation including systems and processes for internal control of identified risk
 - iii. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per framework laid down by the board of directors;
4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
7. To approve major decisions affecting the risk profile or exposure and give appropriate directions
8. To consider the effectiveness of decision-making process in crisis and emergency situations;
9. To balance risks and opportunities;
10. To generally, assist the Board in the execution of its responsibility for the governance of risk
11. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
12. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee and
13. Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing regulations.

The committee met two times during the Financial year under review, i.e.; 19.09.2022 & 30.12.2022

Sl.No	Name	Designation	19.09.2022	30.12.2022
1	Mr. Nagakanaka Durga Prasad Chalavadi	Chairperson	Present	Present
2	Mr. Doodeswara Kanaka Durgarao Chalavadi	Member	Present	Present
3	Mr. Kalyan Srinivas Annam	Member	Present	Present
4	Mr. Mamidipudi Ravindra Vikram	Member	Present	Present
5	Mr. KVLN Sarma	Member	Present	Present

8. SEPARATE MEETING OF INDEPENDENT DIRECTOR

The meeting of the Independent directors during the year 2022-23 was held in accordance with the requirements of section 149 & Schedule IV of the Companies Act, 2013. During the year, the independent directors met once, i.e., on 30th December, 2022 and all the independent directors attended the meeting. The detail of Familiarization program is available on the company's website <https://sskl.co.in/wp-content/uploads/2022/07/Familiarization-to-Independent-directors.pdf>.

V. Remuneration of Directors

- a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company

The Company neither has any pecuniary relationship (except Sitting Fee) nor has entered into any transaction(s) with any of its non-executive directors.

- b) Criteria of making payments to non-executive directors

The remuneration policy describing the criteria of making payment to non-executive directors may be accessed at <https://sskl.co.in/wp-content/uploads/2022/07/Remuneration-Policy.pdf>

- c) Disclosures with respect to remuneration

Information to be disclosed in the annual report as per the provisions of Sec 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – N.A. *(since the Company is yet to be listed)*

Further, information as required under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is hereunder:

The Board, in consultation with its Nomination and Remuneration Committee adopts generally accepted criteria for determining remuneration to its directors.

All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors – The Independent Directors are only entitled to Sitting Fees. The other Executive Directors are entitled to remuneration as detailed in the Notice of AGM.

There are no performance linked incentives or bonus to any of its directors.

Moreover, no service contracts were entered into by the Company, hence, notice period and severance fees are not applicable.

Stock option details, if any including issue at a discount as well as the period over which accrued and over which exercisable: The Company has not issued any stock options during the FY 2022-23.

9. General Body Meetings

AGM	Financial Year Ended	Date & Time	Venue	Special Resolution passed
14 th	March 31, 2022	30 th September, 2022 11:00 AM	Registered office	Nil
13 th	March 31, 2021	30 th November 2021 10:30 AM	Registered office	Nil
12 th	March 31, 2020	31 st December, 2020 10:00 AM	Registered office	Nil

During the financial year under review, no resolution was passed through Postal Ballot. Therefore providing details of person who conducted the Postal Ballot exercise does not arise. Also, no special resolution is being proposed through Postal Ballot as on the date of notice calling the ensuing Annual General Meeting. The members of the Company will be intimated appropriately as and when the Postal Ballot need arises.

Procedure for postal ballot

The Postal ballot will be conducted in accordance with the provisions of Sec 110 of The Companies Act, 2013 read with Rule 22 of The Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Information about Directors seeking appointment / Reappointment

Mr. Kalyan Srinivas Annam is retiring by rotation and being eligible offers himself for re-appointment and his details are given in the Notice.

Means of Communication

As of date, ours is a closely held Company, where public as such are not holding any shares in the Company. Hence, the need of mass communication did not arise till date. However, once the Company gets listed on the Stock Exchanges, it shall adopt and follow the requisite means of communication in order to maintain timely, purposeful and efficient communication with its shareholders at large.

However, the website of our Company, i.e., www.sskl.co.in may be accessed in order to obtain any information about the Company, its Board of Directors, operations etc.

10. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting for the FY 2022-23

Date & Time -Thursday, 24th August, 2023 at 10.30 A.M.

Venue: 6-3-790/8, Flat no:1, Bathina Apartments, Ameerpet, Hyderabad, Telangana 500016

b. Financial Year (2022-2023)

The Financial year under review is 2022-2023 (01st April, 2022 to 31st March, 2023)

c. Dividend payment date: Not Applicable (since no dividend is recommended by the Board for the FY 2022-23)

Unclaimed Dividend – There is no unclaimed dividend pertaining to the past years.

Transfer of unclaimed dividend and shares to Investor Education and Protection Fund

There is no unclaimed dividend pertaining to past years; hence no shares were required to be transferred to Investor Education and Protection Fund.

d. Listing on Stock Exchanges & Stock Code

Your company proposes to access capital markets by way of an Initial Public offer and get its shares listed on the Stock Exchanges.

The Company has paid custodial fees for the year 2023-24 to National Securities Depository Limited [NSDL] and Central Depository Services (India)Limited [CDSL] on the basis of number of beneficial accounts maintained it them as on 31st March, 2023.

e. Stock Code - NA.

Stock market price data and Performance in comparison to BSE Sensex/Nifty 50 for the year 2022-23- Not Applicable

f. Since the shares / securities of the Company are not listed, any suspension thereof does not arise.

g. Registrar and Share Transfer Agent

Bigshare Services Private Limited
Office No S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai – 400093
Telephone: 022 62638200
investor@bigshareonline.com
Website: www.bigshareonline.com

h. Share Transfer System

The Company engages the services of M/s. Bigshare Services Private Limited, Mumbai in case of any physical share transfers / transmission, etc.,. Share transfers, whether physical or demat are carried out in accordance with the provisions of Companies Act, 2013. The Company has appointed M/s. Bigshare Services Private Limited, Mumbai to act as Registrar to the Issue.

i. Shareholding pattern and Distribution of shares as on March 31, 2023

Range of Equity Shares Held	Shareholders		Shares Face value-Rs.2/-	
	Number of Shareholders	% of Shareholders	Number of Shareholders	% of Shares
Upto - 5000			-	-
5001 - 10000	-	-	-	-
10001 - 20000	-	-	-	-
20001 - 30000	-	-	-	-
30001 - 40000	-	-	-	-
40001 - 50000	-	-	-	-
50001 - 100000	-	-	-	-
100001 and above	9	100.00	12,63,39,085	100.00
Total	9	100.00	12,63,39,085	100.00

Shareholding Pattern as on March 31, 2023

Sl.No	Category	Total No of Shares (Face Value Rs.10)	Total Percentage as a % of Total Share Capital
1	Promoter / Promoter Group	120322940	95.24
2	Mutual Funds / UTI	-	-
3	Financial Institutions / Banks	-	-
4	Insurance Companies	-	-
5	Central / State Government	-	-
6	Bodies Corporate	-	-
7	Investor Education and Protection Authority	-	-
8	Indian Public	-	-
9	Resident Individual (HUF)	-	-
10	NRI / Foreign National / OCB	-	-
11	NBFCs registered with RBI	-	-
12	Unclaimed Shares Account	-	-
13	Trusts (SSKL Employees' Trust)	60,16,145	4.76
	Total	12,63,39,085	100.00

Note : Consequent upon subdivision, the face value of shares stands at Rs.2 per share. Further, taking into consideration the said sub-division and allotment of 60,16,145 equity shares of face value Rs.2 /- to SSKL Employees Trust, total number of issued / paid up shares stands at 12,63,39,085 equity shares of Rs.2 each.

j. Dematerialization of shares & liquidity

As on March 31, 2023 and further also as on date of this Report, the entire share capital of the company is held in dematerialization mode. The entire shareholding of Promoters and Promoter Group is in dematerialization form.

k. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs, ADRs, Warrants or any other convertible instruments.

l. Commodity price risk or foreign exchange risk and hedging activities

Nil / N.A

m. Plant locations:

The Company is not engaged in any manufacturing activity and hence does not operate / maintain any factory or plant as such. The Company carries out its operations through its stores / warehouses, the details of which may be obtained from the website of the Company, www.sskl.co.in.

n. Investor's Correspondence

All queries of Investor regarding our Company's shares in physical / Demat form may be sent to the Company Secretary of the Company, ie. secretarial@sskl.co.in Shareholders holding shares in electronic mode should address all correspondence to their respective depositories.

o. Compliance officer

Mr. Matte Koti Bhaskara Teja
Company Secretary & Compliance officer
Sai Silks (Kalamandir) Limited
6-3-790/8, Flat no:1, Bathina Apartments,
Ameerpet, Hyderabad, Telangana 500016
Ph: 040 66566555
Email: secretarial@sskl.co.in

p. Credit Rating

During the year under review, "A-" rating has been assigned to the Company by India Rating.

11. Unclaimed Suspense Account

The company does not have any unclaimed suspense account.

12. OTHER DISCLOSURES

a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

All the transactions entered into with related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on arm's length basis.

Transactions with related parties are disclosed at Note No: 45 of the financial statements in the Annual Report.

We have formulated a policy on “materiality of related party transactions” and the process of dealing with such transaction, which are in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The same has been uploaded on the website of the company <https://sskl.co.in/wp-content/uploads/2022/07/Policy-On-Related-Party-Transactions.pdf>

- b. Details of non-compliances by the Company, penalties, strictures imposed on the Company by the stock exchanges /SEBI/ statutory authority on any matter related to capital markets during the last three years. Nil and N.A (since the Company is not listed on any Stock Exchanges)
- c. The company has in place a Vigil mechanism/whistle blower policy in terms of section 177(9) of the Companies Act, 2013 which enables stakeholders, including individual employees to freely communicate their concerns about illegal or unethical practices. No personnel have been denied access to the Audit committee to lodge their grievances. No compliant has been received by the committee during the year. The vigil mechanism is also available on the company's website <https://sskl.co.in/wp-content/uploads/2022/07/Vigil-Mechanism-Policy.pdf>

d. Details of compliance of Mandatory and adoption of Non- Mandatory Requirements

The Company is in the process of undertaking an IPO and get its shares listed on the Stock Exchanges. In view of this, it has complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable and feasible as on date. The Company has also adopted the discretionary requirements as specified in Part E of Schedule II of the Regulations and the same may be referred at point no. 16 hereunder.

e. Policy for determining material subsidiaries may be accessed on our website

<https://sskl.co.in/wp-content/uploads/2022/07/Policy-on-material-subsiadiary.pdf>

f. Policy on dealing with Related Party Transactions

<https://sskl.co.in/wp-content/uploads/2022/07/Policy-On-Related-Party-Transactions.pdf>

g. Recommendation of the committees of Board

There were no such instances during the financial year 2022-23, wherein the board had not accepted the recommendation made by any committees of the board.

h. Commodity Price Risk and Commodity Hedging Risk – NA

- i. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – NA

- j. Certificate from a Company Secretary of the Company that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors.

k. Total fees paid to Statutory Auditors

Rs. In Millions

Auditors	Sagar & Associates
Audit Fee	1.88
Tax matters	0.63
Certification Fee	5.00
Out of Pocket expenses	
Total	7.51

- l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Board has constituted Internal Complaints Committee in accordance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**"). This Committee has been constituted to specifically provide a safe, secure and enabling environment, free from sexual harassment to every woman.

Composition & Attendance in Meetings:

The Committee met 2 times on 03.05.2022 and 19.09.2022 during the year under review

Name	Designation	Meetings held	Meeting entitled to attend	Attended
Ms. Kalpana	Presiding Officer	2	2	2
Mr. D. Srinivas Prasad	Member	2	2	2
Mr. B. Chakradhar	Member	2	2	2
Ms. Sabita Borra	Member	2	2	2

The Company Secretary acts as the secretary of the Internal Complaints Committee.

Sl. No	Particulars	
A	Number of complaints filed during the financial year	Nil
B	Number of complaints disposed of during the financial year	Nil
C	Number of complaints pending as on end of the financial year	Nil

- 13. Disclosures by the Listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/ companies in which directors are interested by the nature and amount:** Not applicable

14. Details of the material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: Not applicable.

15. Non- compliance of any requirement of corporate governance report, with reasons thereof:

All the corporate governance requirements are complied with, to the extent applicable and feasible in the context of the Company.

16. The extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

Discretionary Requirements:

Your Company has adopted / complied with the discretionary requirements specified in Part E of Schedule II as detailed below:

i. The Board:

Maintenance of Office to the Non-executive Chairperson at the Company's expense: The Non-executive Chairperson, being resident of the same city as of the Company, visits the Company's Registered Office / stores as and when deemed necessary. Hence, no separate office as such is required to be maintained.

ii. Shareholders' rights:

All the quarterly financial results shall be placed on the Company's Website, www.sskl.co.in, apart from publishing the same in the Newspapers along and submission to Stock Exchanges, subsequent upon Listing.

iii. Modified opinion(s) in audit report:

There are no modified opinions in the Audit Reports.

iv. Separate Posts of Chairman and the Managing Director or the CEO:

Mr. M R Vikram is the Non-executive Chairman of the Company, whereas Mr. Nagakanaka Durga Prasad Chalavadi is the Managing Director of the Company

v. Reporting of Internal Auditor:

The Internal auditor reports to the Chairman of the Audit Committee directly.

17. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details are as follows:

Regulation	Particulars of regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	Yes

22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of the Company	NA
25	Obligations with respect to Independent directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes/ Will be complied
46(2) (b) to (i)	Website	Yes

18. Disclosure with respect to demat suspense account / unclaimed suspense account: N.A

19. Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has instituted a comprehensive code of conduct for prohibition of insider trading in the Company's shares. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. However, the same will be brought into force upon listing of shares on Stock Exchanges. The said code of conduct may be accessed at <https://sskl.co.in/wp-content/uploads/2022/07/Code-of-Insider-Trading.pdf>

20. Code of Conduct:

In compliance with the provisions of the Listing Regulations, the Board has laid down a code of conduct for all Board members and Senior Management of the Company and it is posted on the website of the Company at the link <https://sskl.co.in/wp-content/uploads/2022/07/Code-of-Conduct.pdf>

21. Auditors Certificate on Corporate Governance

The Company has obtained certificate from P.S. Rao & Associates, Practicing Company Secretaries regarding compliance with the provisions relating to Corporate Governance laid down in Part E of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This certificate is attached to the Director's Report.

22. MD and CFO Certification

The MD and the CFO have certified to the Board with regard to the financial statement and other matters as required under regulation 17(8), read with Part-B of schedule II to the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

MD & CFO Certification
(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

The Board of Directors
SAI SILKS (KALAMANDIR) LIMITED
Hyderabad.

We, Nagakanaka Durga Prasad Chalavadi, Managing Director and KVLN Sarma, Chief Financial Officer of Sai Silks (Kalamandir) Limited, to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement of our Company for the financial year ended 31st March, 2023 and that to the best of our knowledge and belief:
- I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of our Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by our Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of our Company pertaining to financial reporting and that we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any.
- D. We have indicated to the auditors and the Audit committee
- I. Significant changes in internal control over financial reporting during the year;
 - II. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the entity's internal control system over financial reporting.

For and on behalf of the Board

Sd/-
Nagakanaka Durga Prasad Chalavadi
Managing Director
DIN: 01929166

Sd/-
KVLN Sarma
Chief Financial Officer

Place: Hyderabad
Date: 13.07.2023

CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS
SAI SILKS (KALAMANDIR) LIMITED.

We have examined the compliance of conditions of Corporate Governance by SAI SILKS (KALAMANDIR) LIMITED ("the Company"), for the year ended 31st March, 2023, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing regulations") as referred to in Regulation 15(2) of the Listing regulations.

The compliance of conditions of corporate governance is the responsibility of Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, to the extent applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Note :

The Company, as on date of this Certificate is an unlisted Company, proposes to list its shares on the Stock Exchanges upon completion of its IPO, which is under process. In view of the said, this Certificate certifying the compliance of provisions related to Corporate Governance as laid in Listing Regulations be read and inferred accordingly.

For P S Rao & Associates
Company Secretaries

Sd/-
Vikas Sirohiya
Partner
M.No. 15116
C.P. No: 5246

Peer Review No. 710/2020
ICSI Unique Code: P2001TL078000
UDIN: A015116E000602109

Place: Hyderabad
Date: 13.07.2023

CERTIFICATE
(Pursuant to clause 10 of Part C of Schedule V of LODR)

In pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR) in respect of Sai Silks (Kalamandir) Limited, having CIN: U52190TG2008PLC059968), we hereby certify that:

On the basis of the written representation/declaration received from the directors and taken on record by the Board of Directors, as on March 31, 2023, none of the directors on the Board of the company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P S Rao & Associates
Company Secretaries

Sd/-
Vikas Sirohiya
Partner
M.No. 15116
C.P. No: 5246
Peer Review No. 710/2020
ICSI Unique Code: P2001TL078000
UDIN: A015116E000602010

Place: Hyderabad
Date: 13.07.2023

POLICY ON APPOINTMENT OF DIRECTORS & BOARD DIVERSITY**1. Objective & Scope**

The objective of this policy is to lay down the criteria for appointment of Directors on the Board of Directors ("Board") of Sai Silks (Kalamandir) Limited ("Company") and the organization's approach to Board Diversity. This policy is to be read in conjunction with the Corporate Governance guidelines and Remuneration policy of the Company, as approved and amended from time to time.

The policy applies only to the appointment of Directors and not to any other employees.

2. Appointment of Directors

The Board, on the recommendations of the Nomination & Remuneration Committee, is responsible for selection and appointment of Directors on the Board of the Company and is subject to approval of Shareholders, wherever applicable.

The appointment of all Directors is subject to the articles of association of the Company, provisions of the Companies Act, 2013, the SEBI Listing Regulations, including any modifications thereto from time to time.

The re-appointments of Directors on the Board are also subject to the evaluation of the Director basis the performance of the concerned Director in the previous term.

3. Board Diversity

All appointments to the Board will continue to be made on merit. However, the Company believes that establishing and maintaining diversity of the Board is one of the key aspects of the selection and appointment of Board members.

The Company believes that, Board diversity basis the gender, race, age will help build diversity of thought and will set the tone at the top. A mix of individuals representing different geographies, culture, industry experience, qualification and skill set will bring in different perspectives and help the organization grow.

It is always the endeavor of the organization to maintain Board diversity while retaining its philosophy of selection and appointment of board member on the basis of merit.

The Board of Directors of the Company shall at all times have an optimum combination of executive and non-executive directors and independent Directors.

4. Criteria for Selection of Independent Directors and Key Skills, Expertise, and Core Competencies of the Board.

The Board of the Company comprises of eminent personalities and leaders in their respective fields. These Directors are nominated based on well-defined selection criteria.

The Board Governance, Nomination and Remuneration Committee:

- a. considers, inter alia, key qualifications, skills, expertise and competencies, whilst recommending to the Board the candidature for appointment as Independent Director.

- b. In case of appointment of Independent Directors, satisfies itself about the independence of the Directors vis-à-vis the Company to enable the Board to discharge its functions and duties effectively.

In the opinion of the Board and the Board Governance, Nomination and Remuneration Committee, the following is a list of core skills/expertise/competencies required in the context of the Company's business and which are available with the Board:

The following is only an indicative list all Board members need not possess all skill sets.

Wide management and leadership experience	Strong management and leadership experience, including in areas of business development, strategic planning and mergers and acquisitions, ideally with major public companies with successful multinational operations in technology, manufacturing, banking, investments and finance, international business, scientific research and development, senior level government experience and academic administration.
Information Technology	Expertise or experience in information technology business, technology consulting and operations, emerging areas of technology such as digital, cloud and cyber security, intellectual property in information technology domain, and knowledge of technology trends.
Diversity	Diversity of thought, experience, knowledge, perspective, gender and culture brought to the Board by individual members. Varied mix of strategic perspectives, geographical focus with knowledge and understanding of key geographies.
Functional and managerial experience	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, macro-economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.
Personal values	Personal characteristics matching the Company's values, such as integrity, accountability, and high performance standards.
Corporate governance	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and Company's responsibilities towards customers, employees, suppliers, regulatory bodies and the communities in which it operates. Experience in boards and committees of other large companies.

5. Review of the Policy

The Board of Directors is responsible for review of the policy from time to time.

For and on behalf of the Board of Directors

Sd/-
Naga Kanaka Durga Prasad Chalavadi
Managing Director
DIN:01929166

Sd/-
Kalyan Srinivas Annam
Whole Time Director
DIN:02428313

Place: Hyderabad
Date: 13.07.2023

REMUNERATION POLICY**Remuneration Policy for Directors, Key Managerial Personnel, and the Senior Management employees****1. Introduction:**

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

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

2. Scope:

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

Terms and References:

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

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

3.2 "Key Managerial Personnel" means

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

(ii) the Company Secretary;

(iii) the Whole-time Director;

(iv) the Chief Financial Officer; and

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

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

4. Policy:**4.1 Remuneration to Executive Directors and Key Managerial Personnel**

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

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

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

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Commission
- (iv) Retiral benefits
- (v) Annual Performance Bonus

4.2 Remuneration to Non-Executive Directors

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

4.3 Remuneration to other employees

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

For and on behalf of the Board of Directors

Sd/-
Naga Kanaka Durga Prasad Chalavadi
Managing Director
DIN:01929166

Sd/-
Kalyan Srinivas Annam
Whole Time Director
DIN:02428313

Place: Hyderabad
Date: 13.07.2023

Annexure – VIII
VIGIL MECHANISM / WHISTLE BLOWER POLICY
Scope and purpose:

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

This policy applies to all employees of the Company.

Roles and Responsibilities

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

How & Where to Report

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

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

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

Post reporting Investigation

All reports under this Policy will be promptly and appropriately investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law. Everyone working for or with the Company has a duty to cooperate in the investigation of reports of violations. Failure to cooperate in an investigation, or deliberately providing false information during an investigation, can be the basis for disciplinary action, including termination of employment. If, at the conclusion of its investigation, the Company determines that a violation has occurred, the Company will take effective remedial action commensurate with the nature of the offense. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of Company policy.

Zero - Retaliation policy

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

Modification

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

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

For and on behalf of the Board of Directors

Sd/-
Naga Kanaka Durga Prasad Chalavadi
Managing Director
DIN:01929166

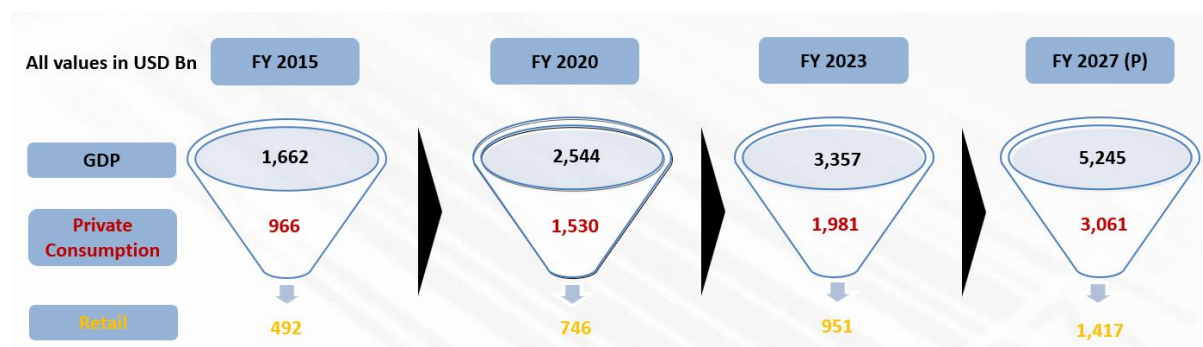
Sd/-
Kalyan Srinivas Annam
Whole Time Director
DIN:02428313

Place: Hyderabad

Date: 13.07.2023

MANAGEMENT AND DISCUSSION ANALYSIS (MDA)
a. Industry Structure and Development
Retail Market in India

Retail Market in India was valued at US\$ 492 Bn in FY 2015 and reached a value of US\$ 746 Bn in FY 2020, growing at 8.7% CAGR over this period. Currently, the Retail Market in India was valued at US\$ 951 Bn (INR 76,06,572 Cr) in FY 2023 and is expected to grow at a CAGR of 13.8% to reach US\$ 1,417 Bn (INR 1,13,39,918 Cr) by FY 2027.

India's Consumption Funnel in FY (in US\$ Bn)


Source: Technopak Analysis. 1US\$ = INR 80

Retail Size – Overall & across Key Categories

In Fiscal 2022, India's retail basket was approximately 48% of its private consumption and it is expected to maintain roughly this share in private consumption for the next five years. The food & grocery ("F&G") segment forms the major share of India's merchandise retail expenditure (~68%), followed by apparel & apparel accessories, consumer electronics & jewellery at ~ 6-7% each. The apparel market in India was estimated at ~US\$ 51Bn as of FY 2021 and is one of the larger segments of the Indian retail sector.

As the per capita income of India increase, the spend on Primary Non-Food is also expected to increase, thus increasing its share in Indian Retail Basket by FY 2027. Apparel and accessories is estimated to have the highest share in Primary Non-Food sector and is expected to show the highest growth at 20.38% CAGR over the next 5 years. Share of Apparel & Accessories in overall retail is expected to further increase from 6.10% in FY 2022 to 9.42% in FY 2027.

Share of various categories in overall Indian Retail Basket in FY (in US\$ Bn)

Type of Categories	Categories	FY 2020	FY 2022	FY 2023	FY 2027 (P)	CAGR (FY 2022 -FY 2027)
	Total Retail (INR Bn)	746	844	951	1,418	10.93%
Need based	Food and Grocery	64.7%	67.6%	65.1%	59.4%	8.1%
	Pharmacy & Wellness	2.9%	3.0%	3.0%	3.2%	12.0%
Primary Non-Food	Apparel & Apparel Accessories	7.5%	6.1%	7.2%	9.4%	21.0%
	Non-Apparel Accessories*	0.6%	0.5%	0.6%	0.7%	20.4%
	Jewellery	7.5%	6.6%	7.3%	8.7%	17.3%
	Consumer Electronics	6.4%	6.3%	6.7%	7.8%	16.0%
	Watches	0.2%	0.2%	0.2%	0.2%	17.1%
Other Non-Food	Home & Living	4.3%	3.7%	4.0%	4.5%	15.4%
	Footwear	1.2%	1.0%	1.0%	1.3%	18.0%
	Others	4.7%	5.0%	4.9%	4.7%	9.2%
	Total	100.0%	100.0%	100.0%	100.0%	

*Accessories includes Bags, Belts, Watches and Wallets; Others include Books & Stationery, Toys, Eyewear, Sports Goods, Alcoholic Beverages & Tobacco etc. Source: Technopak analysis; Year Indicates FY. 1US\$ = INR 80

Share of Need based & Discretionary categories: Comparison with US and China (CY 2021)

Type of Categories	Categories	India	US	China
	Total Retail (US\$ bn)	844	6,208	6,060
Need based	Food and Grocery	68%	13%	41%
	Pharmacy & Wellness	3%	5%	1%
Discretionary	Apparel & Accessories	7%	4%	5%
	Others	22%	78%	53%
	Total	100%	100%	100%

Source: Technopak Analysis

Share of Merchandise and Services in Household Expenditure- India (FY 2023)

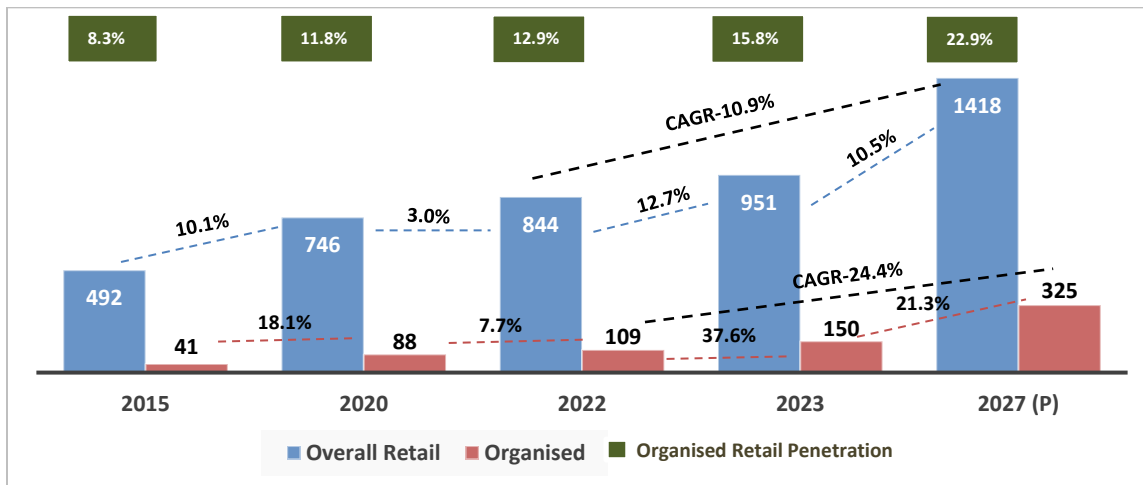
Broad Category	Share in Household Expenditure	Category	Share of Wallet
Merchandise Retail	~48%	Food and Grocery	31%
		Jewellery	4%
		Apparel & Accessories	4%
		Footwear	1%
		Pharma & Wellness	1%
		Consumer Durables & Information Technology	3%
		Home & Living	2%
		Others Retail Categories	2%
Services	~52%	Healthcare, Travel, Hospitality etc.	52%

Source: Technopak Analysis

The share of apparel in overall Indian retail basket is expected to be 9.4% by FY 2027, which would be the highest within discretionary spend categories.

While organized retail, primarily brick & mortar, has been in India for 2 decades now, its contribution to total retail was low at 11.8% (US\$ 88 bn) in FY 2020. The organized retail penetration is expected to increase to ~23% by FY 2027.

Overall Retail Market in FY (US\$ Bn)



b. Opportunities, Strengths and Threats

Opportunities & Strengths

- In-house product design ability that allows us to be category creators and provide differentiated product offerings in the market. This also allows us to broaden the addressable market opportunity

- Wide assortment of products category (specific and sub-category) catering to both daily wear and occasion wear purposes
- Multi-channel presence with a skew towards exclusive brand outlets and own website e-commerce that allows us an integrated route to market while offering multiple touch points to their consumers. This also enables them to activate and build an omni channel play
- Dedicated manufacturers / suppliers base for integrated supply chain that work with the brand and using standardized processes
- Strong EBO presence creates brand loyalty amongst consumers through engagement and loyalty programs
- Focus on EBO channel leads to higher brand visibility and efficient operations
- Acts as shopping destination for specific categories like sarees

Threats

Our business is currently highly concentrated on a single product, i.e., women's sarees. Our sales of women's sarees are dependent on a number of factors, and may decline as a result of increased competition, pricing pressures or fluctuations in the demand for or supply of our products and other factors outside our control. In particular, our business is characterized by rapidly-changing customer preferences. Our results of operations are dependent on our ability to attract customers by anticipating and responding to such changes in customer preferences, and modify our existing products in line with changes in customer demands and preferences. The number of customers demanding women's ethnic wear may not continue to increase. Further, for our premium and ultra-premium sarees, our continued increase in sales is dependent on the demand for such products.

If we are unable to anticipate and gauge customer preferences, or if we are unable to adapt to such changes in a timely basis or at all, we may lose or fail to attract customers, our inventory may become obsolete and we may be subject to pricing pressure to sell our inventory at a discount. A decline in demand for our products or a misjudgment on our part regarding the nature of designs in demand could lead to increased market acceptance of our competitors' products or may result in the substitution of our products in the market, which could lead to us having lower sales and excess inventories, which may necessitate us to sell this excess inventory at cost price / lower than cost price. This may render us unable to support new growth platforms and cause a decline in our revenues and profits, which would adversely affect our business, results of operations, financial condition and cash flows.

The success of any store depends in part on its location. We aim to make our products available in stores opened in strategic locations and in high-density cluster areas.

We cannot assure you that current locations of stores operated by us will continue to be attractive or profitable as demographic patterns change, or as leases are renewed/extended on terms less favorable to us. Neighborhood or economic conditions where our stores are located could decline in the future, thus resulting in reduced sales in those locations. Alternatively, neighborhoods could continue to improve and escalate real estate prices, which may not be proportionate to the sales we are able to carry out. In the event real estate prices increase or if we are unable to renew lease agreements for our existing stores on

terms favorable to us, such store locations may not be profitable for our business, and we may be compelled to reassess the feasibility of such stores.

b. Segment-wise or product-wise performance.

The Company is primarily engaged in the business of retail trade through our retail stores, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment.

There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets. During the year ended 31 March 2023, 31 March 2022, 2021 and 2020 the revenue from transactions with a single external customer did not amount to 10 percent or more of the Company's revenues from the external customers.

c. Outlook

The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, the US, the European Union, India, Japan, the UK and South Korea are not in a recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies

d. Risks and concerns.

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in our forecast could result in either surplus stock, which we may not be able to sell in a timely manner, or at all, or under stocking, which could affect our ability to meet customer demand. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively and to maintain a full range of products at our stores. We plan our inventory and estimate our sales based on the forecast, demand and requirements for the forthcoming seasons. We have inventory stored at our warehouses ahead of an upcoming season.

Our business is manpower intensive and the success of our business depends on maintaining high standards of customer service in our stores. This is dependent on our ability to attract, hire, train, and retain skilled personnel particularly for sales functions, monitor them continuously on key service parameters and guide them regularly.

We procure our products from third party vendors and master weavers/weavers. We have ongoing arrangements with third party vendors, weavers and master weavers, located across various states and cities. We may be unable to replace our existing third party vendors, weavers or master weavers at short notice, or at all, and may face delays in supplies.

Typically, we do not enter into long term formal agreements with our vendors and prices for products procured by us are normally based on non-exclusive purchase orders. Fluctuations in the price, availability and quality of the fabrics or other raw materials used in our manufactured apparel, could have a material adverse effect on the price at which we purchase these products. The prices of fabrics depend largely on the market prices of the raw materials used to produce them. The price and availability of the raw materials and, in turn, the fabrics used in our products may fluctuate significantly, depending on many factors. Though the price of the raw materials that are purchased by the third parties to manufacture products that we sell are included in the purchase orders that we enter into, there can be no assurance that we will always be successful in our efforts to protect our business from the volatility of the market price of raw materials, and our business can be affected by dramatic movements in prices of raw materials.

e. Internal financial control systems.

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

The evaluation of these internal financial controls was done through the internal audit process, established within the Company and also through appointing professional firm to carry out such tests by way of systematic internal audit program. Based on the review of the reported evaluations, the directors confirm that, for the preparation of financial accounts for the year ended March 31, 2023 the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively and that no material weakness were noticed.

f. Discussion on financial performance with respect to operational performance

Our company has successfully reported another year of good performance amidst volatile industry trends. For the FY ended 31st March, 2023, our Company reported an operating turnover of Rs.1351.47 Crores when compared to Rs. 1129.32 Crores for the FY 2021-22. Thus, registering a growth of 20 % (approx) year on year basis. The Profit Before Tax (PBT) for the FY 2022-23 at Rs. 133.57 Crores was a notable increase over the PBT for the FY 2021-22, which stood at Rs. 77.29 Crores. The said growth in terms of topline as well as bottom line has encouraged your management and the employees, that will go a long way in helping them achieve better landmarks in the coming years. After adjusting for taxes and deferred taxes, the PAT stood at Rs.97.59 Crores for the FY 2022-23 as against Rs. 57.69 Crores for the FY 2021-22

g. Material developments in Human Resources / Industrial Relations front, including number of people employed.

Human Resources are the backbone of our organisation. The Company, operating in retail apparel, relies heavily on good and trained staff. Simultaneously, we need to keep a check on attrition rate in view of cut throat competition in our sector. We undertake various employee development and training programmes. There are no trade unions in the Company.

As on 31st March, 2023, the Company had 4,955 number of employees.

h. details of significant changes

In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (a change of 25% or more as compared to the previous financial year) in key financial ratios, along with detailed explanations thereof. The key financial ratios are given below:

S.No	Key financial ratios	2021-22	2022-23	Difference
1	Debtors Turnover	544.48	565.89	3.93 %
2	Inventory Turnover	2.68	2.32	-13.45 %
3	Debt Service Coverage	3.29	3.74	13.50 %
4	Current Ratio	1.38	1.41	2.20 %
5	Debt Equity Ratio	0.87	0.87	0.36 %
6	Operating Profit Margin (%)	9.05	12.69	40.20 %
7	Net Profit Margin (%)	5.11	7.22	41.36 %

Reasons for variance of more than 25% in above ratios: N.A.

For and on behalf of the Board of Directors

Sd/-
Naga Kanaka Durga Prasad Chalavadi
Managing Director
DIN:01929166

Sd/-
Kalyan Srinivas Annam
Whole Time Director
DIN:02428313

Place: Hyderabad

Date: 13.07.2023

DIVIDEND DISTRIBUTION POLICY**INTRODUCTION**

The Securities Exchange Board of India (SEBI) on May 5th, 2021 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 (Regulations). Vide these Regulations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top One Thousand listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy, which shall be disclosed in its Annual Report and on its website.

Regulation 43A of the Listing Regulations makes it mandatory for the top One Thousand listed companies based on their market capitalization calculated as on March 31 of every financial year to formulate Dividend Distribution Policy.

Sai Silks (Kalamandir) Limited (the “Company”) has formulated Dividend Distribution Policy on Voluntary Basis, the Company has approved and adopted this Dividend Distribution Policy (the “Policy”) at its Board meeting held on 04th June 2022, being the effective date of the Policy.

OBJECTIVE

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business or used for acquisitions, expansion, modernisation or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes.

The Board of Directors will refer to the policy while declaring/recommending dividends on behalf of the Company. Through this policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans.

DEFINITIONS

The terms referred to in the policy will have the same meaning as defined under the Act and the Rules made thereunder, and the SEBI Regulations.

PARAMETERS/FACTORS TO BE CONSIDERED BEFORE DECLARING DIVIDEND

The dividend pay-out decision of the Board depends upon the following financial parameters and internal and external factors:

1. FINANCIAL PARAMETERS AND INTERNAL FACTORS:

The financial parameters and internal factors which would be considered while declaration of dividend by the Board are as follows:

- i) Operating cash flow of the Company
- ii) Profit earned during the year
- iii) Profit available for distribution

- iv) Earnings Per Share (EPS)
- v) Working capital requirements
- vi) Capital expenditure requirements
- vii) Business expansion and growth
- viii) Likelihood of crystalization of contingent liabilities, if any
- ix) Additional investment in subsidiaries and associates of the company
- x) Up gradation of technology and infrastructure
- xi) Creation of contingency fund
- xii) Acquisition of brands and business
- xiii) Cost of Borrowing
- xiv) Past dividend payout ratio / trends

2. EXTERNAL FACTORS

Certain external factors may impact the dividend payout for any financial year of the Company. Some of the external factors are hereunder:

- i) Economic Environment
- ii) Dividend payout ratios across Industries.
- iii) Statutory provisions and guidelines
- iv) Capital Markets
- v) Inflation rate
- vi) Industry outlook for future years
- vii) Taxation

PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company presently has only 1 (one) class of shares, i.e. Equity Shares. Hence, the parameters which are required to be adopted for various classes of shares do not apply to the Company. This Policy is subject to review and the Board shall consider and specify the other parameters to be adopted with respect to such class(es) of shares.

CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirements for business operations or otherwise.
- iii. When Company's liquidity is jeopardized for any reason, impairing its ability to pay the dividend.
- iv. In the event of loss or inadequacy of profits.

The Board of Directors of the Company may not declare or recommend dividend for a particular period if it is of the view that it would be prudent to conserve capital for the then ongoing or planned business expansion or other factors which may be considered by the Board.

The Company will take a decision on the dividend distribution keeping all external and internal factors in view and duly adopting a judicious balance between directly rewarding the shareholders through dividend declaration on one hand and increasing shareholder's wealth in future through appropriate retention of projects and its realisation for sustainable growth, on the other.

HOW THE RETAINED EARNINGS WILL BE UTILISED

The Company shall endeavour to utilise the retained earnings in a manner which shall be beneficial to the interests of the Company and also its shareholders.

The retained earnings of the Company may be used in any of the following ways:

- i. Capital expenditure for working capital;
- ii. Organic and/or inorganic growth;
- iii. Investment in new business(es) and/or additional investment in existing business(es);
- iv. Declaration of dividend;
- v. Capitalization;
- vi. Buy back of shares;
- vii. General corporate purposes, including contingencies;
- viii. Such other criteria's as the Board may deem fit from time to time; or
- ix. Any other usage as permitted under applicable laws / regulations.

CONFLICT IN POLICY

In the event of a conflict between this policy and the statutory provisions, the statutory provisions shall prevail.

MODIFICATION OF THE POLICY

The Board is authorised to change or amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Act, the Regulations, or any other applicable law.

The modifications, if any, made to the policy shall be disclosed on the website and in the Annual Report.

DISCLOSURES

The Company shall make appropriate disclosures as required under the Listing Regulations and the Companies Act, 2013.

The Policy shall be disclosed in the Company's Annual Report and on the website <https://sskl.co.in/> of the Company.

In case, the Company proposes to declare dividend on the basis of the parameters in addition to those as specified in this Policy and/or proposes to change any of the parameters, the Company shall disclose such changes along with the rationale in its Annual Report and on its website.

REVIEW OF POLICY:

The Policy may be amended, as and when deemed fit. The Board of Directors shall have the right to modify, amend or change any or all clauses of this Policy in accordance with the provisions of the Applicable laws/ Acts /Regulations or otherwise.

In case of any amendment(s), clarification(s), circular(s) etc. issued under any Applicable laws/ Regulations, which is not consistent with any of the provisions of this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall be deemed to be amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

AMENDMENTS TO THE POLICY

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In case of any amendment(s), clarification(s), circular(s) etc., issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendments, clarification(s), circular(s) etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

DISCLAIMER

This policy shall not be construed as a solicitation for investments in the Company's securities and shall neither act as an assurance of guaranteed returns (in any form), on investments in the Company's securities.



INDEPENDENT AUDITOR'S REPORT

To
The Members
Sai Silks (Kalamandir) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Sai Silks (Kalamandir) Limited** (hereinafter referred to as "the Company"), which comprise the Standalone Balance Sheet as at **March 31, 2023**, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash flow statement for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, other comprehensive loss, changes in equity 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with

B.O.: Flat No. FF-3, H.No. 40-6-2, Goteti Apartment, Kandamudi Hotel Street, Krishna Nagar, Vijayawada - 520 010.

B.O.: H.No. 10-I-86, Mehar Nagar, Old Calicut Road, Visakhapatnam - 530 026.

B.O.: No. 4, Poes Road, 4th Street, Teynampet, Chennai - 600018.

B.O.: Flat No. 3C, Jeevan Residency, Behind Kalanjali, Renigunta Road, Tirupati - 517 501.

these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

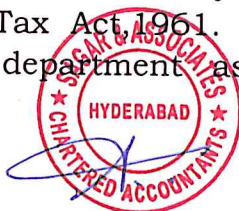
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sl. No	Key Audit Matter	How our audit addressed the key audit matter
1	<p>Inventories valuation and existence: (Refer Note 2(o) and 8 to the standalone financial statements) The Company has Inventories of Rs. 6897.48 Millions as at March 31, 2023 as detailed in Notes 8 to the standalone financial statements. Inventories valuation and existence has been determined to be a key audit matter as inventories may be held for long periods of time before being sold making it vulnerable to obsolescence. This could result in an overstatement of the value of the inventories if the cost is higher than the net realisable value. Furthermore, the assessment and application of inventories provisions are subject to significant management judgment.</p>	<p>Our procedures included, but was not limited to the following:</p> <ul style="list-style-type: none"> • Obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation and existence. • Observed the physical verification of inventories count at the financial year end and assessed the adequacy of controls over the existence of inventories. • Obtained assurance over the appropriateness of management's assumptions applied in calculating the gross profit margin and discounts to be deducted from sales price to arrive at cost of goods. • Evaluated management judgment with regards to the application of provisions to the inventories. <p>Our Conclusion: Based on the above procedures, we did not identify any significant deviation to the assessment made by management in respect of inventories valuation and existence.</p>

Emphasis of Matter

We draw your attention to the followings forming part of the financial statements without modifying our opinion in respect of:

Note No: 37(a)(6), regarding Search and seizure of operations in the premises was conducted in May 2023, by income tax department under section 132 of Income Tax Act, 1961. Information and documents submitted to income tax department as per information called from



time to time. Scrutiny proceedings are in progress and as on date neither income tax demand determined nor levied consequent to such operations.

Our opinion is not modified in respect of these matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the standalone financial statements and our auditor's report thereon.

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

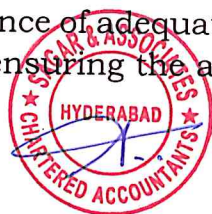
In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

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 standalone 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.

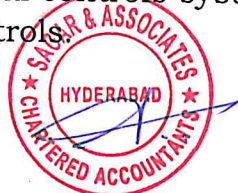
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

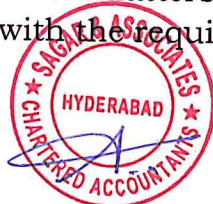
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

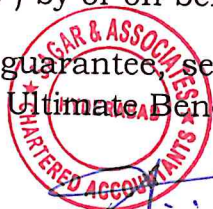
Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of changes in equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure -A**".
 - 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 according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 37 to the financial statements
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses..
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d.
 - i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - ii. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - Provide any guarantee, security or the like form or on behalf of the Ultimate Beneficiaries; and



- iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d)(ii) contain any material mis-statement.
- e. According to the information and explanations given to us, the Company has not declared or paid any Dividend during the year
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **Sagar & Associates**
Chartered Accountants

Firm's Registration No. 003510S


CA. B. Aruna

Partner

Membership No. 216454

UDIN: 23216454BGXEMH4922

Place: Hyderabad

Date: 13.07.2023

“Annexure – A” to the Independent Auditors’ Report

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Sai Silks (Kalamandir) Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Sai Silks (Kalamandir) Limited (“the Company”) as of March 31st, 2023 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 the respective 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 Act

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and



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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion


In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an



adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sagar & Associates**
Chartered Accountants

Firm's Registration No. 003510S


CA. B. Aruna

Partner

Membership No. 216454

UDIN: 23216454BGXEMH4922

Place: Hyderabad

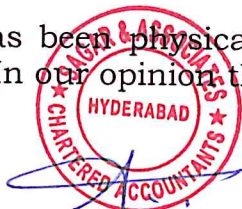
Date: 13.07.2023

“Annexure – B” to the Independent Auditors’ Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Sai Silks (Kalamandir) Limited of even date)

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and equipment by which all the Property, Plant and equipment are physically verified by the management. In our opinion the periodicity of the physical verification is reasonable having regard to the size of the company and the nature of fixed assets. In accordance with this program, certain Property, Plant and equipment were verified during the year and no material discrepancies have been noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) held in the name of the Company.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
 - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion the frequency of such verification



is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii)

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year

- (A) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company do not have any subsidiaries, joint ventures and associates. Accordingly, no balance outstanding as on 31st March 2023.

- (B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any advances in the nature of loans or security to any other entity during the year. Accordingly, no balance outstanding as on 31st March 2023.

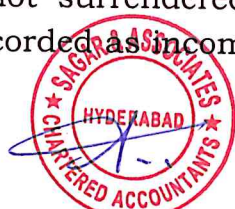
Accordingly, clause 3(iii) (b) to (f) of the order is not applicable.

(iv)

According to the information and explanation given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under section 186 of the Companies Act, 2013.

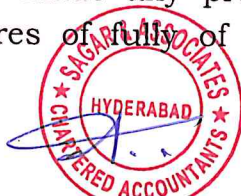


- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the order is not applicable.
- (vi) According to the information and explanations given to us, Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 for the products traded/dealt by it (and or services provided by it). Accordingly, provisions of sub-section (1) of section 148 of the Companies Act, 2013 not applicable.
- (vii) (a) The Company does not have liability in respect of sales tax. Service tax, Duty of excise and value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanation given to us and on the basis of our examination of the records the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including Goods and Services Tax ('GST'), provident fund Employees State Insurance, Income- tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- According to the information and explanation given to us, no undisputed amounts payable in respect of GST, provident fund, Employees State Insurance, Income- tax, Duty of customs, Cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of GST, provident fund, employees State Insurance, Income- tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on accounts of disputes.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the



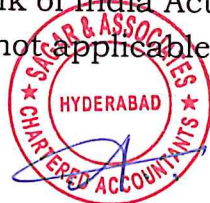
Tax assessments under the Income-tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. Accordingly, clause 3 (ix) (a) of the order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank of financial institution or government of government authority.
- (c) According to the information and explanations given to us by the management, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that funds have been raised on short- term basis, prima facie, not been used during the year for long term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligation of its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (e) of the order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (f) of the order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, Clause 3(x) (a) of the order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares of fully of partly convertible debentures



during the year Accordingly, Clause 3(x) (b) of the order is not applicable.

- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in standards on auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT -4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company, Accordingly, Clause 3(xii) of the order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financials statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given us, the Company has not entered in to any non-cash transactions with its directors or persons or persons connected to its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, Accordingly, Clause 3(xvi) (a) of the order is not applicable.




- (b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, Accordingly, Clause 3(xvi) (b) of the order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, Clause 3(xvi) (c) of the order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC, accordingly, the requirements of Clause 3(xvi) (d) are not applicable.
- (xvii) The company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year, accordingly, Clause 3(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payments of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the Balance sheet date. We however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of Companies Act, 2013 pursuant to any project. Accordingly, Clause 3(xx) (a) and 3(xx) (b) of the order is not applicable.

For **Sagar & Associates**
Chartered Accountants

Firm's Registration No: 003510S


CA. B. Aruna
Partner

Membership No.216454

UDIN: 23216454BGXEMH4922

Place: Hyderabad

Date: 13.07.2023

Sai Silks (Kalamandir) Limited
Standalone Financial Statements
Balance Sheet as at Mar 31, 2023

(All amounts are in INR million, except otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	2,047.05	1,631.71
(b) Capital work-in-progress	3	-	-
(c) Other Intangible assets	4	54.65	76.10
(d) Right-of-use assets	5(a)	1,692.93	784.05
(e) Financial assets			
(i) Other financial assets	6	276.48	238.02
(f) Other non-current assets	7	86.13	87.45
		4,157.24	2,817.33
2 Current assets			
(a) Inventories	8	6,897.49	4,764.32
(b) Financial assets			
(i) Trade receivables	9	28.84	18.92
(ii) Cash and cash equivalents	10	46.15	86.24
(iii) Bank balances other than (ii) above	11	450.89	383.99
(iv) Loans	12	344.04	162.02
(v) Other financial assets	13	8.85	3.26
(c) Other current assets	14	271.00	188.79
		8,047.26	5,607.54
Total Assets		12,204.50	8,424.87
EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	15	240.65	240.65
(b) Other equity	16	3,732.69	2,765.96
		3,973.34	3,006.61
2 Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	653.82	486.60
(ii) Lease liabilities	5(b)	1,663.84	690.48
(iii) Other financial liabilities	18	26.98	11.15
(b) Provisions	19	46.37	25.22
(c) Deferred tax liabilities (Net)	20	114.85	127.71
		2,505.86	1,341.16
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	2,801.16	2,118.29
(ii) Lease liabilities	5(c)	140.33	175.91
(iii) Trade payables	22		
-Due to micro, small and medium enterprises		34.04	-
-Others		2,266.18	1,291.18
(iv) Other financial liabilities	23	318.08	253.07
(b) Other current liabilities	24	38.08	24.26
(c) Provisions	25	5.39	2.49
(d) Current tax liabilities (Net)	26	122.04	211.90
		5,725.30	4,077.10
Total equity and liabilities		12,204.50	8,424.87

Corporate information and significant accounting policies 1 & 2

The accompanying notes are an integral part of the financial statements

As per our audit report of even date

For SAGAR & ASSOCIATES

Chartered Accountants

CA. B. Aruna
Partner
Membership No. 216454
F. No. 0035105
Place: Hyderabad
Date: 13-Jul-2023

For and on behalf of the board

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

K V L N Sarnia
Chief Financial Officer

Annam Kalyan Srinivas
Whole Time Director
DIN : 02428313

M K Bhaskara Teja
Company Secretary

Sai Silks (Kalamandir) Limited

Statement of Profit and loss for the year ended Mar 31, 2023

(All amounts are in INR million, except otherwise stated)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
	INCOME			
I	Revenue from operations	27	13,514.69	11,293.23
II	Other income	28	74.51	36.93
III	Total Income (I+II)		13,589.20	11,330.16
IV	EXPENSES			
	(a) Purchases of stock-in-trade	29	10,356.05	8,472.12
	(b) Changes in inventories	30	(2,129.84)	(1,093.42)
	(c) Employee benefit expense	31	1,408.49	1,027.51
	(d) Finance costs	32	454.06	286.39
	(e) Depreciation and amortization expense	33	410.07	308.16
	(f) Impairment loss (refer note 3(iv))	3	-	50.94
	(g) Other expenses	34	1,754.68	1,505.60
	Total expenses (IV)		12,253.51	10,557.30
V	Profit before exceptional items and tax (III-IV)		1,335.69	772.86
VI	Exceptional Items			
VII	Profit before tax (V-VI)		1,335.69	772.86
VIII	Tax expense:		359.81	195.99
	(a) Current Tax		368.19	213.26
	(b) Deferred Tax	20	(9.78)	(17.61)
	(c) Short/ (Excess) provision of earlier years		1.40	0.34
IX	Profit for the year (VII-VIII)		975.88	576.87
X	Other Comprehensive Income			
	A) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans	43(F)	(12.23)	(0.22)
	b) Income tax relating to Items that will not be reclassified to profit or loss	20	3.08	0.06
	Other comprehensive income for the year, net of tax		(9.15)	(0.16)
XI	Total comprehensive income for the year (IX+X)		966.73	576.71
XII	Earnings per equity share	35		
	(a) Basic earnings per share of ₹ 2/- each		8.11	4.79
	(b) Diluted earnings per share of ₹ 2/- each		8.11	4.79

Corporate information and significant accounting policies 1 & 2

0

The accompanying notes are an integral part of the financial statements

As per our audit report of even date

For and on behalf of the board

For SAGAR & ASSOCIATES

Chartered Accountants


HYDERABAD

CA. B. Aruna

Partner

Membership No. 216454

F. No. 003510S

Place: Hyderabad

Date: 13-Jul-2023



Ch.N.K.D. Prasad

Managing Director

DIN : 01929166



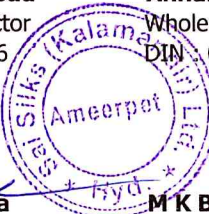
Annam Kalyan Srinivas

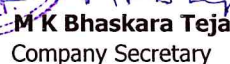
Whole Time Director

DIN : 02428313


K V L N Sarma

Chief Financial Officer




M K Bhaskara Teja

Company Secretary

Sai Silks (Kalamandir) Limited
Statement of Cash flows for the period ended Mar 31, 2023

(All amounts are in INR million, except otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A) Cash Flows from Operating Activities		
Net profit before tax and exceptional items	1,335.69	772.86
Adjustments for :		
Amortisation of Right to use asset	202.79	117.60
Unwinding of discount on security deposits (net)	138.81	71.12
Actuarial gain / loss	(12.23)	(0.22)
Depreciation on property, plant and equipment	185.83	169.07
Impairment loss on windmill (refer note 3(iv))	-	61.07
Amortisation on intangible assets	21.45	21.49
Unrealized foreign exchange (gain)/ loss	1.89	0.33
(Profit)/ Loss on sale of Property, Plant and Equipment	(0.10)	(0.17)
Other Income	(50.03)	(21.61)
Interest expense	432.06	274.44
Interest income	(16.55)	(9.93)
Operating profit before working capital changes	2,239.62	1,456.05
Adjustments for working capital changes in :		
Inventories	(2,133.17)	(1,094.64)
Trade Receivables	(9.92)	3.64
Other current financial and non financial asset	(269.83)	(181.90)
Trade payables	1,009.03	215.19
Other current liabilities	13.82	(5.30)
Other financial liabilities	64.37	124.72
Other financial and non-financial non-current assets	(82.04)	(43.98)
Long-term provisions	21.15	(4.78)
Other non-current financial liabilities	15.84	5.63
Short term provisions	2.89	0.61
Cash generated from operations	871.77	475.23
Income tax paid	(459.45)	(19.26)
Cash Flow Before Exceptional items	412.31	455.98
Extra Ordinary Items	-	-
Net Cash generated from/(used in) operating activities	412.31	455.98
B) Cash flows from Investing Activities		
Sale/ (Purchase) of Property, Plant and Equipment/CWIP (incl. capital advances)	(601.08)	(253.21)
(Increase)/ Decrease in Deposits	(66.90)	(198.39)
Interest income	16.55	9.93
Other income	50.03	21.61
Net Cash generated from/(used in) Investing Activities	(601.39)	(420.06)
C) Cash flows from Financing Activities		
Proceeds from issue of Share Capital/ Share Application Money	-	-
Proceeds/ (repayment) from or of Long-term borrowings	167.22	(86.96)
Increase/ (Decrease) in Short-term borrowings	682.88	519.60
Principal payment of lease liability	(267.78)	(153.65)
Interest paid and effect of foreign exchange	(433.32)	(272.01)
Net Cash Flow from/(used in) Financing Activities	148.99	6.98
Net change in cash and cash equivalents (A + B + C)	(40.09)	42.89
Cash and Cash equivalents at the beginning of the year	86.24	43.34
Cash and Cash equivalents at the end of the year (refer note 10)	46.15	86.24

The accompanying notes are an integral part of the financial statements

As per our audit report of even date

For SAGAR & ASSOCIATES

Chartered Accountants

CA. B. Aruna

Partner
Membership No. 216454

F. No. 003510S

Place: Hyderabad

Date: 13-Jul-2023

For and on behalf of the board

Ch.N.K.D.Prasad

Managing Director

DIN / 01929166

K V L N Sarma

Chief Financial Officer

Annam Kalyan Srinivas

Whole Time Director

DIN :- 02428313

M-K Bhaskara Teja

Company Secretary

Statement of changes in equity

(All amounts are in INR million, except otherwise stated)

a. Equity share capital

Particulars	Notes	Amount
Balance as at March 31, 2021	15	240.65
Changes in equity share capital due to prior period errors		-
Restated balance as at April 01, 2021		-
Changes in equity share capital during the year		-
Balance as at March 31, 2022	15	240.65
Changes in equity share capital due to prior period errors		-
Restated balance as at April 01, 2022		-
Changes in equity share capital during the period		12.03
Treasury Stock*		(12.03)
Balance as at March 31, 2023	15	240.65

b. Other equity

Particulars	Notes	Reserves and surplus		Total Equity
		Securities premium	Retained Earnings	
Balance as at March 31, 2021	16	343.56	1,845.69	2,189.26
Profit for the year (Net)		-	576.87	576.87
Issue of equity shares		-	-	-
Other comprehensive income for the year		-	(0.16)	(0.16)
Balance as at March 31, 2022	16	343.56	2,422.41	2,765.97
Profit for the year (Net)		-	975.88	975.88
Issue of equity shares		120.32	-	120.32
Other comprehensive income for the year		-	(9.15)	(9.15)
Treasury Stock*		(120.32)		(120.32)
Balance as at March 31, 2023	16	343.56	3,389.14	3,732.70

* Refer to point no.(w) of Note no.2 (Summary of significant accounting policies)

The accompanying notes are an integral part of the financial statements

As per our audit report of even date

For and on behalf of the board

For SAGAR & ASSOCIATES

Chartered Accountants

CA. B. Aruna

Partner

Membership No. 216454

F. No. 003510S

Place: Hyderabad

Date: 13-Jul-2023

Ch.N.K.D.Prasad

Managing Director

DIN : 01929166

K V L N Sarma

Chief Financial Officer

Annam Kalyan Srinivas

Whole Time Director

DIN : 02428313

M K Bhaskara Teja

Company Secretary

Significant Accounting policies**Note 1: Corporate information**

M/s Sai Silks (Kalamandir) Limited ("The Company") is incorporated under the Companies Act, 1956 in Hyderabad on 03-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 the state of Telangana, Andhra Pradesh, Karnataka and Tamil Nadu.

Note 2: Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis for preparation

The Standalone financial statements presented herein reflect the company's result of operations, assets and liabilities, statement of changes in equity and cash flows as at and for the year ended Mar 31, 2023.

The Standalone financial statements of the company have been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. The accounting policies followed in the preparation of the Standalone financial statements are consistent with those followed in the preparation of Financial statements as at and for the year ended March 31, 2022.

(b) Statement of Compliance

These financial statement of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.



Significant Accounting policies**(c) Use of estimates and judgement**

The preparation of financial statement in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statement. The actual outcome may diverge from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Useful lives of property, plant and equipment:

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This re-assessment may result in change in depreciation expense in future periods.

(ii) Fair value of financial assets and liabilities and investments:

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

(iii) Provisions and contingent liabilities :

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

(d) Functional and presentation currency

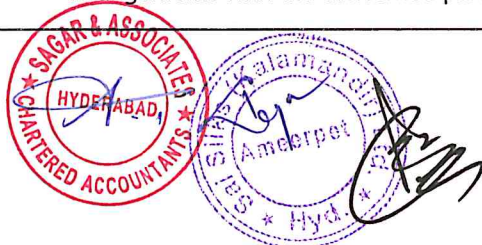
Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statement are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

(e) Revenue Recognition

a) Sale of goods: Revenue from the sale of goods is recognized at the point in time when control over the goods sold is transferred to the customer. Revenue is measured based on the transaction price, which is the consideration, net of discounts, variable considerations, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

b) Interest income: Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset of that asset's net carrying amount on initial recognition.

c) Service Income - Service income is recognized on rendering of services based on the agreements / arrangements with the concerned parties.



Significant Accounting policies**(f) Leases**

The Company's lease asset classes consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019 (standard effective date). The Company recognises a right-of-use asset and a lease liability at the later of lease commencement date or April 01, 2019. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is premeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is premeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

(g) Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions designated as fair value hedge, if any.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.



Significant Accounting policies**(i) Employee benefits**

Leave Encashment : Compensatory absence which accrue to the employees which are expected to be availed or encashed within twelve months after the end of the period in which the employees render the related service are short-term in nature. These compensatory absences require measurement on an actual basis and not on actuarial basis.

Defined contribution plan : The company makes defined contribution to Provident Fund and Employee State Insurance which are recognized in the statement of Profit and Loss on accrual basis.

Defined benefit plan : The company's liability towards gratuity is determined on the basis of year end actuarial valuations applying the Projected Unit Credit Method done by an independent actuary as on the Balance sheet date.

Actuarial losses and gains are recognized in Other Comprehensive Income (OCI) and are not reclassified to the statement of profit and loss in any subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service costs.

(j) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax: Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

b) Minimum Alternate Tax (MAT) : paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

c) Deferred tax: Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



Significant Accounting policies**(k) Property, Plant and Equipment**

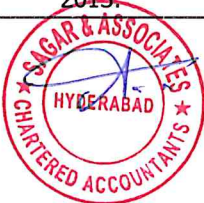
Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is carried at historical cost.

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price/ acquisition cost, net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in the case of fixtures at stores, has been provided based on the lease period of the respective premises.. The estimated useful life of the tangible assets and the useful life are reviewed at the end of the each financial year and the depreciation period is revised to reflect the changed pattern, if any. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss. Any leasehold improvements is depreciated over the lease term.

(l) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised. The depreciation on Property, plant and equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.



Significant Accounting policies**(m) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Estimated useful lives of the intangible assets is 6 years which contains Software. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

(n) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

(o) Inventories

Inventories (including stock-in-transit) are stated at lower of cost or net realizable value. Cost is determined on 'Weighted Average' basis. Due to a large number and diverse nature of inventory items, cost is estimated as near as possible for each stock keeping unit including freight and applicable taxes, etc.

Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

No valuation is done for damaged stock since its realizable value, if any, is negligible.



Significant Accounting policies**(p) Provisions and contingencies**

Provisions: A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material).

Contingent liabilities: Contingent liabilities are not recognised but are disclosed in notes to accounts.

(q) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to financial assets and liabilities [other than financial assets and liabilities measured at fair value through profit and loss (FVTPL)] are added to or deducted from the fair value of the financial assets or liabilities, as appropriate on initial recognition. Transaction costs directly attributable to acquisition of financial assets or liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

a) **Non-derivative Financial assets:** All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Financial assets at amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- 1) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is that which exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets. Interest income is recognised in profit or loss and is

b) **Derecognition of financial assets:** A financial asset is derecognised only when the Company:

- has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. When the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



Significant Accounting policies

c) Foreign exchange gains and losses: The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit and loss.

d) Financial liabilities: All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL - Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'Other income/Other expenses' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is

accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

(r) Segment reporting

Operating segments are reported in the manner consistent with the internal reporting to the Managing director. The Company is reported at an overall level, and hence there are no separate reportable segments as per Ind AS 108.

(s) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



Significant Accounting policies**(t) Earnings per share (EPS)**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the profit or loss attributable to ordinary equity holders by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

(u) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(v) Capital work-in-progress

Capital work in progress includes, cost of assets not yet commissioned, and incidental expenses during the construction period. Certain directly attributable pre-operative expenses during construction period are included under Capital Work in Progress. These expenses are allocated to the cost of Fixed Assets when the same are ready for intended use.

(w) Note on ESOP Trust

The company has created "SSKL Employees Trust" for providing share based payments to its employees. The company uses SSKL Employees Trust as a vehicle for distributing shares to employees under the employee remuneration schemes.

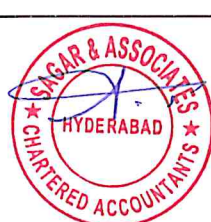
For the said purpose, the ESOP Trust borrowed funds from the Company and paid the same towards acquisition of shares of the Company for allocating the same to the eligible employees.

Own Equity instruments that are acquired (Treasury Shares) are recognised at Cost and deducted from Equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the Carrying amount and the consideration, if reissued / sold is recognised in Other Equity.

As the ESOP Trust carries out activities for the benefit of the employees of the Company, for appropriate presentation of the activity of the ESOP trust in the Standalone Financial Statements of the company, the Company has adopted the accounting policy to consolidate the ESOP Trust in the Standalone Financial Statements by treating the Trust as its extension.

Consequently, in the Standalone Financial Statements of the Company, the loan given to ESOP Trust is eliminated and the equity shares that are allotted to ESOP Trust (Treasury shares) are recognised at cost and disclosed as deduction from Equity.

Further, for the purpose of computation of Weighted Average Number of Equity shares outstanding for calculating Earnings per share, the weighted average number of Treasury shares outstanding are reduced from the number of shares at the end of the year.



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 3**Property, Plant and Equipment**

Description of Asset	Buildings & Civil structures	Plant and Equipment	Windmill*	Furniture and Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
Gross Carrying Amount								
As at 1 Apr, 2021	259.04	315.73	80.90	1,208.84	86.29	46.63	1,997.43	21.19
Additions	50.15	44.52	-	148.98	14.92	16.10	274.68	-
Disposals/adjustments	-	-	(80.90)	-	(1.48)	-	(82.38)	(21.19)
Closing Gross Carrying Amount (C)	309.20	360.25	-	1,357.82	99.73	62.73	2,189.73	-
Accumulated Depreciation and Impairment								
Opening accumulated depreciation	20.83	60.13	14.87	264.82	19.62	29.89	410.18	-
Depreciation charge for the year	4.36	22.81	4.95	114.11	12.36	10.49	169.07	-
Disposals/adjustments/Impairment	-	-	(19.83)	-	(1.40)	-	(21.23)	-
Closing Accumulated Depreciation and Impairment as at Mar 31, 2022 (D)	25.18	82.94	-	378.93	30.58	40.38	558.02	-
Net Carrying Amount as at Mar 31, 2022 (C-D)	284.01	277.31	-	978.89	69.15	22.35	1,631.71	-
Description of Asset	Buildings & Civil structures	Plant and Equipment	Windmill*	Furniture and Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
Gross Carrying Amount								
As at 1 Apr, 2022	309.20	360.25	-	1,357.82	99.73	62.73	2,189.73	-
Additions	244.61	52.15	-	260.14	33.15	12.06	602.10	-
Disposals/adjustments	-	-	-	-	(5.63)	-	(5.63)	-
Closing Gross Carrying Amount (C)	553.80	412.40	-	1,617.96	127.24	74.79	2,786.19	-
Accumulated Depreciation and Impairment								
Opening accumulated depreciation	25.18	82.94	-	378.93	30.58	40.38	558.02	-
Depreciation charge for the year	6.40	24.94	-	128.31	15.55	10.62	185.83	-
Disposals/adjustments/Impairment	-	-	-	-	(4.70)	-	(4.70)	-
Closing Accumulated Depreciation and Impairment as at Mar 31, 2023 (D)	31.59	107.88	-	507.25	41.43	51.00	739.14	-
Net Carrying Amount as at Mar 31, 2023 (C-D)	522.21	304.52	-	1,110.71	85.81	23.80	2,047.05	-

Notes to financial information

(All amounts are in INR million, except otherwise stated)

(i) Property, plant and equipment mortgaged as security

Refer to note 41 for information on property, plant and equipment mortgaged as security by the company.

(ii) Contractual obligations

Refer to note 37(b) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work-in-progress

The ageing of Capital work-in progress is provided in Note 40.

(iv) *Impairment loss on windmill

The impairment loss of windmill is due to deterioration of the future prospects of the market conditions and due to decline in the profitability associated with the same. The impairment loss recognised is net off the long-term provision of INR 10.13 million during the FY 2021-22.

Particulars	Amount
A. Gross Carrying amount of Windmill as on 01-04-2021	80.90
B. Less : Accumulated Depreciation as on 31-03-2022	19.83
C. Less : Windmill Revenue Compensation	10.13
Impairment Loss on Windmill (A)-(B)-(C)	50.94

(v) Ind AS 101 - Deemed Cost exemption

As per para D7AA of Ind AS 101, the company has adopted to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs (01 April 2019), measured as per the previous GAAP and use that as its deemed cost as at the date of transition.



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Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 4**Other Intangible assets**

Description of Asset	Software	Brands	Total
Gross Carrying Amount			
As at 1 Apr, 2021	6.80	157.07	163.87
Additions	-	-	-
Disposals/adjustments	-	-	-
Closing Gross Carrying Amount (C)	6.80	157.07	163.87
Accumulated Depreciation and Impairment			
Opening accumulated depreciation	3.59	62.69	66.28
Depreciation charge for the year	0.61	20.88	21.49
Disposals/adjustments/Impairment	-	-	-
Closing Accumulated Depreciation and Impairment as at Mar 31, 2022 (D)	4.20	83.57	87.77
Net Carrying Amount as at Mar 31, 2022 (C-D)	2.60	73.50	76.10

Description of Asset	Software	Brands	Total
Gross Carrying Amount			
As at 1 Apr, 2022	6.80	157.07	163.87
Additions	-	-	-
Disposals/adjustments	-	-	-
Closing Gross Carrying Amount (C)	6.80	157.07	163.87
Accumulated Depreciation and Impairment			
Opening accumulated depreciation	4.20	83.57	87.77
Depreciation charge for the year	0.58	20.88	21.45
Disposals/adjustments/Impairment	-	-	-
Closing Accumulated Depreciation and Impairment as at Mar 31, 2023 (D)	4.77	104.45	109.22
Net Carrying Amount as at Mar 31, 2023 (C-D)	2.02	52.62	54.65



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 5**Leases**

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 01-Apr-2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has used simplified transition approach under Ind AS 116.

(a) Right-of-use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	784.05	566.79
Add: Transition to Ind AS 116	-	-
Add: Additions during the year / period	1,111.67	334.86
Less: Impact on lease termination	-	-
Less: Impact on lease modification	-	-
Less: Amortised during the year / period	(202.79)	(117.60)
Total	1,692.93	784.05

(b) Lease liabilities

The following are the movement in lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	866.39	620.62
Additions	1,058.92	323.08
Deletions	-	-
Interest	146.64	76.34
Lease payments	(267.78)	(153.65)
Closing balance	1,804.17	866.39
Non-current lease liabilities	1,663.84	690.48

(c) Current lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current lease liabilities	140.33	175.91
Total	140.33	175.91

* Please refer note no. 36 for other additional disclosures relating to leases



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 6 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Rental deposits - at amortised cost - refer note (1) below	276.38	238.02
(b) Advances to Employee Trust*	0.10	-
Total	276.48	238.02

(1) The company has paid an amount of INR 30.00 million as interest free refundable security deposit for opening a new store at Chennai on lease. However, the parties failed to hand over the physical possession. Complaint was filed with Central Crime Station (CCS), Hyderabad PS vide FIR No. 219/2019. Upon investigation, charge sheet was filed and requested the bank to freeze the account of the defaulting party, where significant amount was parked. Management is confident of recovering the total deposit amount. Hence no provision has been made in this regard.

* Refer to point no.(w) of Note no.2 (Summary of significant accounting policies)

Note No. 7 Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Advances for purchase of property, plant and equipment	63.99	66.35
(b) Deposits with govt. authorities	21.68	20.84
(c) Other deposits	0.46	0.26
Total	86.13	87.45

Note No. 8 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Stock in trade	6,891.49	4,761.65
(b) Packing material and others	6.00	2.67
Total	6,897.49	4,764.32

Inventories are hypothecated as security against current borrowings, details of which have been disclosed in Note 41.

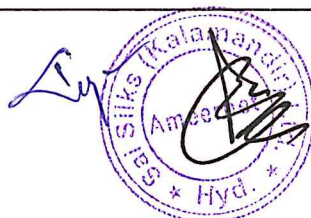
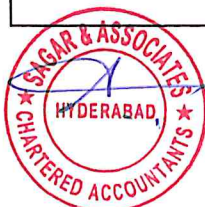
For mode of valuation of inventories refer Note 2(o) of Accounting Policies.

Note No. 9 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - Unsecured	28.84	18.92
Total	28.84	18.92

Trade receivables are hypothecated as Security for part of Cash Credit facilities (refer note 41) and ageing of trade receivables is provided in Note 38.

The Company generally operates on a cash and carry model, and hence the expected credit loss allowance for trade receivables is insignificant. The concentration of credit risk is also limited due to the fact that the customer base is large and unrelated.



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 10 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balance with banks		
-In Current Accounts	1.001	3.38
(b) Cash on hand	26.34	63.20
(c) Others - Credit card receivables	18.81	19.65
Total	46.15	86.24

Note No. 11 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits held as margin money against borrowings and guarantees (maturity of less than 12 months from the balance sheet date)^	450.89	383.99
Total	450.89	383.99

^ Other bank deposits represents, fixed deposit with banks with original maturity of more than 3 months.

Note No. 12 Loans

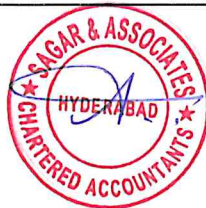
Particulars	As at March 31, 2023	As at March 31, 2022
Employee loans - at amortised cost	344.04	162.02
Total	344.04	162.02
Break-up of security details		
Loans considered good – unsecured	344.04	162.02

Note No. 13 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued on FDs	5.93	3.26
Others	2.92	-
Total	8.85	3.26

Note No. 14 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Balances with statutory authorities		
- Other taxes	96.75	64.98
(b) Others		
- Advance for Suppliers	83.50	110.62
- Prepaid Expenses	90.75	13.19
Total	271.00	188.79



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 15**Equity share capital****(i) Authorised equity share capital**

Particulars	Number of Shares	Amount
As at 31st Mar, 2021 @ Face Value of 10/- each	4,20,00,000	420.00
Movement during the year	-	-
As at 31st Mar, 2022 @ Face Value of 10/- each	4,20,00,000	420.00
As at 31st Mar, 2022 @ Face Value of 10/- each	4,20,00,000	420.00
Movement during the year	-	-
As at 31st Mar, 2023 @ Face Value of 2/- each	21,00,00,000	420.00

(ii) Movement in paid-up equity share capital

Particulars	Number of Shares	Amount
As at 31st Mar, 2021 @ Face Value of 10/- each	2,40,64,588	240.65
Movement during the year	-	-
As at 31st Mar, 2022 @ Face Value of 10/- each	2,40,64,588	240.65
As at 31st Mar, 2022 @ Face Value of 2/- each	12,03,22,940	240.65
Movement during the year @ Face Value of 2/- each	60,16,145	12.03
Treasury Stock*	(60,16,145)	(12.03)
As at 31st Mar, 2023 @ Face Value of 2/- each	12,03,22,940	240.65

Terms and Rights attached to Equity Shares

The Company has one class of equity shares having a par value of INR. 2/- each (Previous Years: INR.10/- each). Each shareholder is eligible for one vote per share held. 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.

* Refer to point no.(w) of Note no.2 (Summary of significant accounting policies)

(iii) Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	For the year ended Mar 31, 2023		For the year(s) ended March 31, 2022*	
	Number of shares	% holding	Number of shares*	% holding
Chalavadi Naga Kanaka Durga Prasad	5,69,75,505	45.10	71,07,600	29.54
Chalavadi Jhansi Rani	1,14,51,495	9.06	53,60,088	22.27
Perumalla Dhanalakshmi	30,83,865	2.44	29,31,900	12.18
Chalavadi Devamani	-	-	22,24,200	9.24
Chalavadi D K Durga Rao	64,35,250	5.09	16,16,500	6.72
Annam Kalyan Srinivas	1,50,96,975	11.95	15,15,400	6.30
Chalavadi Rupamani N K D S Harshada	-	-	25,00,000	10.39
SSKL Family Trust	2,46,53,850	19.51	-	-

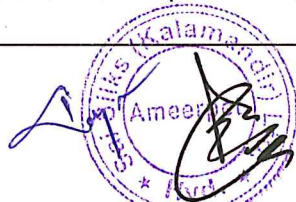
* The company has subdivided its shares from Face Value of Rs. 10/- each to of Rs. 2/- each by passing resolution on 18th May, 2022.

Record date is 20th May, 2022.

(iv) Shares held by promoters

Name of the Promoter	% Share holding		
	As at Mar 31, 2023	As at March 31, 2022	% Change during the year
Chalavadi Naga Kanaka Durga Prasad	45.10	29.54	15.56
Chalavadi Jhansi Rani	9.06	22.27	(13.21)

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



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 16 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Securities premium (refer movement below)	343.56	343.56
(b) Retained Earnings including OCI (refer movement below)	3,389.13	2,422.40
	3,732.69	2,765.96

(a) Securities premium

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	343.56	343.56
Additions	120.32	-
Related to Treasury Stock*	(120.32)	-
Closing Balance	343.56	343.56

* Refer to point no.(w) of Note no.2 (Summary of significant accounting policies)

(b) Retained Earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	2,422.40	1,845.69
Ind AS adjustments		
Balance after above Ind AS adjustments	2,422.40	1,845.69
Net profit for the year	975.88	576.87
	3,398.28	2,422.56
OCI on Gratuity and Leave Encashment	(12.23)	(0.22)
Deferred Tax on OCI portion	3.08	0.06
Closing balance	3,389.13	2,422.40

Note No. 17 Financial liabilities non-current borrowings

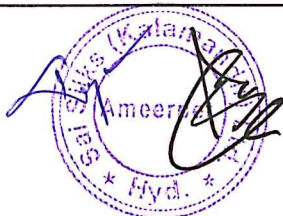
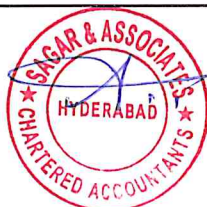
Particulars	As at March 31, 2023	As at March 31, 2022
Secured - Long Term Loans from banks		
(a) Term loans from banks *	618.48	454.90
(b) Vehicle loans from banks #	35.34	31.70
Total	653.82	486.60

* Term Loans from Banks are secured by first charge on fixed assets of the company both present and future (For details Refer Note No 41)

Vehicles loans are secured by hypothecation of vehicles financed by respective banks. (For details Refer Note No 41)

Note No. 18 Non-current other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Security deposits - at amortised cost	26.98	11.15
Total	26.98	11.15



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 19 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits (refer note 43)	46.37	25.22
Total	46.37	25.22

Note No. 20 Deferred tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
The balance comprises temporary differences attributable to:		
Deferred tax liabilities - Opening	127.71	145.37
Impact in the current year	(12.86)	(17.66)
Total	114.85	127.71

As at March 31, 2023

Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	131.78	(3.89)	-	127.89
Other Adjustments	(4.07)	(5.89)	(3.08)	(13.04)
Total	127.71	(9.78)	(3.08)	114.85

As at March 31, 2022

Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	147.93	(16.15)	-	131.78
Other Adjustments	(2.56)	(1.44)	(0.06)	(4.07)
Total	145.37	(17.60)	(0.06)	127.71

Note No. 21 Financial liabilities current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Secured (refer note 41)		
(i) Loans repayable on demand from banks	1,933.73	1,907.91
(ii) Current maturities for long term debt	263.33	198.79
(iii) Current maturities of vehicle loans	16.10	11.59
(b) Unsecured (refer note 41)		
(i) From related parties	-	-
(ii) From Others*	537.39	-
(iii) Current maturities for long term debt*	50.61	-
Total	2,801.16	2,118.29

* Loans availed from NBFCs (for further details refer note no. 41)



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 22 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables to third parties		
- Due to micro, small and medium enterprises	34.04	-
- Others	2,266.18	1,291.18
Total	2,300.22	1,291.18

***Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(a) Principal amount remaining unpaid to any supplier as at year end	34.04	-
(b) Interest due on above and remaining unpaid as at year end	-	-
(c) Principal/interest amount paid beyond the appointed day during the year	-	-
(d) Interest paid on payments made beyond the appointed day during the year u/s 16 of MSMED Act, 2006	-	-
(e) Interest due and Payable on payments made beyond the appointed day during the year other than MSMED Act, 2006	-	-
(f) 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.

Note No. 23 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Interest accrued on loans	0.63	2.76
(b) Employee benefits payable	112.84	88.01
(c) Capital Creditors	31.21	34.39
(d) Outstanding expenses	173.40	127.91
Total	318.08	253.07

Note No. 24 Other current liabilities

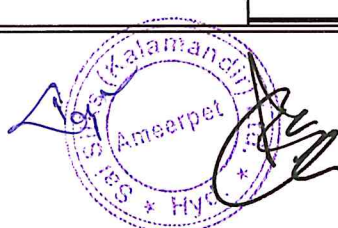
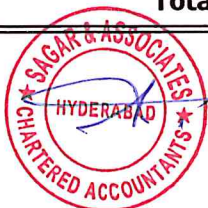
Particulars	As at March 31, 2023	As at March 31, 2022
(a) Statutory dues payable	22.92	12.73
(b) Advances received from customers	15.16	11.53
Total	38.08	24.26

Note No. 25 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Provision for employee benefits (refer note 43)	5.39	2.49
Total	5.39	2.49

Note No. 26 Current tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax assets		
(a) Current tax liabilities	122.04	211.90
Total	122.04	211.90



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 27 Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products		
- through showrooms	13,329.96	11,121.67
- through online channel	184.73	171.55
Total	13,514.69	11,293.23

Company adopted Ind AS 115 "Revenue from Contracts with Customers". Refer note 2(e) for the accounting policies followed pursuant to adoption of Ind AS 115. The adoption of Ind AS 115 did not have any material impact.

Note No. 28 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest Income		
- on fixed deposits	16.55	9.93
(b) Profit / Loss on Sale of Fixed Assets	0.10	0.17
(c) Interest unwinding on rental deposits	7.83	5.21
(d) Other non-operating income	50.03	21.61
Total	74.51	36.93

Note No. 29 Purchases of stock-in-trade

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Purchases of Stock in trade	10,311.48	8,470.84
Other Direct Expenses	44.57	1.29
Total	10,356.05	8,472.12

Note No. 30 Changes in inventories

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Changes in inventories		
Stock at the end of the year		
Stock in trade	6,891.49	4,761.65
Stock at the beginning of the year		
Stock in trade	4,761.65	3,668.23
Total changes in inventories	(2,129.84)	(1,093.42)



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 31 Employee benefit expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Salaries and Wages (refer note 43)	1,209.74	915.58
(b) Director's remuneration	73.80	38.46
(c) Staff Bonus	50.85	37.54
(d) Staff Welfare Expenses	29.48	24.16
(e) Contribution to Provident Fund & ESI (refer note 43)	32.80	6.03
(f) Gratuity (refer note 43)	11.82	5.74
Total	1,408.49	1,027.51

Note No. 32 Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest on borrowings	255.44	190.33
(b) Interest on others	31.87	8.09
(c) Interest on lease rental discounting (refer note 36)	146.65	76.34
Other Borrowing Costs		
(d) Foreign Exchange gain/(loss), net *	(1.89)	(0.33)
(e) Processing Charges	22.00	11.95
Total	454.06	286.39

*Forex Gain / (Loss) is arrived by year-ending valuation of advances made in foreign currency as per Ind AS 21

Note No. 33 Depreciation and amortization expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Depreciation of Property, Plant and Equipment (refer note 3)	185.83	169.07
(b) Amortisation of Intangible Assets (refer note 4)	21.45	21.49
(c) Amortisation of right-of-use assets (refer note 5)	202.79	117.60
Total	410.07	308.16

Note No. 34 Other expenses[^]

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(a) Rent (refer note 36)	233.16	216.09
(b) Insurance	14.88	12.73
(c) Professional Charges	91.91	87.80
(d) Facility maintenance expenses	487.34	447.61
(e) Business promotion expenses	711.32	567.31
(f) Other expenses	200.66	158.20
(g) Audit Fee		
-for audit	1.88	1.88
-for tax audit	0.63	0.63
(h) CSR Expenditure (refer note below)	12.90	13.35
Total	1,754.68	1,505.60

[^] Refer note no. 34A for detailed breakup of Other Expenses

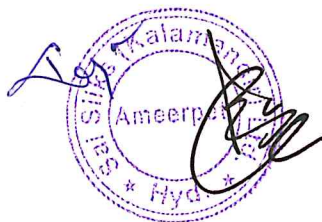
*Disclosures in relation to corporate social responsibility expenditure

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent as per Section 135 of the Act	9.54	7.93
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above		
- For Current Year	10.28	8.35
- For Previous Years	2.62	5.00
Amount unspent	-	-



Note no. 34A Other Expenses

Particulars	FY 22-23	FY 21-22
Administration Expenses		
(a) Rent (refer note 36)		
Rent	231.24	214.10
Rent cum Commission	1.92	2.00
	233.16	216.09
(b) Insurance		
Insurance	14.88	12.73
(c) Professional Charges		
Professional Charges	91.91	87.80
(d) Facility maintenance expenses		
Security Charges	20.92	13.62
Electricity Charges	198.54	144.46
Generator maintenance	6.26	5.76
Office & Stores Maintenance	97.42	69.35
Alteration, Rolling & Polishing Charges	6.30	5.07
Repairs & Maintenance	-	-
Computers & Softwares	8.30	6.95
Plant & Machinery	40.79	46.85
Building	55.70	80.42
Furniture & Fixtures	52.33	67.02
Others	0.78	8.10
	487.34	447.61
(e) Business promotion expenses		
Advertisement	345.49	269.86
Business Promotion	276.83	215.86
Packing Material	88.99	81.59
	711.32	567.31
(f) Other expenses		
Printing, Postage & Stationery	14.99	9.81
Telephone & Internet Charges	4.44	3.92
Travelling Expenses	11.26	6.62
Computer Software Maintenance	12.44	14.88
Conveyance	53.73	32.64
Festival & Functional Expenses	10.47	5.75
Directors Sitting Fee	1.75	0.18
Professional Tax	0.20	0.06
Vehicle Maintenance	7.38	3.34
Subscription	0.09	0.09
Rates & Taxes	15.80	29.33
Bank Charges (Incl Cash Pickup & CC Swiping Charges)	68.11	51.59
	200.66	158.20
(g) Audit Fee		
Audit Fee	2.50	2.50
(h) CSR Expenditure (refer note below)		
CSR Expenditure	12.90	13.35



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 35**Earnings per equity share**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit after tax	975.88	576.87
Add / Less: Dividend tax	-	-
Profit after tax attributable for equity share holders	975.88	576.87
Number of equity shares (nos.)	12,03,22,940	2,40,64,588
Weighted average number of equity shares (nos.) - Share split done on May 18, 2022	12,03,22,940	12,03,22,940
Face value of equity share (in INR rupees)	INR 2.00	INR 2.00
Earnings per share (in INR rupees)		
Basic	8.11	4.79
Diluted	8.11	4.79

Note No. 36**Right-of-use assets and Lease liabilities**

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 01-Apr-2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has used simplified transition approach under Ind AS 116.

(a) Right-of-use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	784.05	566.79
Add: Addition during the year	1,111.67	334.86
Less: Impact on lease termination	-	-
Less: Impact on lease modification	-	-
Less: Amortised during the year	(202.79)	(117.60)
Total	1,692.93	784.05

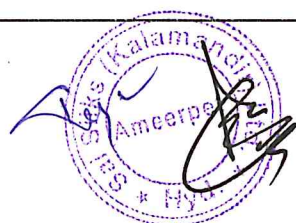
(b) Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	866.39	620.62
Additions	1,058.92	323.08
Deletions	-	-
Interest	146.64	76.34
Lease payments	(267.78)	(153.65)
Closing balance	1,804.17	866.39

(i) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation charge of right-of-use assets (refer note 33)	202.79	117.60
Interest expense (included in finance costs) (refer note 32)	146.65	76.34
Interest unwinding on rental deposits (refer note 28)	(7.83)	(5.21)
Expense relating to short-term leases (refer note 34)	233.16	216.09



Notes to financial information

(All amounts are in INR million, except otherwise stated)

(ii) Contractual maturities of lease liabilities on an undiscounted basis

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
Balance as at				
Mar 31, 2022	175.91	611.82	516.56	1,304.28
Mar 31, 2023	313.08	1,338.14	1,355.47	3,006.69

(iii) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the company. These are used to maximise operational flexibility in terms of managing the assets used in the company's operations. The majority of termination options held are exercisable only by the company and not by the respective lessor. In case the company wishes to extend the lease, the same can be done on mutually agreeable basis with the lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Also the company has used the discounting rate as 10% (the borrowing rate from the banks) for the purpose of arriving at present value.

For leases of retail stores, the following factors are normally the most relevant

(a) If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).

(b) Most extension options in retail leases have been included in the lease liability, because the company only has the right to extend the lease (only with the approval of the lessor) and has incurred lease hold improvements in them.

(c) The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(d) If there are significant penalty payments to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).

(iv) The company is operating through 54 showrooms & 4 warehouses spread across the southern part of India and on evaluation of those rental agreements, 38 showrooms & 3 warehouses have come under the purview of Ind AS 116 and impact of the same has been provided in the financials (refer note 5). As per the terms and conditions stipulated in the lease deeds/agreements of the remaining 16 showrooms & 1 warehouse, the termination option is available with both lessor and lessee leading to the same being treated as short term and the impact appears in the rental expenses (refer note 34).

Note No. 37**Contingent liabilities and commitments****(a) Contingent liabilities**

1. The company has filed Rectification u/s 154 in relation to the below.

Particulars	As at March 31, 2023	As at March 31, 2022
Income Tax		
AY 2009-10	0.58	0.58
AY 2010-11	0.15	0.15
AY 2011-12	0.79	0.79
AY 2012-13	-	-
AY 2016-17	8.86	8.86
	10.38	10.38



Notes to financial information

(All amounts are in INR million, except otherwise stated)

2. The Municipal authorities have levied a penalty amounting to ₹ 4.40 million for violation of the Municipal Act (GHMC Act) by erecting advertisements display for the entire building without the written permission of the competent authority. Against the demand, the company paid an amount of ₹ 0.6 millions. Writ petition was preferred before the Hon'ble High court of Telangana at Hyderabad seeking stay over recovery of balance penalty amount of ₹ 3.8 millions. The Hon'ble High Court vide its order dated January 31, 2022 stayed the proceedings subject to payment of 40% of the balance amount demanded in the challans within a period of 4 weeks. Pursuant to it, the company has paid an amount of ₹1.52 million within the stipulated time. The matter is pending before Hon'ble High court and the balance amount is ₹2.28 millions.

3. The Company received two notices from Greater Hyderabad Municipal Corporation (GHMC) in the month of June 2022 for two showrooms located in Reddy Brothers Lane, Saroornagar, Hyderabad for using a residential property for non-residential use. The company filed replies to the above notices and the matter is currently pending with GHMC.

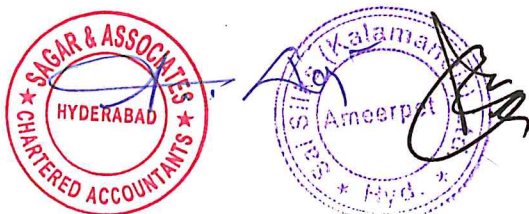
4. The company received a notice from Greater Hyderabad Municipal Corporation (GHMC) pursuant to a written complaint by residents alleging noise and traffic nuisance resulting from presence of our stores. The company filed response to such notice by providing clarifications and requesting relief in the matter. Consequently, a petition was preferred before the High Court of Telangana by the complainants to direct GHMC to stop the alleged activity against which an interim injunction was obtained by our company. Thereafter another contempt petition was filed by the complainants against the company and the matter is still pending.

5. A legal notice dated August 16, 2022 was received by the company and its directors, alleging that the company is playing various sound recordings, copyrights of which vests with Phonographic performance limited without an appropriate copyright license and paying a sum of ₹ 50 Million as damages. The company filed a reply to the above notice stating that the complainant does not have a statutory right to raise the demands given in the notice. Consequently, a commercial suit was filed vide suit no.37964 of 2022 along with an interim application no.37970 of 2022, dated December 5, 2022 before the Hon'ble Bombay High court praying for an order of injunction restraining the company to use the above mentioned intellectual property. Consequently, the company made a statement before the Court that none of the Sound recordings for which the complainant claims to have copyright shall be played in the malls and stores run by the Company which was taken on record by the Court on December 19, 2022. The matter is currently pending before the Court

6. The Income Tax Department ("ITD") conducted a "search, survey and seizure operation" pursuant to authorizations issued under Sections 132 and 133A of the Income Tax Act, 1961 at the Registered and Corporate Office of the Company and certain stores and warehouses, across Telangana, Karnataka, Tamil Nadu and Andhra Pradesh beginning from May 2, 2023. During such searches, amongst others, the following were found (i) cash (that was not seized); and (ii) certain documents and hardware copies (that were seized by the authorized officers of the ITD). Similar searches were also conducted on the residence of the Promoters, Nagakanaka Durga Prasad Chalavadi and Jhansi Rani Chalavadi, other Whole-time Directors of the Company, Kalyan Srinivas Annam and Doodeswara Kanaka Durgarao Chalavadi, Chief Financial Officer of the Company, Konduri Venkata Lakshmi Narasimha Sarma and certain other Key Managerial Personnel.

During the searches at their residences, amongst others, following were found (i) cash (that was not seized); (ii) jewellery and other precious metals (that were not seized); (iii) inventory of bank accounts and lockers in relation to the Promoters (that were not seized); and (iv) various documents (that were seized by the authorized officers of the ITD).

During this process, ITD also issued notices of summons, under Section 131 of the Income Tax Act, 1961, to the Promoters, other Whole-time Directors and some of the Key Managerial Personnel, to produce books of accounts and other relevant information and documents, which were duly provided. However, proceedings under search, survey and seizure operations are yet to be concluded, during which the Company, Promoters, Directors and Key Managerial Personnel may be required to share other additional documents or information as may be asked by the ITD from time to time. There are currently no tax demands levied consequent to such operations.



Notes to financial information

(All amounts are in INR million, except otherwise stated)

(b) Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	-	-
Estimated amount of contracts remaining to be executed on account of other purchase commitments	-	-
Net Capital Commitments	-	-
Total (a) + (b)	10.38	10.38

Note No. 38 Trade Receivables Ageing Schedule

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Undisputed Trade receivables – considered good		
Less than 6 Months	23.28	15.94
6 Months - 1 Year	5.56	2.98
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	28.84	18.92

Note No. 39 Trade payables Ageing Schedule

Particulars	As at March 31, 2023	As at March 31, 2022
(i) MSME		
Less than 1 year	34.04	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
(ii) Others		
Less than 1 year	2,266.18	1,291.18
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	2,300.22	1,291.18

Note No. 40 CWIP ageing schedule

Particulars	As at March 31, 2023	As at March 31, 2022
Projects in progress		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	-	-

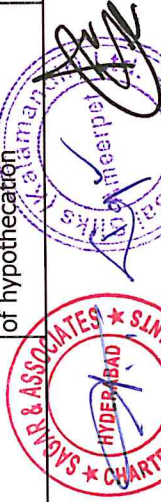


Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 41**(a) For the period ended Mar 31, 2023****1.0 Nature of Security and terms of repayment for term loans from banks:**

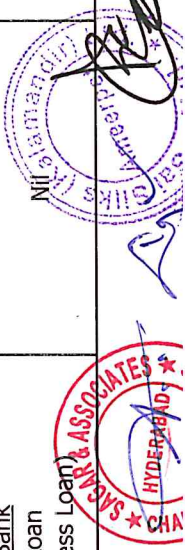
Sl No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
1	STATE BANK OF INDIA Corporate Loan	1st charge on fixed assets of the company excluding showrooms financed by CANARA Bank Pari-Passu 2nd charge on entire current assets of the company both present & future along with other term loan lenders	1st charge by of Equitable Mortgage of 6 properties and cash collateral belonging to Promoters & their friends and family members as specified in the below schedule.	Repayable in 20 Quarterly instalments of Rs. 1.50 Cr per Quarter.	6 Months MCLR + 3.15% With Half Yearly Reset
2	STATE BANK OF INDIA GECL 2.0 (Guaranteed Emergency Credit Line)	Extension of Charge (2nd Charge) on Existing Primary & Collateral Securities		Repayable in 60 Months, Comprising of 12 months moratorium and repayable in 48 monthly instalments of Rs. 50.67 Lacs per Month from the month of Jan-2022.	6 Months MCLR + 1% subject to a maximum rate of 9.25% p.a
3	STATE BANK OF INDIA GECL 2.0 (Guaranteed Emergency Credit Line)	Second charge on the entire assets with the existing credit facilities, in terms of cash flows (including repayments)		Repayable in 72 Months, Comprising of 24 months moratorium and repayable in 48 monthly instalments of Rs. 25.33 Lacs per Month from the month of Jun-2024.	6 Months MCLR + 1% subject to a maximum rate of 9.25% p.a
4	Canara Bank Term Loan -1	Showcases, Furniture and Fixtures and other fixed assets of 8 showrooms - Exclusive First charge by way of hypothecation	1. Pari-passu II Charge on Stock & Book Debts. 2. For Term Loan and WC Limits together, the company offered Collateral security as detailed below	Repayable in 20 Quarterly instalments 1.10 Cr each. (From 30-Jun-19 to 31-Mar-24) And it was reset due to COVID-19 Moratorium as 1,22,42,813 per Quarter from Sep-2021.	1 year MCLR + 2.35%
5	Canara Bank Term Loan -2	Showcases, Furniture and Fixtures and other fixed assets of 2 showrooms - Exclusive First charge by way of hypothecation	1. Pari-passu II Charge on Stock & Book Debts. 2. For Term Loan and WC Limits together, the company offered Collateral security as detailed below	Repayable in 20 Quarterly instalments 0.40 Cr each. Repayment starts from FY 2022-23_Q2	1 year MCLR + 2.70%



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Sl No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
6	Canara Bank Term Loan - 3	Showcases, Furniture and fixtures and other fixed assets of 6 showrooms - 2. For Term Loan and WC Limits Exclusive First charge by way of hypothecation	1. Paripassu II Charge on Stock & Book Debts. 2. For Term Loan and WC Limits together, the company offered Collateral security as detailed below	Repayable in 14 Ballooning Quarterly instalments commencing from Q1 FY 2023-24. The quarterly instalment of each financial year is as follows : FY 2023-24 : Rs. 1.25 Crores Per quarter FY 2024-25 and FY 2025-26 : Rs. 1.50 Per quarter FY 2026-27 : Two quarterly instalments of Rs. 1.235 Crores each	1 year MCLR + 2.20%
7	Canara Bank GECL 2.0 (Guaranteed Emergency Credit Line)	Extension of Charge (2nd Charge) on Existing Primary & Collateral Securities		Repayable in 60 Months, Comprising of 12 months moratorium and repayable in 48 monthly instalments of Rs. 10.63 Lacs per Month from the month of Mar-2022.	1 Year MCLR + 0.6%
8	Canara Bank GECL 2.0 (Extension Scheme)	Extension of Charge (2nd Charge) on Existing Primary & Collateral Securities		Repayable in 72 Months, Comprising of 24 months moratorium and repayable in 48 monthly instalments of Rs. 5.17 Lacs per Month from the month of Jul-2024.	1 Year MCLR + 0.6%
9	Canara Bank Housing Loan - 1	Mortgage of Flat / Houses to be purchased out of loan proceeds. Margin Up to 10%	Nil	Repayable in 180 EMIs	RLLR + 0.1%
10	Canara Bank Housing Loan - 2	38 EMT / MODTD of Residential Houses / Flats undivided share purchased in the name of the company for using as staff quarters. Margin is 13.04%	Nil	Repayable in 180 Monthly principal instalments (Rs. 10,55,556/-) commencing from November 2022;	1 year MCLR + 1.30%
11	HDFC Bank Term Loan (Business Loan)	Nil	Nil	Repayable in 24 Monthly instalments of Rs. 3,52,526 PM from May-2021.	ROI is 11.85% PA

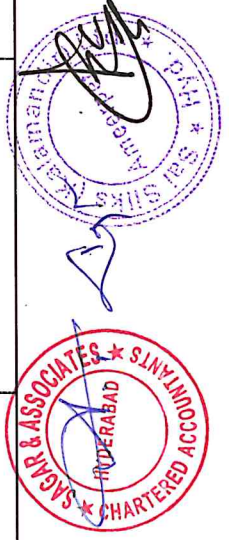


Notes to financial information

(All amounts are in INR million, except otherwise stated)

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

Sl.No	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
1	State Bank of India (CC and SLC)	Pari-passu 1st Charge by way of Hypothecation of entire current assets of the company (Both Present & Future) along with CANARA Bank.	Pari-passu 2nd Charge on present & future fixed assets of the company along with other Working capital Lenders 1st Charge by way of Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members as detailed in the below schedule along with Cash Collateral of Rs. 8.50 Cr & Pledge of 30% Paid up shares of the Company held by the promoters	On demand DP Margins : Paid Stock-25% Debtors - 100%	6 Months MCLR + 0.95% With Monthly Reset In Case of SLC, ROI is (Effective ROI on CC + 1%)
2	Canara Bank (CC and WC DL)	Hypothecation of stocks at all showrooms of the company on Pari-passu 1st Charge Basis with SBI, HDFC & IDBI	1. Fixed assets of all showrooms and Intangible assets on Pari-passu II Charge basis. 2. For Term Loan and WC Limits together, the company offered Collateral security as detailed below	On demand DP Margins : Stock & Book Debts - 25% (Cover period is one month for Book Debts)	1 Year MCLR+2.65%
3	HDFC Bank (CC)	Pari-passu 1st Charge on entire current assets of the company along with other member bankers (SBI, Canara Bank & IDBI)	Fixed Deposit of Rs. 10.50 Crores (Constituting 30% of Collateral coverage)	On demand DP Margins : Paid Stock-25% Debtors - 100%	T Bills (3Months) + 2.72%
4	IDBI (CC and WC DL)	Pari-passu 1st Charge on the entire current assets of the company (Both Present & Future) along with other working Capital Banks	Fixed Deposit of Rs. 7.50 Cr (25% of Working Capital limits)	On demand DP Margins : Paid Stock-25% Debtors - 25% (Less than 90 Days)	1 Year MCLR + 1.20%



Notes to financial information

(All amounts are in INR million, except otherwise stated)

1.2 Schedule of Collateral property

Sl no	Type	Belonging To	Address	Offered to
1	Residential Plot (Admeasuring 332.00 Sq.Yds)	Subhash Chandra Mohan. Annam	Plot No.6p, in Sy. No. 87 & 90 T.S. No. 13 & 14, Shaikpet village & mandal, Hyderabad.	State Bank of India
2	Two Plots of Open Lands (Admeasuring 400.00 Sq.Yds (200.00 Sq.Yds Each))	Ch.N.K.D.Prasad (MD)	D. No. 40-1/1-14E, NTS Nos. 42 & 43, Rev. Ward No.11, Block No.2, Adj. to SVR Neuro Hospital, Mogalrajapuram, Vijayawada	State Bank of India
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. 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	State Bank of India
4	Land and Building (Admeasuring 311.11 Sq.Yds) Being a Cellar + G + 4 Floors commercial Building totally admeasuring 9610 sft. And other civil works there on.	S.Mohan Rao S/o S.Vemkateswarlu and Smt. 222) KPHB Colony, Phase I & II, Ward No.15, Block No.24, Kuakatpally village & Municipality, Balanagar Mandal, RR District (TG).	H no. 222/MIG/1, (M.C.K no. 15-24-222) KPHB Colony, Phase I & II, Ward No.15, Block No.24, Kuakatpally village & Municipality, Balanagar Mandal, RR District (TG).	State Bank of India
5	Open Land (Admeasuring Ac 4.30 Gts)	Smt. M.R.Soumya	In Sy. No. 105/2A1, Bannikoppa Village, Bidadi Hobli, Ramanagar, Bangalore.	State Bank of India
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 Crores	Existing 2.40 Cr and Addl 6.10 Cr		State Bank of India



Notes to financial information
(All amounts are in INR million, except otherwise stated)

Sl no	Type	Belonging To	Address	Offered to
8	Pledge of 30% of paid up Shares of the company held by the Promoters			State Bank of India
9	Open Plot (Admeasuring 540 Sq Yards)	M/s. Sai Readymade	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
10	Open Plot (Admeasuring 540 Sq Yards)	M/s. Sai Readymade	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
11	Flat.1 (Admeasuring 2,500 Sft)	Ch.N.K.D.Prasad (MD)	H no. 6-3-790/8, Flat no.1, Ground Floor, Bathina Apt, Ameerpet, Hyderabad - 500016	CANARA Bank
12	Flat.8 (Admeasuring 1,450 Sft)	Ch.N.K.D.Prasad (MD)	H no. 6-3-790/8, Flat no.8, 2nd Floor, Bathina Apt, Ameerpet, Hyderabad - 500016	CANARA Bank
13	Land and Building (Admeasuring 268.53 Sq.Yds) G + 1 Floors built-up area of 1,840 Sft	Ch.N.K.D.Prasad (MD)	H no. 6-3-841/E/1, Ameerpet, Hyderabad	CANARA Bank
14	Land and Building (Admeasuring 288.88 Sq.Yds) A.C sheet room of 275 sft	Ch.N.K.D.Prasad (MD)	H no. 33-10-17, Mogalrajpuram, Seetharampuram, Srinivasarao Street, Vijayawada	CANARA Bank
15	Term Deposit of Rs. 15.05 Cr			CANARA Bank
16	Pledged equity shares of 87,50,000 each held by the promoters			CANARA Bank

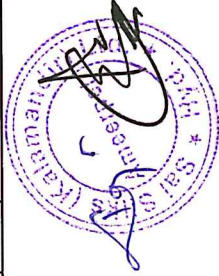
Stamp: Sai Silks (Kalamandir) Limited, Hyderabad
 Stamp: 87,50,000 equity shares of Rs. 100 each held by the promoters
 Stamp: CHARTERED ACCOUNTANTS
 Stamp: HYDERABAD
 Signature: [Handwritten Signature]

Notes to financial information

(All amounts are in INR million, except otherwise stated)

1.3 Personal Guarantees of the following persons:

Sl No.	Particulars	Offered to
1	Sri Chalavadi Naga Kanaka Durga Prasad S/o C. Krishna Murthy	State Bank of India , Canara Bank, HDFC Bank, IDBI Bank
2	Sri Annam Kalyan Srinivas S/o A Chandra Sekhar	State Bank of India , Canara Bank, HDFC Bank, IDBI Bank
3	Sri Chalavadi DK Durga Rao S/o C Krishna Murthy	State Bank of India , Canara Bank, HDFC Bank, IDBI Bank
4	Sri Annam Venkata Rajesh S/o A Chandra Sekhar	State Bank of India, Canara Bank, IDBI Bank
5	Sri Annam Subhash Chandra Mohan S/o A, Chandra Sekhar	State Bank of India, Canara Bank, IDBI Bank
6	Sri S Mohan Rao, S/o Venkateswarlu	State Bank of India
7	Smt S Swarnalatha W/O S Mohan Rao	State Bank of India
8	Smt T R Saroja D/o Late T S Ramaiah	State Bank of India
9	Smt M R Sowmya W/O Girija Shanker	State Bank of India
Corporate Guarantor		
1	Varamahalakshmi Holdings Pvt. Ltd.	State Bank of India
2	M/s. Sai Readymade (Partnership Firm)	CANARA Bank

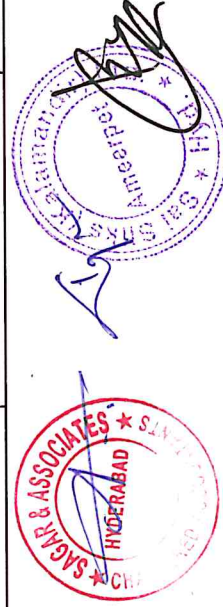


Notes to financial information

(All amounts are in INR million, except otherwise stated)

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

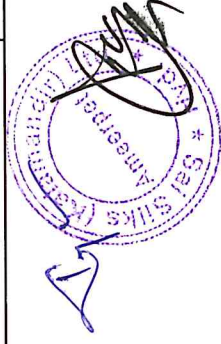
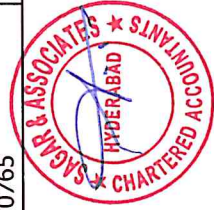
Sl.No	Lender	Primary Security	Terms of Payment	Int. Rate Per Annum
1	HDFC Vehicle Loan - 96977239	BMW	Repayable in 60 monthly installments of Rs.2,38,130/- each commencing from Jan'2020.	8.50%
2	HDFC Vehicle Loan - 112686183	Vellfire	Repayable in 60 monthly installments of Rs.1,93,309/- each commencing from Oct'2020.	7.75%
3	Toyota FSIL Vehicle Loan - NHYD1184355	Toyota Vellfire	Repayable in 60 monthly installments of Rs.1,89,910/- each commencing from Apr'2020.	8.31%
4	Canara Bank Vehicle Loan - 4929603000020	Hyundai Creta	Repayable in 84 monthly installments of Rs. 24,646/- each commencing from Sep'2020.	7.85%
5	Canara Bank Vehicle Loan - 4929603000022	Skoda	Repayable in 78 monthly installments of Rs. 52,506/- each commencing from Sep'2020.	7.85%
6	Canara Bank Vehicle Loan - 4929603000024	Innova	Repayable in 81 monthly installments of Rs. 33,205/- each commencing from Sep'2020.	7.50%
7	Daimler Financial Services India Private Ltd Vehicle Loan - 10139378	Benz	Repayable in 60 monthly installments of Rs.1,54,888/- each commencing from Dec'2019.	7.66%
8	HDFC Vehicle Loan - 123507760	Toyota Vellfire	Repayable in 60 monthly installments of Rs.1,83,062/- each commencing from Nov'2021.	7.10%



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Sl.No	Lender	Primary Security	Terms of Payment	Int. Rate Per Annum
9	HDFC BANK Vehicle Loan - 126956703	Innova	Repayable in 60 monthly installments of Rs.47,220/- each commencing from Apr'2022.	7.10%
10	ICICI Vehicle Loan - LAHYD00045304127	THAR	Repayable in 60 monthly installments of Rs.33,307/- each commencing from Apr'2022.	7.40%
11	HDFC Vehicle Loan - 130976729	Range rover sport version	Repayable in 60 monthly installments of Rs.236,806/- each commencing from Jul'2022.	7.35%
12	HDFC Vehicle Loan - 133073148	WAGON R ZXI	Repayable in 39 monthly installments of Rs.19,517/- each commencing from Oct'2022.	8.25%
13	Hdfc Light Commercial Vehicle Loan - 133120420	Eicher Vehicle	Repayable in 48 monthly installments of Rs.40,180/- each commencing from Sep'2022.	8.35%
14	Hdfc Light Commercial Vehicle Loan - 134948629	Eicher Vehicle	Repayable in 48 monthly installments of Rs.37,715/- each commencing from Nov'2022.	8.50%
15	Union Bank Vehicle Loan - 013916520000058	Innova	Repayable in 48 monthly installments of Rs.55,458/- each commencing from Oct'2022.	8.50%
16	HDFC Vehicle Loan - 138174629	Mahindra XUV 700	Repayable in 48 monthly installments of Rs.52,933/- each commencing from Mar'2023.	8.50%
17	Hdfc Light Commercial Vehicle Loan - 137570765	Eicher Vehicle	Repayable in 48 monthly installments of Rs.36,950/- each commencing from Feb'2023.	9.00%

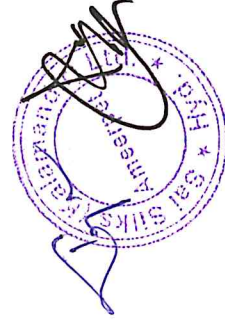


Notes to financial information

(All amounts are in INR million, except otherwise stated)

1.5 Nature and terms of repayment for loans availed from NBFCs:

Sl.No	Lender	Security	Terms of Payment	Int. Rate Per Annum	Guarantee
1	OXYZO Financial Services Pvt Ltd	Unsecured	Term loan Repayable in 12 months of Rs. 54,15,499/- starting from Feb-2023	15.00%	Personal Guarantee from NAGA KANAKA DURGA PRASAD CHALAVADI
2	Vivriti Capital private ltd	Unsecured	It is a Invoice Discounting Facility. Repayable in 90 days from date of disbursement or 150 days from the date of invoice whichever is earlier. It has tenure of 12 months from the date of Sanction.	13.00%	Unconditional and irrevocable personal guarantee of a. Mr. Naga Kanaka Durga Prasad Chalavadi b. Mr. Kalyan Srinivas Annam c. Mr. Doodeswara Kanaka Durgarao Chalavadi
3	KREDX(MINIONS VENTURES PVT.LTD)	Unsecured	It is a Invoice Discounting Facility. Repayable in 90 days from the date of disbursement and invoice date should not exceed 90 days from the date of invoice by the time of invoice discounted. It has tenure of 12 months from the date of signing of the agreement	14.00%	Personal Guarantee from NAGA KANAKA DURGA PRASAD CHALAVADI
4	Poonawalla Fincorp Ltd	Unsecured	It is a Invoice Discounting Facility. Repayable in 90 days from date of disbursement or 135 days from the date of invoice whichever is earlier. It has tenure of 12 months from the date of first disbursement	12.00%	NA



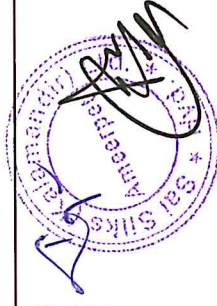
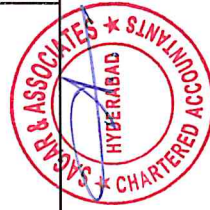
Notes to financial information

(All amounts are in INR million, except otherwise stated)

(b) For the year ended March 31, 2022

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

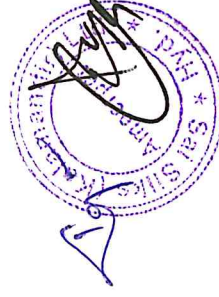
Sl No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
1	STATE BANK OF INDIA Corporate Loan	1st charge on fixed assets of the company excluding showrooms financed by CANARA Bank	1. Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members as specified in the below schedule. 2. Pari-Passu 2nd Charge on entire current assets of the company (Both Present & Future) along with other Term Lenders	Repayable in 20 Quarterly instalments of Rs. 1.50 Cr per Quarter.	6 Months MCLR + 3.15% With Half Yearly Reset
2	STATE BANK OF INDIA GECL 2.0 (Guaranteed Emergency Credit Line)	Extension of Charge (2nd Charge) on Existing Primary & Collateral Securities		Repayable in 60 Months, Comprising of 12 months moratorium and repayable in 48 monthly instalments of Rs. 50.67 Lacs per Month from the month of Jan-2022.	6 Months MCLR + 1%
3	Canara Bank Term Loan -1	Showcases, Furniture and Fixtures and other fixed assets of 8 showrooms - Exclusive First charge by way of hypothecation	1. Pari-passu II Charge on Stock & Book Debts. 2. For Term Loan and WC Limits together, the company offered Collateral security as detailed below	Repayable in 20 Quarterly instalments 1.10 Cr each. (From 30-Jun-19 to 31-Mar-24) And it was reset due to COVID-19 Moratorium as 1,22,42,813 per Quarter from Sep-2021.	1 year MCLR + 2.75%
4	Canara Bank Term Loan -2	Showcases, Furniture and Fixtures and other fixed assets of 2 showrooms - Exclusive First charge by way of hypothecation	1. Pari-passu II Charge on Stock & Book Debts. 2. For Term Loan and WC Limits together, the company offered Collateral security as detailed below	Repayable in 20 Quarterly instalments 0.40 Cr each. Repayment starts from FY 2022-23_Q2	1 year MCLR + 2.75%



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Sl No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
5	Canara Bank GECL 2.0 (Guaranteed Emergency Credit Line)	Extension of Charge (2nd Charge) on Existing Primary & Collateral Securities		Repayable in 60 Months, comprising of 12 months moratorium and repayable in 48 monthly instalments of Rs. 10.63 Lacs per Month from the month of Jan-2022.	1 Year MCLR + 0.6%
6	Canara Bank GECL 2.0 (Extension Scheme)	Extension of Charge (2nd Charge) on Existing Primary & Collateral Securities		Repayable in 72 Months, comprising of 24 months moratorium and repayable in 48 monthly instalments of Rs. 5.17 Lacs per Month from the month of Jul-2024.	1 Year MCLR + 0.6%
7	Canara Bank Housing Loan - 1	Mortgage of Flat / Houses to be purchased out of loan proceeds Margin Up to 10%	Nil	Repayable in 180 EMIs	RLLR + 0.1%
8	HDFC Bank Term Loan (Business Loan)	Nil	Nil	Repayable in 24 Monthly instalments of Rs. 3,52,526 PM from May-2021.	ROI is 11.85% PA

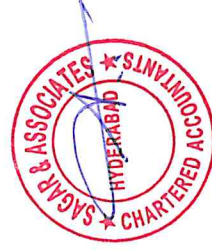


Notes to financial information

(All amounts are in INR million, except otherwise stated)

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

Sl.No	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
1	State Bank of India (CC and SLC)	Pari-passu 1st Charge by way of Hypothecation of entire current assets of the company (Both Present & Future) along with CANARA Bank.	1st Charge by way of Equitable Mortgage of 6 properties belonging to Promoters & their friends and family members as detailed in the below schedule along with Cash Collateral of Rs. 8.50 Cr & Pledge of 30% Paid up shares of the Company held by the promoters	On demand DP Margins : Paid Stock-25% Debtors - 100%	6 Months MCLR + 0.95% With Monthly Reset In Case of SLC, ROI is (Effective ROI on CC + 1%)
2	Canara Bank (CC and WC DL)	Hypothecation of stocks, other current assets of the company on Pari-passu 1st Charge Basis with SBI & HDFC	1. Fixed assets of all showrooms and Intangible assets on Pari-passu II Charge basis. 2. For Term Loan and WC Limits together, the company offered Collateral security as detailed below	On demand DP Margins : Paid Stock & Book Debts - 25% Book Debts up to 30 Days	1 Year MCLR+0.55%
3	HDFC Bank (CC)	Pari-passu 1st Charge on stocks, Book Debts	Fixed Deposit of Rs. 7.50 Cr	On demand DP Margins : Paid Stock-25% (Less than 180 Days) Debtors - 100%	1 Year MCLR + 1.25%
4	IDBI (CC and WC DL)	Pari-passu 1st Charge on the entire current assets of the company (Both Present & Future) along with other working Capital Banks	Fixed Deposit of Rs. 7.50 Cr	On demand DP Margins : Paid Stock-25% Debtors - 25% (Less than 90 Days)	1 Year MCLR + 1.20%

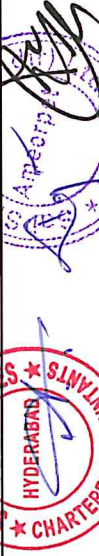


Notes to financial information

(All amounts are in INR million, except otherwise stated)


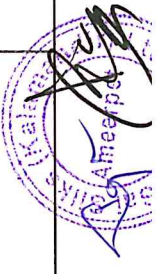
1.2 Schedule of Collateral property

Sl no	Type	Belonging To	Address	Offered to
1	Residential Plot (Admeasuring 332.00 Sq.Yds)	Subhash Chandra Mohan. Annam	Plot No.6p, in Sy. No. 87 & 90 T.S. No. 13 & 14, Shaikpet village & mandal, Hyderabad.	State Bank of India
2	Two Plots of Open Lands (Admeasuring 400.00 Sq.Yds (200.00 Sq.Yds Each))	Ch.N.K.D.Prasad (MD)	D. No. 40-1/1-14E, NTS Nos. 42 & 43, Rev. Ward No.11, Block No.2, Adj. to SVR Neuro Hospital, Mogalrajapuram, Vijayawada	State Bank of India
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. 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	State Bank of India
4	Land and Building (Admeasuring 311.11 Sq.Yds) Being a Cellar + G + 4 Floors commercial Building totally admeasuring 9610 sqft. And other civil works there on.	S.Mohan Rao S/o S.Vemkateswarlu and Smt. 222) KPHB Colony, Phase I & II, Ward No.15, Block No.24, Kuakalpally village & Municipality, Balanagar Mandal, RR District (TG).	H no. 222/MIG/1, (M.C.K no. 15-24-222) KPHB Colony, Phase I & II, Ward No.15, Block No.24, Kuakalpally village & Municipality, Balanagar Mandal, RR District (TG).	State Bank of India
5	Open Land (Admeasuring Ac 4.30 Gts)	Smt. M.R.Sourmya	In Sy. No. 105/2A1, Bannikoppa Village, Bidadi Hobli, Ramanagar, Bangalore.	State Bank of India
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 (Admeasuring 8.50 Crores)	Existing 2.40 Cr and Addl 6.10 Cr		State Bank of India



Notes to financial information
(All amounts are in INR million, except otherwise stated)

Sl no	Type	Belonging To	Address	Offered to
8	Pledge of 30% of paid up Shares of the company held by the Promoters			State Bank of India
9	Open Plot (Admeasuring 540 Sq Yards)	M/s. Sai Readymade	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
10	Open Plot (Admeasuring 540 Sq Yards)	M/s. Sai Readymade	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
11	Flat.1 (Admeasuring 2,500 Sft)	Ch.N.K.D.Prasad (MD)	H no. 6-3-790/8, Flat no.1, Bathina Apt, Ameerpet, Hyderabad - 500016	CANARA Bank
12	Flat.8 (Admeasuring 1,450 Sft)	Ch.N.K.D.Prasad (MD)	H no. 6-3-790/8, Flat no.8, Bathina Apt, Ameerpet, Hyderabad - 500016	CANARA Bank
13	Land and Building (Admeasuring 268.53 Sq.Yds) G + 1 Floors built-up area of 1,840 Sft	Ch.N.K.D.Prasad (MD)	H no. 6-3-841/E/1, Ameerpet, Hyderabad	CANARA Bank
14	Land and Building (Admeasuring 288.88 Sq.Yds) G + 1 Floors built-up area of 1,840 Sft	Ch.N.K.D.Prasad (MD)	H no. 33-10-17, Mogalrajpuram, Seetharampuram, Srinivasarao Street, Vijayawada	CANARA Bank
15	Term Deposit of Rs. 14.70 Cr (2.26+12.44)			CANARA Bank
16	Pledged 17.50 Lacs equity shares held by the promoters			CANARA Bank

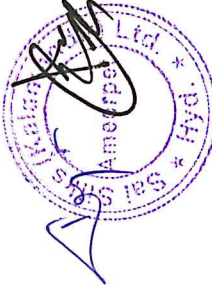



Notes to financial information

(All amounts are in INR million, except otherwise stated)

1.3 Personal Guarantees of the following persons:

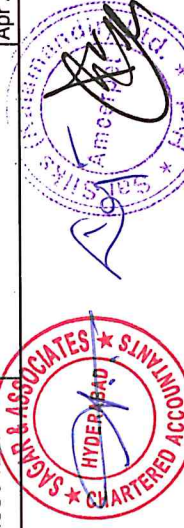
Sl No.	Particulars	Offered to
1	Sri Chalavadi Naga Kanaka Durga Prasad S/o C. Krishna Murthy	State Bank of India , Canara Bank, HDFC Bank, IDBI Bank
2	Sri Annam Kalvan Srinivas S/o A Chandra Sekhar	State Bank of India , Canara Bank, HDFC Bank, IDBI Bank
3	Sri Chalavadi DK Durga Rao S/o C Krishna Murthy	State Bank of India , Canara Bank, HDFC Bank, IDBI Bank
4	Sri Annam Venkata Rajesh S/o A Chandra Sekhar	State Bank of India, Canara Bank, IDBI Bank
5	Sri Annam Subhash Chandra Mohan S/o A, Chandra Sekhar	State Bank of India, Canara Bank, IDBI Bank
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 Ramalah	State Bank of India
9	Smt M R Sowmya W/O Girija Shanker	State Bank of India
Corporate Guarantor		
1	Varamahalakshmi Holdings Pvt. Ltd.	State Bank of India
2	M/s. Sai Readymade (Partnership Firm)	CANARA Bank



Notes to financial information
(All amounts are in INR million, except otherwise stated)

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

Sl.No	Lender	Primary Security	Terms of Payment	Int. Rate
1	HDFC Vehicle Loan - 96977239	BMW	Repayable in 60 monthly installments of Rs.2,38,130/- each commencing from Jan'2020.	8.50%
2	HDFC Vehicle Loan - 112686183	Vellfire	Repayable in 60 monthly installments of Rs.1,93,309/- each commencing from Oct'2020.	7.75%
3	Yes Bank Vehicle Loan - 396709	Jaguar F Pace	Repayable in 36 monthly installments of Rs.1,45,457/- each commencing from 15 Sep'18	8.79%
4	Toyota FSIL Vehicle Loan - NHYD1184355	Toyota Vellfire	Repayable in 60 monthly installments of Rs.1,89,910/- each commencing from Apr'2020.	8.31%
5	Canara Bank Vehicle Loan - 4929603000020	Hyundai Creta	Repayable in 84 monthly installments of Rs. 24,646/- each commencing from Sep'2020.	7.85%
6	Canara Bank Vehicle Loan - 4929603000022	Skoda	Repayable in 78 monthly installments of Rs. 52,506/- each commencing from Sep'2020.	7.85%
7	Canara Bank Vehicle Loan - 4929603000024	Innova	Repayable in 81 monthly installments of Rs. 33,205/- each commencing from Sep'2020.	7.50%
8	Daimler Financial Services India Private Ltd Vehicle Loan - 10139378	Benz	Repayable in 60 monthly installments of Rs.1,54,888/- each commencing from Dec'2019.	7.66%
9	HDFC Vehicle Loan - 123507760	Toyota Vellfire	Repayable in 60 monthly installments of Rs.1,83,062/- each commencing from Nov'2021.	7.10%
10	HDFC BANK Vehicle Loan - 126956703	Innova	Repayable in 60 monthly installments of Rs.47,220/- each commencing from Apr'2022.	7.10%
11	ICICI Vehicle Loan - LAHYD00045304127	THAR	Repayable in 60 monthly installments of Rs.33,307/- each commencing from Apr'2022.	7.40%



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 42**Reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax-A	1,335.69	772.86
Tax rate - B	25.17%	25.17%
Income tax expense - A*B	336.17	194.51
Tax effect of depreciation in determining taxable profit	(11.77)	(7.99)
Tax effect of expenses other than depreciation that are not deductible in determining taxable profit	46.87	26.79
Adjustments recognised in the current year in relation to prior years	1.40	0.34
Effect of Deferred Tax (refer note 20)	(12.86)	(17.66)
Income tax expense recognised in profit or loss	359.81	195.99

Note No. 43**Employee benefits****(a) Salaries and Wages**

Compensatory absence which accrue to the employees which are expected to be availed or encashed within twelve months after the end of the period in which the employees render the related service are short-term in nature. These compensatory absences require measurement on an actual basis and not on actuarial basis.

As per the leave policy of the company, the compensatory absences are paid within the next month from the date they are due and there is no accrual benefit that needs to be accounted as per Ind AS 19. They are processed along with monthly payroll.

(b) Defined contribution plan

The Company makes provident and pension fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes. Expenses recognized against defined contribution plans:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Provident Fund & ESI	32.80	6.03

(c) Defined benefit plans

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method. The company has obtained actuarial report from Mr. I. Sambasiva Rao (Membership No. 158 of Fellow of Institute of Actuaries of India) under Ind AS 19 for Mar 31, 2023 and Mar 31, 2022 vide reports dated Apr 11, 2023 and Apr 13, 2022 respectively.



Notes to financial information

(All amounts are in INR million, except otherwise stated)

(d) Other disclosures of defined benefit plans as required under Ind AS-19 are as under:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Service Cost	9.79	4.24
Interest Cost	2.03	1.50
Components of defined benefit costs recognised in statement of profit or loss - (A)	11.82	5.74
Actuarial (gain) / loss on plan obligations	12.23	0.22
Difference between actual return and interest income on plan assets - (gain) /loss	-	-
Components of defined benefit costs recognised in other comprehensive income - (B)	12.23	0.22
Total (A+B)	24.05	5.96

(e) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	51.76	27.71
Less: Fair value of plan assets	-	-
Net liability recognised in the balance sheet	51.76	27.71
Current portion of the above (refer note 25)	5.39	2.49
Non-current portion of the above (refer note 19)	46.37	25.22

(f) Movement in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation at the beginning of the year	27.71	21.75
Expenses Recognised in statement of Profit & Loss		
Service cost	9.79	4.24
Interest cost	2.03	1.50
Expenses Recognised in statement of OCI		
Actuarial (gain)/loss	12.23	0.22
Benefits paid by the company		
Present value of the defined benefit obligation at the end of year	51.76	27.71

(g) Sensitivity analysis

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Present value of the defined benefit obligation at the end of year	51.76	27.71
Impact of the change in the discount rate		
Impact due to increase of 1.00%	47.71	25.58
Impact due to decrease of 1.00%	56.47	30.17
Impact of the change in the withdrawal rate		
Impact due to increase of 1.00%	52.89	28.35
Impact due to decrease of 1.00%	50.46	26.98
Impact of the change in the salary		
Impact due to increase of 1.00%	56.56	29.88
Impact due to decrease of 1.00%	47.59	25.82



Notes to financial information

(All amounts are in INR million, except otherwise stated)

(h) Maturity profile - Expected Future Cash flows (Undiscounted)

Particulars	As at March 31, 2023	As at March 31, 2022
0 to 1 year	5.47	2.49
1 to 2 year	3.72	2.19
2 to 3 year	3.76	2.09
3 to 4 year	3.86	2.13
4 to 5 year	3.87	2.11
above 5 Years	96.93	14.62

(i) Actuarial assumptions

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.51%	7.34%
Salary escalation	4.00%	4.00%
Withdrawal rate	5.00%	5.00%

(j) The Indian Parliament has approved the Code on Social Security 2020, which would impact Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Payment of Gratuity Act, 1972, etc. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The impact of the changes, will be assessed and recognized post notification of the relevant provision and related rules are published.

Note No. 44**Segment reporting**

The Company is primarily engaged in the business of retail trade through retail and departmental stores facilities, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment. There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets. During the year ended 31 Mar 2023 and Mar 2022 the revenue from transactions with a single external customer did not amount to 10 percent or more of the Company's revenues from the external customers.



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 45**Related Party Disclosures****a) List of related parties**

Index No	Nature of relationship	Name of the related party
1	Key Managerial Personnel (KMP)	(a) Naga Kanaka Durga Prasad Chalavadi (b) Kalyan Srinivas Annam (c) Doodeswara Kanaka Durga Rao Chalavadi (d) Rama Krishna Oruganti - CFO Till March 01, 2022 (e) Koti Bhaskara Teja Matte (f) Naveen Nandigam - till May 03, 2022 (g) Sirisha Chintapalli (h) Laxminivas Jaju - till May 03, 2022 (i) Konduri V L N Sarma - CFO From March 01, 2022 (j) Pramod Kasat - w.e.f. February 18, 2022 (k) Mamidipudi Ravindra Vikram - w.e.f. February 18, 2022 (l) K.V.Rama Krishna - w.e.f. June 04, 2022
2	Relative of KMP	(a) Jhansi Rani Chalavadi (b) Venkata Rajesh Annam (c) Sowjanya Annam (d) Suchitra Annam (e) Mohana Durga Rao Chalavadi (f) Supriya Padarthy (g) Bhavani Annam (h) Lavanya Mankal (i) Krishna Murty Chalavadi (j) Devamani Venkata Kanaka Hanisha Chalavadi (k) Balaji Bharadwaj Rachamadugu
3	Enterprises over which director is having significant influence	(a) Sai Readymades (b) Sai Retail India Limited (c) SSS Marketing (d) Sai Swarnamandir Jewellers Private Limited (e) Sumaja Creations (f) Kalamandir Foundation (g) Varamahalakshmi Holdings Private Limited (h) Soul of Pluto Tech LLP
4	Enterprises over which Company is having significant influence	(a) SSKL Employees Trust



Notes to financial information

(All amounts are in INR million, except otherwise stated)

(b) Transactions with related parties are set out in the table below

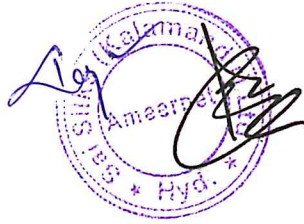
Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Purchases		
(a) Sai Retail India Limited	2,008.59	8,416.90
(ii) Rent (Expense)		
(a) Sai Retail India Limited	-	3.16
(b) Varamahalakshmi Holdings Private Limited	1.29	1.02
(c) Naga Kanaka Durga Prasad Chalavadi	5.58	1.85
(d) Jhansi Rani Chalavadi	0.61	0.50
(e) Devamani Venkata Kanaka Hanisha Chalavadi	0.12	-
(iii) Other Income - Rent		
(a) Sai Retail India Limited	-	0.12
(b) Soul of Pluto Tech LLP	1.38	1.31
(iv) Salary / Remuneration		
(a) Naga Kanaka Durga Prasad Chalavadi	50.00	24.37
(b) Jhansi Rani Chalavadi	10.00	5.64
(c) Kalyan Srinivas Annam	19.90	10.49
(d) Doodeswara Kanaka Durga Rao Chalavadi	3.90	3.60
(e) Venkata Rajesh Annam	8.90	5.43
(f) Sowjanya Annam	2.70	1.49
(g) Suchitra Annam	2.70	1.39
(h) Mohana Durga Rao Chalavadi	3.90	3.80
(i) Supriya Padarth	1.08	1.00
(j) Bhavani Annam	2.10	1.38
(k) Lavanya Mankal	1.08	1.05
(l) Devamani Venkata Kanaka Durga Hanisha Chalavadi	1.20	1.17
(m) Balaji Bharadwaj Rachamadugu	5.40	3.63
(n) Rama Krishna Oruganti	1.14	0.69
(o) Konduri V L N Sarma	10.80	0.45
(p) Koti Bhaskara Teja Matte	0.96	0.82
(q) Annam Subhash	0.74	1.48
(v) Rent expenses - Commission		
(a) SSS Marketing	1.92	2.00
(vi) Business Promotion Expenses - Advertisement		
(a) Sumaja Creations	112.79	103.48
(vii) Professional charges - Software Consultation / Maintenance (Exp)		
(a) Soul of Pluto Tech LLP	33.00	33.00
(viii) Other Expenses - Sitting fees		
(a) Naveen Nandigam	-	0.06
(b) Sirisha Chintapalli	0.38	0.06
(c) Laxminivas Jaju	-	0.06
(d) Pramod Kasat	0.53	
(e) Mamidipudi Ravindra Vikram	0.53	
(f) K.V.Rama Krishna	0.33	



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Particulars	For the year ended Mar 31, 2023	For the year ended Mar 31, 2022
(ix) CSR Expenditure		
(a) Kalamandir Foundation	3.42	8.18
(x) Repayment of loan and deposit		
(a) Naga Kanaka Durga Prasad Chalavadi	-	2.41
(b) Krishna Murthy Chalavadi	-	0.01
(xi) Rent & Emp Advance taken through BTA		
(a) Sai Retail India Limited	54.67	-
(xii) Fixed Assets purchased through BTA		
(a) Sai Retail India Limited	61.31	-
(xii) Loans Given		
(a) SSKL Employee Trust	132.46	-
(xiii) Shares issued during the year		
(a) SSKL Employee Trust	132.36	-



Notes to financial information

(All amounts are in INR million, except otherwise stated)

c. Related party balances: (Payable)/Receivable

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Sai Retail India Limited		
- Trade Payables	-	(1,276.43)
- Other Non Current Financial Assets	-	0.90
	-	(1,275.53)
(b) SSS Marketing		
- Other Current Financial Liabilities	(1.10)	(0.82)
- Other Non Current Financial Assets	1.20	1.20
	0.10	0.38
(c) Sumaja Creations - Other Current Financial Liabilities	(39.97)	(40.23)
(d) K Factory - Trade Payables	-	-
(e) Soul of Pluto Tech LLP		
- Other Current Financial Liabilities	(3.28)	(5.08)
- Other Non Current Financial Liabilities	(0.60)	(0.60)
	(3.88)	(5.68)
(f) Varamahalakshmi Holdings Pvt Ltd. - Other Current Financial Liabilities	0.87	0.01
(g) Naga Kanaka Durga Prasad Chalavadi		
- Other Current Financial Liabilities	(3.73)	(3.53)
- Other Non Current Financial Assets	1.10	1.10
- Financial Liabilities Current Borrowings	-	-
	(2.63)	(2.43)
(h) Jhansi Rani Chalavadi		
- Other Current Financial Liabilities	(0.66)	(0.58)
- Other Non Current Financial Assets	0.24	0.24
	(0.42)	(0.34)
(i) SSKL Employee Trust		
- Loans Given	132.46	-
- Shares allotted	(132.36)	-
	0.10	-



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Other Current Financial Liabilities		
(j) Kalyana Srinivas Annam	(1.09)	(1.17)
(k) Doondeswara Kanaka Durga Rao Chalavadi	(0.25)	(0.26)
(l) Annam Subhash	0.00	(0.61)
(m) Venkata Rajesh Annam	(0.50)	(0.40)
(n) Sowjanya Annam	(0.18)	(0.27)
(o) Suchitra Annam	(0.15)	(0.14)
(p) Mohana Durga Rao Chalavadi	(0.25)	(0.23)
(q) Supriya Padarthy	(0.09)	(0.09)
(r) Bhavani Annam	(0.14)	(0.13)
(s) Lavanya Mankal	(0.09)	(0.12)
(t) Krishna Murty Chalavadi	-	-
(u) Devamani Venkata Kanaka Durga Hanisha Chalavadi	(0.13)	(0.09)
(v) Balaji Bharadwaj Rachamadugu	(0.32)	(0.37)
(w) Ramakrishna Oruganti	(0.07)	(0.03)
(x) Konduri V L N Sarma	(3.71)	(0.31)
(y) Koti Bhaskara Teja Matte	(0.08)	(0.07)
(z) Naveen Nandigam	-	-
(aa) Sirisha Chintapalli	(0.05)	-
(ab) Pramod Kasat	(0.09)	-
(ac) Mamidipudi Ravindra Vikram	(0.09)	-
(ad) K.V.Rama Krishna	(0.09)	-



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 46

Capital and Financial risk management objectives and policies

(a) Risk management framework

Company is being driven by the market forces, its businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to, in the course of their daily operations.

The risk management policies cover areas around all identified business risks including commodity price risk, foreign exchange risk etc., Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has an owner, who coordinates the risk management process.

The risk management framework aims to:

- Better understand our risk profile;
- Understand and better manage the uncertainties which impact our performance;
- Contribute to safeguarding Company value and interest of various stakeholders;
- Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk;
- Improve compliance with good corporate governance guidelines and practices as well as laws & regulations; and
- Improve financial returns

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury operates as per the delegation of authority from the Board. Day-to-day treasury operations are managed by Company's finance team. Long-term fund raising including strategic treasury initiatives are handled by a Treasury team. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies.

Financial risk

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest through proven financial instruments.

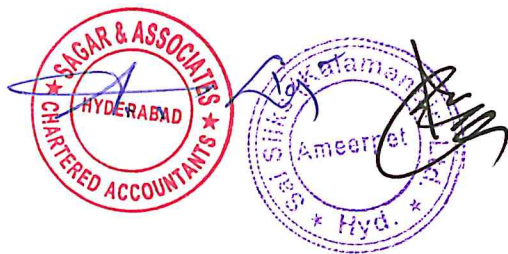
(i) Liquidity

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.

The Company has been rated by "India Ratings" for its banking facilities in line norms.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

The Company has hypothecated its trade receivables, inventory, advances and other current assets in order to fulfil the collateral requirements for the financial facilities in place. There are no other significant terms and conditions associated with the use of collateral.



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date

Particulars	Carrying value	less than 1 year	more than 1 year
Mar 31, 2023			
Lease liabilities	1,804.17	140.33	1,663.84
Borrowings	653.82	-	653.82
Other financial non-current liabilities	26.98	-	26.98
Borrowings	2,801.16	2,801.16	-
Trade payables	2,300.22	2,300.22	-
Other financial liabilities	318.08	318.08	-
Total	7,904.43	5,559.79	2,344.64
Mar 31, 2022			
Lease liabilities	866.39	175.91	690.48
Borrowings	486.60	-	486.60
Other financial non-current liabilities	11.15	-	11.15
Borrowings	2,118.29	2,118.29	-
Trade payables	1,291.18	1,291.18	-
Other financial liabilities	253.07	253.07	-
Total	5,026.67	3,838.45	1,188.23

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the other payables. The risks primarily relate to fluctuations in US Dollar, GBP against the functional currencies of the Company. The Company's exposure to foreign currency changes for all other currencies is not material. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

(iii) Credit risk

Credit risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The carrying amount of trade receivables, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with Company's policy. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.. Since company operates on business model of primarily cash and carry, credit risk from receivable perspective is insignificant.



Notes to financial information

(All amounts are in INR million, except otherwise stated)

(b) Capital management and Gearing Ratio

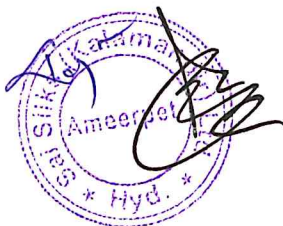
For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings		
Non current	653.82	486.60
Current	2,801.16	2,118.29
Debt	3,454.98	2,604.89
Equity share capital	240.65	240.65
Other equity	3,732.69	2,765.96
Total capital	3,973.34	3,006.61
Gearing ratio in (Capital/Debt)	1.150	1.154

Note No. 47**Financial instrument and risk management****(a) Categories of financial instruments**

The carrying value of the financial instruments by categories

Particulars	Carrying Value	
	As at March 31, 2023	As at March 31, 2022
Financial assets		
Measured at amortised cost		
Other financial non-current assets	276.48	238.02
Trade receivables	28.84	18.92
Cash and cash equivalents	46.15	86.24
Bank balances other than cash and cash equivalents	450.89	383.99
Loans	344.04	162.02
Other financial assets	8.85	3.26
Total	1,155.25	892.45
Financial liabilities		
Measured at amortised cost		
Lease liabilities	1,804.17	866.39
Borrowings	653.82	486.60
Other financial non-current liabilities	26.98	11.15
Borrowings	2,801.16	2,118.29
Trade payables	2,300.22	1,291.18
Other financial liabilities	318.08	253.07
Total	7,904.43	5,026.67



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Particulars	Fair Value	
	As at March 31, 2023	As at March 31, 2022
Financial assets		
Measured at amortised cost		
Other financial non-current assets	276.48	238.02
Trade receivables	28.84	18.92
Cash and cash equivalents	46.15	86.24
Bank balances other than cash and cash equivalents	450.89	383.99
Loans	344.04	162.02
Other financial assets	8.85	3.26
Total	1,155.25	892.45
Financial liabilities		
Measured at amortised cost		
Lease liabilities	1,804.17	866.39
Borrowings	653.82	486.60
Other financial non-current liabilities	26.98	11.15
Borrowings	2,801.16	2,118.29
Trade payables	2,300.22	1,291.18
Other financial liabilities	318.08	253.07
Total	7,904.43	5,026.67

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- (i) The Company has disclosed financial instruments such as borrowings, trade payable, and other current liabilities, loans, trade receivable, cash and cash equivalents and bank balances other than cash and cash equivalents at carrying value because their carrying values are a reasonable approximation of the fair values due to their short term nature.
- (ii) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party.



Notes to financial information

(All amounts are in INR million, except otherwise stated)

(iii) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

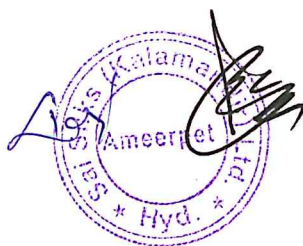
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

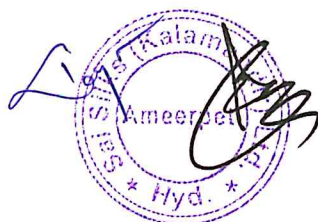
Disclosures of fair value measurement hierarchy for financial instruments are given below

Particulars	As at March 31, 2023	As at March 31, 2022
Level 3		
Financial Assets, measured at Amortised Cost		
Other financial non-current assets	276.48	238.02
Trade receivables	28.84	18.92
Cash and cash equivalents	46.15	86.24
Bank balances other than cash and cash equivalents	450.89	383.99
Loans	344.04	162.02
Other financial assets	8.85	3.26
Total	1,155.25	892.45
Financial liabilities Measured at amortised cost		
Lease liabilities	1,804.17	866.39
Borrowings	653.82	486.60
Other financial non-current liabilities	26.98	11.15
Borrowings	2,801.16	2,118.29
Trade payables	2,300.22	1,291.18
Other financial liabilities	318.08	253.07
Total	7,904.43	5,026.67



Note No. 48**Key Ratios**

Particulars	As at March 31, 2023	As at March 31, 2022	Variance
a) Current Ratio:	1.41	1.38	2.20%
Current Assets	8,047.26	5,607.54	
Current Liabilities	5,725.30	4,077.10	
b) Debt Equity:	0.87	0.87	0.36%
Total Debt (long-term and short-term interest bearing)	3,454.98	2,604.89	
Shareholder's Equity	3,973.34	3,006.61	
c) Debt Service Coverage Ratio:	3.74	3.29	13.50%
Earnings available for Debt Service	2,191.99	1,413.14	
Debt Service	586.84	429.40	
d) Return on Equity:	27.96%	21.22%	31.76%
Net Profits after taxes	975.88	576.87	
Average Shareholder's Equity	3,489.97	2,718.26	
e) Inventory Turnover Ratio:	2.32	2.68	-13.45%
Total Sales	13,514.69	11,293.23	
Average Inventory	5,830.90	4,217.00	
f) Trade Receivables Turnover:	565.89	544.48	3.93%
Total Sales	13,514.69	11,293.23	
Average Accounts Receivable	23.88	20.74	
g) Trade Payables Turnover:	5.77	7.16	-19.43%
Total Purchases	10,356.05	8,472.12	
Average Trades Payable	1,795.70	1,183.58	
h) Net Capital Turnover:	7.02	8.62	-18.59%
Total Sales	13,514.69	11,293.23	
Average Working Capital	1,926.20	1,310.43	
i) Net Profit Ratio:	7.22%	5.11%	41.36%
Net Profit	975.88	576.87	
Total Sales	13,514.69	11,293.23	



Particulars	As at March 31, 2023	As at March 31, 2022	Variance
j) Return on Capital Employed:	23.55%	21.71%	8.48%
Earning before interest and taxes	1,789.76	1,059.25	
Capital Employed	7,599.76	4,879.05	
k) Return on Investment*	NA	NA	NA
Net Profit	NA	NA	
Shareholder's Equity	NA	NA	

* There are no investments made by the company, as such the ratio is not applicable.

The following Ratios had variance of 25%;

Particulars	Remarks
Return on Equity	Increase in ratio as the profit earned by the company improved during the year.
Net Profit Ratio	Increase in ratio as the profit earned by the company improved during the year.



Notes to financial information

(All amounts are in INR million, except otherwise stated)

Note No. 49**Reconciliation of quarterly bank returns**

Name of Bank	Particulars	Quarter	Amount as per	Amount as	Amount of difference
			books of Accounts	reported in quarterly returns	
Working Capital Lenders*	Inventories	June-22	6,792.01	6,792.01	-
	Receivables (Subject to DP)	June-22	19.50	19.50	-
	Trade Payables	June-22	2,964.87	2,964.87	-
Working Capital Lenders*	Inventories	September-22	7,780.93	7,780.93	-
	Receivables (Subject to DP)	September-22	23.58	23.58	-
	Trade Payables	September-22	3,989.82	3,989.82	-
Working Capital Lenders*	Inventories	December-22	6,939.22	6,939.22	-
	Receivables (Subject to DP)	December-22	26.13	26.13	-
	Trade Payables	December-22	3,096.25	3,096.25	-
Working Capital Lenders*	Inventories	March-23	6,891.49	6,891.49	-
	Receivables (Subject to DP)	March-23	15.74	15.74	-
	Trade Payables	March-23	2,300.22	2,300.22	-0.00

*SBI, Canara Bank, HDFC Bank and IDBI Bank Limited, are represented as Working Capital Lenders.

^Due to accounting of TDS Receivable from debtors

Note No. 50**Foreign exchange earnings and outgo**

Particulars	FY 2022-23	FY 2021-22
CIF Value of imports	1.59	-
Value of import of Services	15.05	-
Expenditure in foreign currency	15.05	-

Note No. 51**(a) Title deeds of immovable properties**

Title deeds of immovable properties are held in the name of the Company.

(b) Valuation of Property Plant & Equipment, intangible asset

The Company has not revalued its fixed assets.

(c) Loans or advances to specified persons

No loans or advances in the nature of loans are granted to promoters, directors, KMPS and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

(d) Details of benami property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company.

(e) Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts.

(f) Wilful defaulter

The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.



Notes to financial information

(All amounts are in INR million, except otherwise stated)

(g) Relationship with struck off companies

The Company does not have any transactions with companies struck off.

(h) Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company does not have pending registration or satisfaction of charge to be registered with ROC beyond the statutory time period except in 5 instances of vehicle loans availed from HDFC Bank. The sanctioned limit of those loans of Rs. 17.17 millions and out of which outstanding as at 31-Mar-2023 is of Rs. 15.17 millions.

(i) Compliance with number of layers of companies

The Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of layers) Rules, 2017 is not applicable to the company.

(j) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(k) Utilisation of borrowed funds and securities premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

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

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

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

(l) Undisclosed income

The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(m) Details of crypto currency or virtual currency

The Company has not traded or invested in Crypto currency or Virtual Currency.


(n) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Company from the Banks and Financial Institutions have been applied for the purposes for which such loans were taken.

As per our audit report of even date

For SAGAR & ASSOCIATES

Chartered Accountants


CA. B. Aruna
Partner
Membership No. 216454
F. No. 003510S
Place: Hyderabad
Date: 13-Jul-2023

For and on behalf of the board


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


K V L N Sarma
Chief Financial Officer


Annam Kalyan Srinivas
Whole Time Director
DIN : 02428313


M K Bhaskara Teja
Company Secretary

