

# SAI SILKS (KALAMANDIR) LIMITED

CIN: U52190TG2008PLC059968

Registered Office: # 6-3-790/8, Flat No.1, Bathina Apartments, Ameerpet, Hyderabad - 500016  
Telangana, India. 040-66566555. Email: secretarial@sskl.co.in



www.sskl.co.in

Date: 04.09.2024

To Corporate Relations Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001, India Scrip Code: <b>543989</b>	To Listing Manager, National Stock Exchange of India Limited Exchange Plaza, C-1 Block G Bandra Kurla Complex, Bandra (E) Mumbai – 400 051, India Symbol: <b>KALAMANDIR</b>
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Dear Sir / Madam

**Subject: Submission of notice of 16<sup>th</sup> Annual General Meeting (AGM) along with Annual report for the FY 2023-24 as required under Regulation 34 of SEBI (LODR) Regulations, 2015**

We wish to inform you that the 16<sup>th</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on **Friday, September 27, 2024** at **11.00 A.M.** (IST) through video conferencing (VC) / Other Audio Visual Means (OAVM).

Pursuant to Regulation 34(1) of Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing the Annual Report of the Company along with the Notice of 16<sup>th</sup> Annual General Meeting for the Financial Year 2023-24, which was sent to the shareholders of the company through electronic mode.

The aforesaid Annual Report along with notice of AGM is also uploaded on the website of the Company and the weblink is as follows:

<https://sskl.co.in/wp-content/uploads/2024/09/SSKL-Annual-Report-2023-24.pdf>

This is for your information and records

Yours sincerely,

**For Sai Silks (Kalamandir) Limited**

**M.K.Bhaskara Teja**  
**Company Secretary & Compliance Officer**  
**M.No A39542**





# Weavers to Wardrobes

*Enriching the Journey of Indigenous Weavers' Craftsmanship*

Annual Report 2023-24





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### Forward-looking statements

The report may include forward-looking statements pertaining to the company's business activities. These statements are not guarantees of future results and reflect the company's current expectations based on reasonable assumptions. However, actual results may differ significantly from the projections in these forward-looking statements due to various events, risks, uncertainties, and other factors.

- ✧ A saree is not merely six yards of fabric reflecting a woman's poise and elegance. It is a piece of heritage, often a treasured heirloom passed on from one generation to the other. Perhaps, one of the most powerful symbols of feminine strength and empowerment, the timeless appeal of sarees cannot be missed.
- ✧ What makes sarees stand out is the mastery of intricate weaving techniques. Realising this, at Sai Silks Kalamandir (SSKL), we strive to further enrich our indigenous craftsmanship. We have a team of weavers, artisans and designers who play an integral role here. This dedicated team breathes life into our vision by taking excellence a notch higher every single time.

- ✧ Acknowledging their tireless efforts, we undertake several endeavours to support our weavers through the Kalamandir Foundation. Our initiatives offer financial and moral assistance to our weavers; we aim to elevate their standard of living and ensure their holistic well-being. Additionally, we conduct several awareness sessions and charitable programmes; thereby reaffirming our commitment to making a meaningful impact on the lives of our weavers and the society at large.





SSKL is one of the prominent retailers of ethnic apparel, especially sarees, in South India. Over the past 19 years, we have redefined the retail landscape for sarees with innovative offerings and a diversified portfolio of products ranging from ultra-premium, premium sarees, daily wear, occasion wear sarees to lehengas and also a wide selection of ethnic apparel for men and children across different segments of the society.

**6,50,000+**  
Customers in India

**INR 1373.55 Cr**  
Revenue from Operations

**INR 100.87 Cr**  
Profit After Tax

ABOUT US

# Unveiling the rich tapestry of Indian craftsmanship

We have relentlessly focused on delivering quality products to customers, keeping affordability and accessibility at the core of our offerings. It has empowered us to showcase India's vibrant culture, traditions, and heritage through ethnic collections, designed for different astute customer profiles. From filling the gaps in the luxury saree space to making way for family-friendly fashion under one roof, we remain devoted to fulfil the aspirations of modern Indian customers.

At the same time, we seek to redefine the shopping experience for every customer who steps into our retail stores or decides to shop at their convenience from our ecommerce channels. Along with an

emphasis on improving the aesthetics of stores, we have focused on adopt technology to streamline operations. Resting on these strategic moves, we continue to fulfil the expectations of a growing customer profile and consistently upgrading our offerings to create a distinct identity for Sai Silk in the fashion industry.

At SSKL we take immense pride in being a beacon of Indian culture and heritage. Each saree we craft is a testament to the rich traditions and intricate artistry that define our diverse nation. Our collections are not just garments; they are stories woven with passion, celebrating the elegance and

grace of Indian women. By meticulously preserving age-old weaving techniques and incorporating contemporary designs, we create pieces that resonate with both tradition and modernity. We are committed to spreading the beauty of Indian culture, ensuring that every drape, every fold, and every thread of our sarees carries the essence of our beloved heritage.

**6,50,000+**  
Customers in India

## Motto of SSKL

Competitive pricing strategies

High quality products

Wide range of offerings

Customer centric service delivery

**INR 1373.55 Cr**  
Revenue from Operations

**INR 100.87 Cr**  
Profit After Tax

## Our Vision

To be a global ambassador of Indian heritage, weaving the essence of tradition and modernity into every product, and inspiring a deep appreciation for the timeless art and culture of India. To be the the destination for every family looking for value fashion through its affordable and quality range.

## Our Mission

Our mission is to showcase the rich tapestry of Indian culture through meticulously curated ethnic apparel. We are dedicated to preserving traditional craftsmanship while embracing innovation in design, ensuring every piece reflects timeless elegance and quality. With a commitment to customer satisfaction and cultural integrity, we strive to empower individuals to embrace their heritage proudly.

- Building a robust portfolio of strong brands.
- Increasing customer loyalty base through quality, affordable products.
- Expanding the network of our retail outlets.



Rooted in Tradition





## Our Values



### Cultural Heritage

Respect and preserve the diverse cultural traditions and craftsmanship of India.

### Entrepreneurship With a Purpose

Be unwilling to accept 'it cannot be done' as an answer. Take initiative to push limits. Use resources consciously, chase goals aggressively, be frugal and pursue passion for business excellence.

### Diversity and Inclusion

Celebrating diversity and fostering an inclusive environment both within the company and through our products.

### Collaboration

Build a highly capable and committed team to grow businesses which deliver highest value by fostering a meaningful relationship with all stakeholders by practicing highest standards of business ethics, humility and governance.

### Customer – Centricity

Recognise that our customers are the reason for our existence. Be obsessive about delighting customers and all stakeholders. Go to infinite lengths to deliver the best customer experience.



## Our focus areas – PQRS



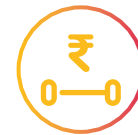
### Price

Our pricing strategy is designed to provide value for money, ensuring that customers receive stylish and well-crafted clothing at affordable prices. We regularly review our pricing to stay competitive in the market while maintaining profitability.



### Quality

Quality is at the heart of everything we do. We source materials from trusted suppliers and employ rigorous quality control measures to ensure that each garment meets our high standards. From fabric selection to stitching and finishing, every detail is carefully considered to deliver durable, comfortable and stylish clothing that our customers can rely on.



### Range

Our diverse range of clothing caters to various tastes, sizes, and occasions. Whether customers are looking for casual wear, formal attire, or seasonal fashion trends, we offer an extensive selection to suit every preference. Our curated collections reflect current fashion trends while also incorporating timeless classics, ensuring there's something for everyone in our store.



### Service

Exceptional customer service is fundamental to our business philosophy. Our team is dedicated to providing a personalised shopping experience, offering knowledgeable advice and assistance to help customers find the perfect outfit. We value customer feedback and continuously strive to improve our services.





## Founder and Managing Director's Message



**We work with over 4,000 weavers and vendors across the country. Our team of dedicated designers collaborates closely with these skilled individuals, pushing the boundaries of design excellence, while staying true to our cultural roots.**

**Founder and Managing Director  
Mr. Nagakanaka Durga Prasad Chalavadi**

Dear Shareholders,

We commenced our journey with the core belief that a saree can best showcase a woman's emotions and it will be in fashion forever. For almost two decades, we are crafting timeless value for connoisseurs of ethnic wear, supporting local weavers and artisans and also upholding the trust of our valued investors. We are now a listed entity on the stock exchanges, following our successful IPO in September 2023, and I extend my deepest gratitude and appreciation to all our investors who have placed their trust in our vision and execution model.

**Ever since inception, we could accomplish remarkable milestones in our journey, because our customers have always embraced and adored our brands. We are committed to provide our customers, not just products, but a wholesome experience. Headquartered in Hyderabad, we closed the year (FY24) with 60 stores across 15 cities in South India, with a combined store area of approximately 6,47,310 square feet. Our average revenue per store during the reporting year stood at INR 22.9 crore average revenue per store.**

Catering to the large and growing organised ethnic apparel retail market in India, particularly sarees, we are gradually diversifying our portfolio to address a wider range of customers from wedding and occasion wear market. Apart from sarees, we curate an exclusive collection of ethnic wear for men, women and children, delivering value for money to each customer. Our portfolio comprises both ultra-premium as well as value fashion offerings.



### Leveraging opportunities, expanding presence

India has the third largest apparel market worldwide and is experiencing a growing demand for organised/online retail. The country's wedding and festive wear market is driven by increased demand for sarees, especially in South India. The organised saree market is poised to grow at 14.5% CAGR, led by the South Indian market. The catalysts for the increasing market size of the saree segment comprise the rising female population. Additionally, the saree's cultural significance makes it an important apparel for wearing and gifting in festivities across India, especially in South India region.

We are constantly innovating our retail experience, implementing a templatised store rollout strategy that ensures a consistent brand identity across our expanding network. Leveraging the power of targeted marketing, we are implementing a blend of above-the-line (ATL) and below-the-line (BTL) activities to reach out to our target audience.

Throughout the year, we have strategically expanded our retail footprint, with a focus on the organised retail market. This targeted approach, coupled with our commitment to providing exceptional customer experiences, has yielded impressive results. Our total retail area presence has grown to 647,310 sq. ft., with the addition of close to 43,900 sq. ft. this year. Notably, a significant portion of this expansion is planned for Tamil Nadu, a major ethnic wear market, under our Varamahalakshmi Silks format.

This strategic expansion has translated into a strong financial performance. The revenue for the financial year reached INR 1373.55 crores, compared to INR 1351.47 crores the previous year. Profitability has also remained

encouraging, with Profit After Tax (PAT) growing by 3.36% for the full year, reaching INR 100.87 crores.

### Innovation and customer engagement

We acknowledge the importance of technology in today's retail landscape and have successfully integrated Salesforce with our ERP system, enabling us to deliver targeted marketing campaigns and strengthen customer relationships. We leverage innovative design and supply chain management tools to optimize our processes and drive sales. This data-driven approach ensures personalised experiences for each customer.

We have also significantly increased our digital marketing spend, particularly influencer collaborations on social media platforms such as Instagram. Additionally, we are exploring the potential of geofencing and geotagging to personalise offerings and seamlessly transition customers from offline experiences to online engagement.

**We have an active customer fraternity of approximately 6.5 lakh and it is growing stronger every day, as we expand our omnichannel presence. We enjoy strong customer loyalty with 53% of revenues from repeat purchases.**

### Empowering weavers

We believe that the true essence of a saree lies in its rich heritage and the skilled hands that bring these timeless garments to life. We are deeply committed to supporting our weavers and artisans, who are the backbone of our industry. We work with over 4,000 weavers and vendors across the country. Our team of dedicated designers collaborates closely with these skilled individuals, pushing the boundaries of design excellence, while staying true to our cultural roots.

We go beyond mere collaboration by actively supporting our weavers through the Kalamandir Foundation. This initiative provides financial assistance, aiming to improve their livelihoods and overall well-being. Additionally, we conduct awareness sessions and charitable programmes to uplift their communities and create a lasting positive impact.

### A blend of tradition and innovation

As we move forward, we remain steadfast in our commitment to tradition while embracing the power of innovation. The design life cycle of ethnic wear does not change with every season such as autumn, winter, spring and summer, which gives us a distinct advantage. One design language is passed on from one generation to another. Our inventory also comes in specific periods of time from thousands of weavers spread across the country, and we do not have the problem of having the same saree in multiple pieces.

**We will continue to create value for our customers by following the successful track record of expansion, using a distinct cluster-based expansion approach, while providing them a seamless omnichannel shopping experience. Additionally, we will continue to upgrade specific stores from Kalamandir format to the premium Varamahalakshmi format. Supporting weavers and enriching indigenous craftsmanship will always remain our guiding principle.**

**Before I conclude, I must again Thank our Retail shareholders, esteemed institutional investors and other stakeholders for their encouragement and support.**

Sincerely

**Founder and MD  
Mr. Nagakanaka Durga Prasad Chalavadi**



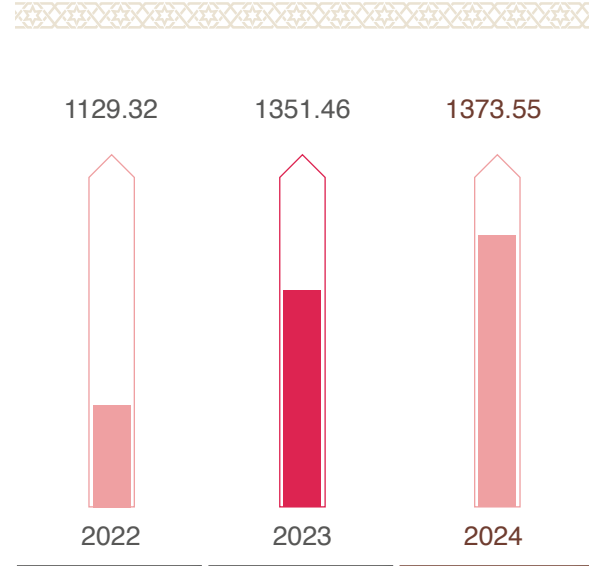
.....  
Showcasing the Rich Indian Heritage  
.....



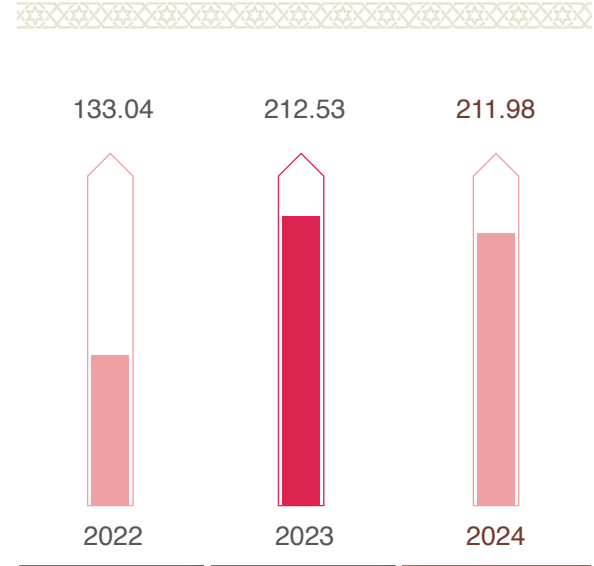


KEY FINANCIAL HIGHLIGHTS

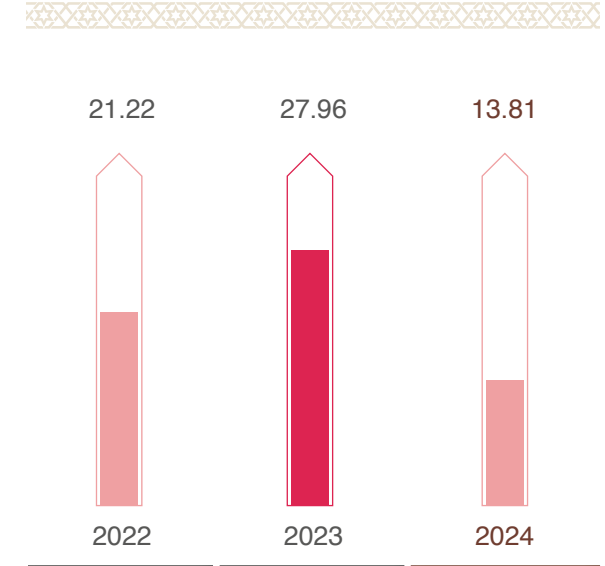
**Revenue from Operations** Amount (INR in cr)



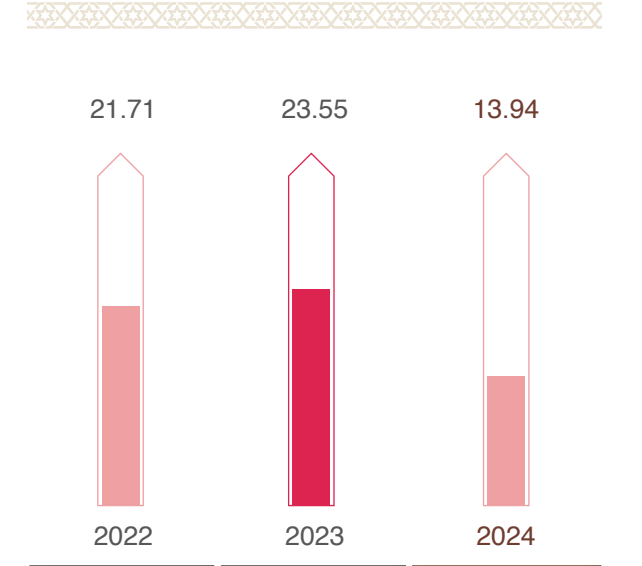
**EBITDA** Amount (INR in cr)



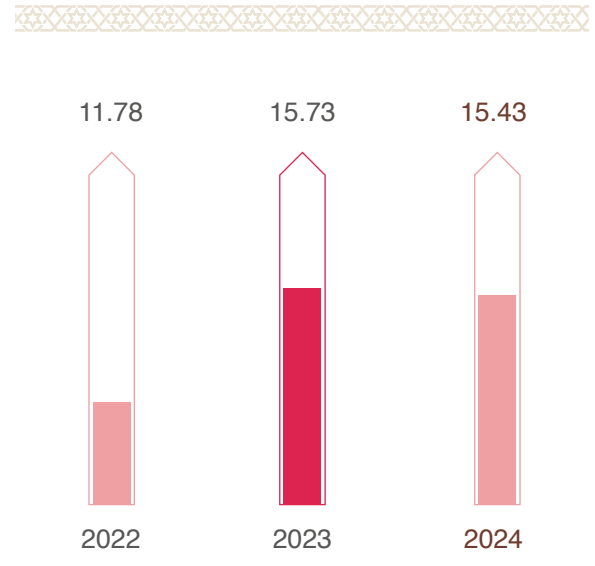
**RoE** (Value in %)



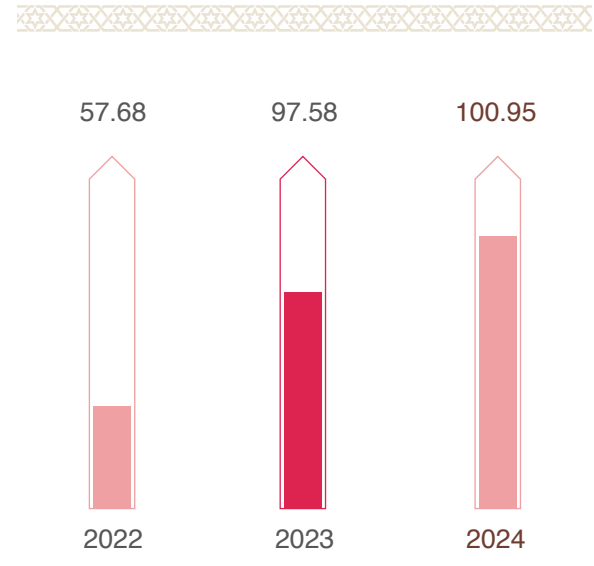
**RoCE** (Value in %)



**EBITDA Margin** (Value in %)



**Profit for the Year** Amount (INR in cr)





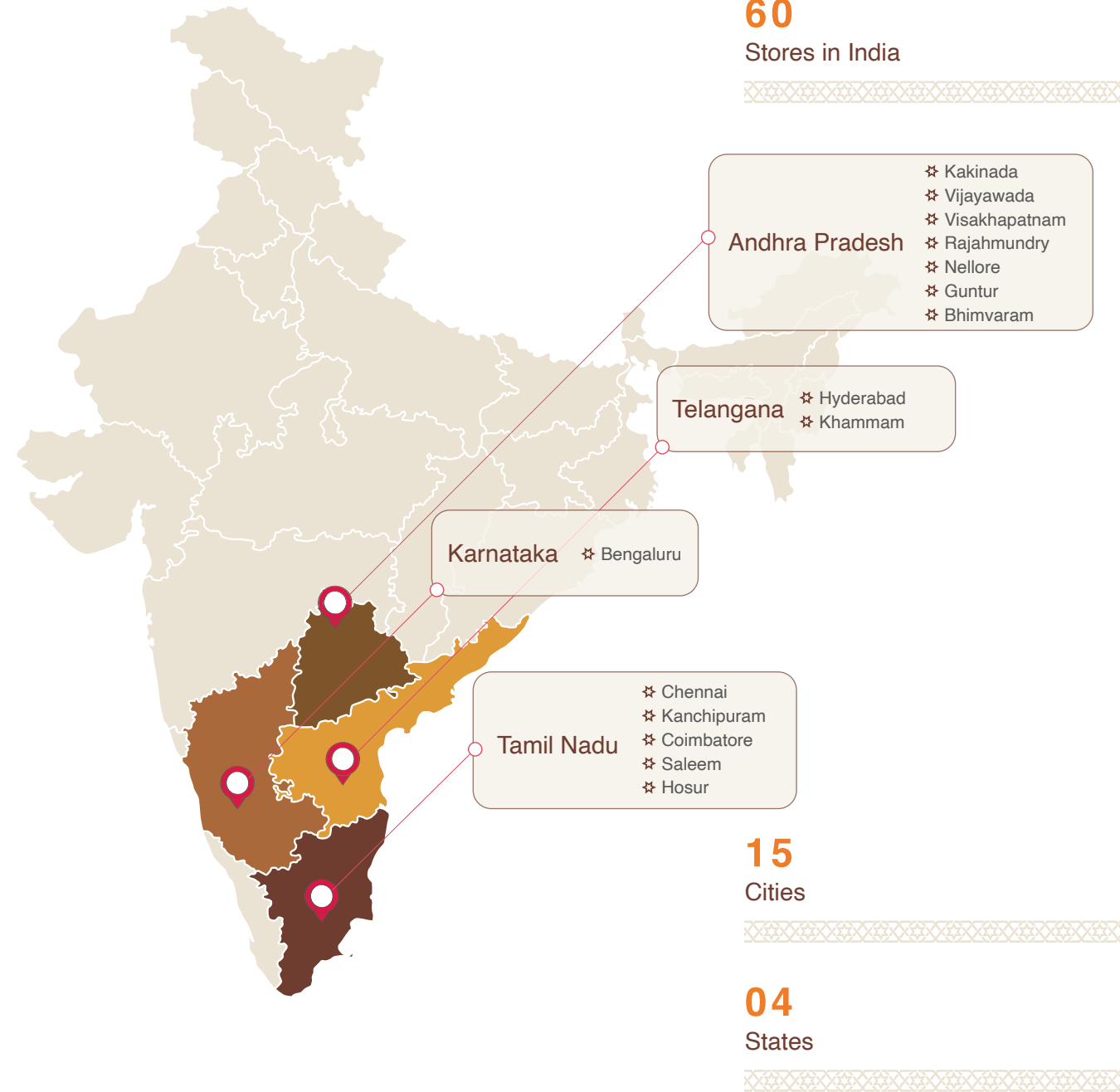
OUR PRESENCE

**647,310 sq.ft**

Combined Store Area

**60**

Stores in India





Transforming Over the Years





A SPLENDID ODYSSEY OF WEAVING EXCELLENCE





PRODUCT PROCUREMENT

# Streamlining supplies to fulfil customer expectations

We remain aligned with market demand, ensure competitive pricing and product quality to deliver the finest quality and value for money products to the market. Our network of reliable suppliers and collaboration with the weaver's community enables us to bring unique designs to our valued patrons.

Our strategic sourcing policy emphasises meticulous

consideration of cost and quality, ensuring that we shortlist suppliers who align closely with our standards. This approach is complemented by our extensive network of reliable suppliers and longstanding collaborations with artisan communities nationwide, cultivated over 19 years. These relationships not only enable us to offer unique designs to our esteemed patrons

but also streamline our supply chain significantly.

Central to our procurement strategy is the utilisation of data-driven insights to plan and forecast demand accurately. By leveraging comprehensive data analytics, we can anticipate market trends and customer preferences, thereby optimising inventory management and ensuring timely product availability.

## Engaging with the weavers

Our country's weavers play an integral role in shaping our business success. It is their craftsmanship that makes each one of our sarees uniquely beautiful. Therefore, we value and respect the relationship we have built with them. It not only enables us to portray the lavish craftsmanship of Indian weavers through brilliantly designed sarees but also keeps us strongly rooted to our tradition.

We engage directly with weavers in their village clusters, fostering personal connections. Additionally, we connect with them through trade shows, events, and online platforms to ensure comprehensive collaboration and support.

Before onboarding weavers to our procurement channel, we assess factors such as production capacity, quality standards and their unique skills. We maintain regular communication with weavers, ensure fair compensation for their products are given to them.

In our collaborative process, we not only incorporate our existing data but also leverage the invaluable insights from our weavers on new designs to refine and finalise our creations. This approach enables us to create unique and culturally resonant products that blend traditional craftsmanship with contemporary aesthetics. By partnering closely with weavers throughout this journey, we foster a sustainable and mutually

beneficial relationship that enriches both our collections and their livelihoods. This collaborative spirit underpins our efforts to continually innovate and offer our patrons exceptional textile creations imbued with authenticity and quality.

Recognising the challenges faced by weavers, we participate in initiatives that uplift the weaving community. We believe in fostering a sustainable future for artisans by providing them with the resources and training needed to thrive in a competitive market. We are committed to the well-being of the artisans and weavers who are a backbone for the company.

**4,034+**  
Weavers engaged with Sai Silk

## Our weavers' story

Each silk thread is dyed with precision and tracked for weight, ensuring quality and authenticity. For generations, our family has committed to this art, each member contributing their unique skills. The silk from Arani is renowned for its strength, and our pattu is the original. Our weaver community, with over 100 looms, has worked with Varamahalaxmi for 12 years, forming an inseparable bond. This work sustains us and provides educational opportunities, making it invaluable. Sai Silk treats us with respect, ensures fair wages, and supports our community, preserving our legacy and bringing joy to our family. Thank you, SSKL, for championing our art and sarees.





Honouring Indian Couture Expertise





INTERESTING FACTS ABOUT THE SAREE

**1 Ancient origins**

Dating back over 5,000 years in Indian history, the saree stands as one of the oldest forms of clothing worldwide.

**2 Versatility**

Suitable for everyday wear, special occasions, weddings, festivals and formal events, the saree adapts seamlessly to various settings.

**3 Symbol of Indian culture**

Symbolising grace, elegance, tradition and the rich diversity of Indian culture, the saree holds profound cultural and symbolic significance.

**4 Global appeal**

Celebrated worldwide for its beauty and cultural heritage, the saree has garnered admiration beyond Indian borders.

**5 Evolution in design**

While traditional sarees remain timeless, modern adaptations introduce contemporary designs, materials, and motifs.

**6 Cultural preservation**

Initiatives and organisations promote and safeguard the art of saree weaving and its cultural importance in India and globally.



**7 Cultural diversity**

Across India, the saree is worn in diverse styles, featuring unique weaving techniques, designs and draping methods specific to each region.

**8 Handcrafted artistry**

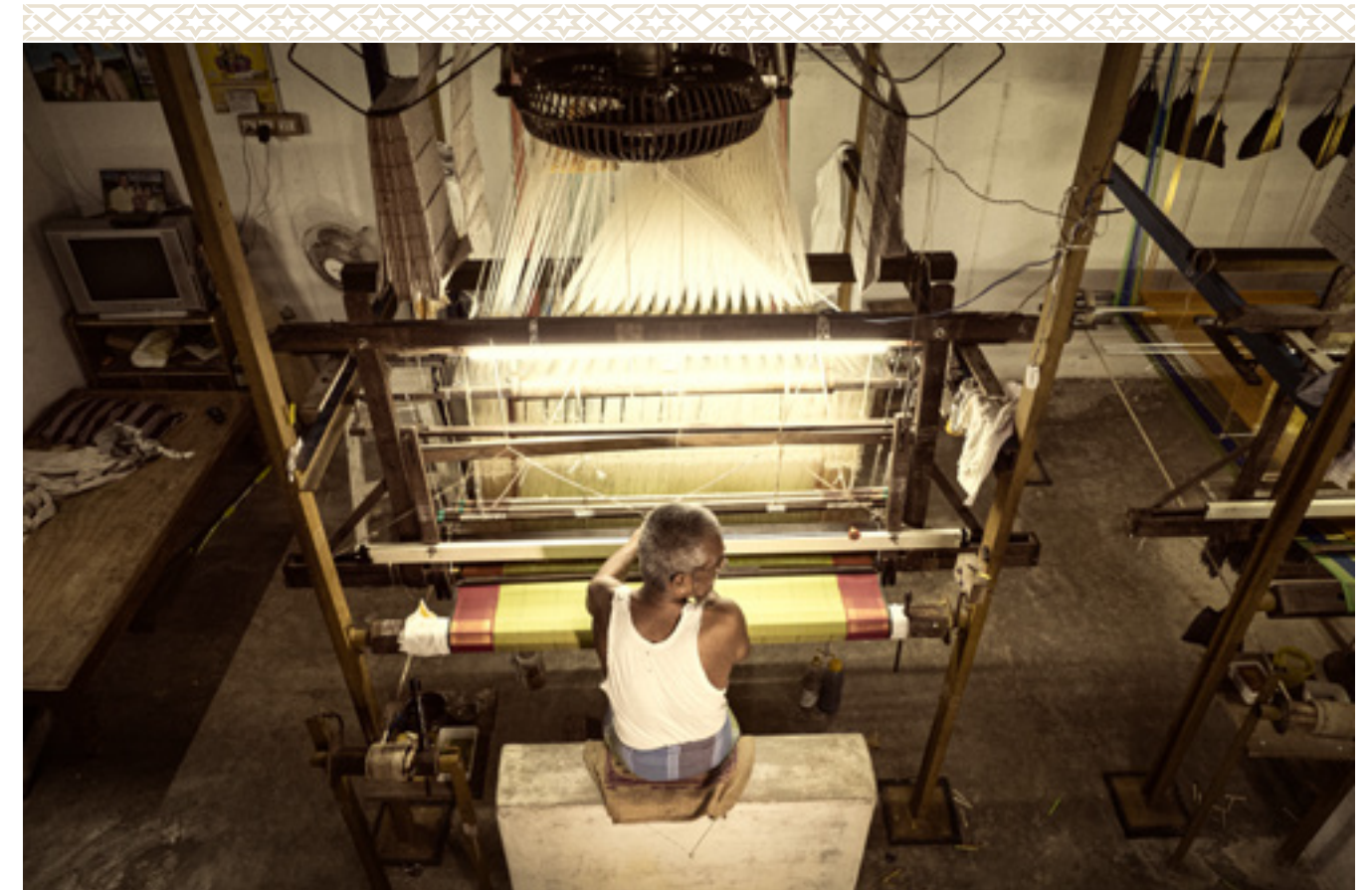
Many sarees are meticulously handwoven by skilled artisans, preserving traditional weaving techniques and craftsmanship.

**9 Draping styles**

With numerous regional, occasional, and personal variations, sarees offer a wide array of draping styles.

**10 Celebrity endorsement**

Worn by both Indian and international celebrities on prestigious occasions, the saree has become synonymous with style and sophistication.





OUR VALUE ACCRETIVE BUSINESS MODEL


Capitals

→ Input

→ Value Creation

→ Outcome




  
Sourcing


We have a strong weavers network comprising of **4034** weavers.

  
People

We have a dedicated workforce of **5424** employees.

  
Innovation

We collaborate with independent designers for procuring unique and innovative designs.

  
Social and community relationship

We have a loyal customer base of **6,50,000 +** customers. Our total CSR spending for the year stands at **INR 1.59 Crore.**

Product Design Team →



Vendors →



← Weaver Community



← Branding and Distribution →



← Retail Network (Offline Stores, E-Commerce Website)



We deliver quality products with our offline presence in **60** stores, across **15** different cities in **4** states. Through e-commerce we supply across **25** states and **6** union territories

We help our employees upskill through continuous training and development programmes.

We cater to our customers with one of the widest portfolios of sarees with **7000** SKUs.



Adding Glitz to Celebrations





INDIA'S PROUD HERITAGE

# Celebrating the timeless elegance of sarees

The saree, a symbol of elegance and tradition for Indian women, originates from the Sanskrit word 'Saadi,' meaning 'a strip of cloth.'

Sarees date back to the Indus Valley civilization, to 2800 BCE. While indigo, lac and turmeric were used initially as dyes for sarees, its present avatar reflects a tale of evolution. From using diverse fabrics, prints and designing methods to the adoption of different draping techniques, it has become one of the most versatile garments in the world. The saree is more of a socioeconomic and cultural reflection of India's proud heritage. Each saree depicts a unique narrative, embodying centuries of heritage.

SAREE will always remain an enduring symbol for Indians worldwide, reflecting our rich culture and tradition.

Over the years, sarees have evolved from simple unstitched garments to artistically woven masterpieces, with every region developing its unique weaving technique.



**115+**  
Weaves of sarees in India

**6 to 9 Yards**  
Length of Sarees

**Do you know?**  
The Government of India recognises Kanchipuram Silk as a GI sign since the year 2005-06

Finance Minister Nirmala Sitharaman made an appearance donning a striking blue and cream-coloured tussar saree with kantha handwork hours before presenting the Interim Budget 2024, sending a resounding 'vocal for local' message.

STAKEHOLDER ENGAGEMENT

# Building stronger relationships through trust and value creation

	Their Expectations	Their Importance to us	Mode of Engagement	Value Created
<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>Growth opportunities</li> <li>Open and engaging workplace</li> <li>Training and development programmes</li> <li>Non-discrimination and equal employment opportunities</li> <li>Work-life balance</li> <li>Diversity and Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Essential in driving innovation and productivity, which will enhance our growth and success</li> </ul>	<ul style="list-style-type: none"> <li>Encourage open communication</li> <li>Conduct regular safety training</li> <li>Training, webinars and workshops</li> <li>Feedback sessions</li> <li>Employee Surveys</li> <li>Recognition Programmes</li> </ul>	<ul style="list-style-type: none"> <li>Skill development and enhancement in line with changing market demands.</li> <li>Ensuring competitive remuneration and equal employment opportunities (Refer page 76 for more information on our CSR activities)</li> </ul>
<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>Unique and Innovative Product Design</li> <li>Superior customer experience</li> <li>Affordable prices</li> <li>Convenience</li> </ul>	<ul style="list-style-type: none"> <li>Important for ensuring business continuity as customer satisfaction and loyalty improves revenue generation capabilities and enhances brand reputation</li> </ul>	<ul style="list-style-type: none"> <li>Offline Stores</li> </ul>	<ul style="list-style-type: none"> <li>Providing unique and innovative product design</li> <li>Competitive pricing</li> <li>Superior customer experience (Refer page 76 for more information on our CSR activities)</li> </ul>
<b>INVESTORS &amp; SHAREHOLDERS</b>	<ul style="list-style-type: none"> <li>Continued operational growth and financial sustainability</li> <li>Transparent and ethical code of conduct</li> <li>Return on investments</li> <li>Deepening existing presence</li> <li>Returns to shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Provide necessary capital for business expansion, innovation and operation</li> </ul>	<ul style="list-style-type: none"> <li>Investor presentations and quarterly earnings calls</li> <li>Corporate website</li> <li>Investor meets</li> <li>Management conference calls</li> <li>Media, Press release and Stock Exchange intimations</li> <li>Annual General Meeting and Annual Report</li> <li>Shareholder grievance redressal mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Optimum utilisation of funds for growth and expansion</li> <li>Maintaining profitability</li> <li>Cost management &amp; efficiency (Refer page 76 for more information on our CSR activities)</li> </ul>
<b>SUPPLIERS &amp; BUSINESS PARTNERS</b>	<ul style="list-style-type: none"> <li>Responsible procurement practices</li> <li>Supporting and promoting long-term relationship</li> <li>Timely payment of dues</li> <li>Fair revenue distribution</li> </ul>	<ul style="list-style-type: none"> <li>Integral to the value chain, enabling us to deliver high-quality products while ensuring efficiency and sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Feedbacks via call</li> <li>Constant guidance on designing and innovation</li> </ul>	<ul style="list-style-type: none"> <li>Build and maintain mutually beneficial relationships (Refer page 76 for more information on our CSR activities)</li> </ul>
<b>COMMUNITY</b>	<ul style="list-style-type: none"> <li>Social and economic development</li> <li>Promotion of sustainable livelihood opportunities</li> <li>Driving various initiatives related to healthcare and quality education</li> <li>Job creation and income generation</li> </ul>	<ul style="list-style-type: none"> <li>Vital for maintaining social license to operate, fostering goodwill, promoting corporate social responsibility, and contributing to economic development</li> </ul>	<ul style="list-style-type: none"> <li>Scholarships for students</li> <li>Donations for healthcare</li> <li>Supporting child welfare and disabled people</li> </ul>	<ul style="list-style-type: none"> <li>Creating positive impact on society</li> <li>Employment generation</li> <li>Building lasting relationships with local stakeholders (Refer page 74 for more information on our CSR activities)</li> </ul>



OUR BRANDS

# Unique creations for the fashion conscious

We continue to fulfil customer expectations with an exquisite collection of sarees sold under the Kalamandir, Mandir and Kancheepuram Varamahalakshmi Silks brands. It features luxury as well as pocket-friendly sarees.

To extend our clothing range to the entire family, we have set up KLM Fashion Mall, a one-stop destination for ethnic, casual and western wear. Featuring numerous types of clothing for men, women and children, it continues to be a preferred shopping destination for our customers as all our brands cater to the entire spectrum of fashion comprising ethnic and western wear.

## KALAMANDIR

Since its launch in September 2005, our flagship brand, 'Kalamandir', has helped to transform our vision into reality. Targeting the middle class, this brand is renowned for its exceptional value, competitive pricing and excellent quality.

Operating across Telangana, Andhra Pradesh and Karnataka, Kalamandir is one of the most sought-after ethnic fashion brands. Through years of relentless dedication, particularly in the realm of bridal silk sarees, Kalamandir has earned a loyal customer base.

**The brand's diverse product range encompasses-**

- Kanchipuram Pattu Sarees
- Banarasi Sarees
- Chanderi Sarees
- Tissue Sarees
- Kora Sarees
- Georgette Sarees
- Linen Sarees
- Silk Sarees
- Kalamkari Sarees
- Kalakshetra Pattu Sarees
- Ikkat Sarees
- Party Sarees



**INR 1,000 to INR 1,00,000**  
Average Price Range

**INR 5,069**  
Average Invoice

**10,840 sq ft**  
Average Store area

**12**  
No. of stores



OUR BRANDS

# Unique creations for the fashion conscious

## MANDIR

Observing a significant demand for premium sarees from the urban population, the Mandir brand was launched in February 2011. Brand Mandir epitomises a collection of sarees for women seeking a distinct identity. Crafted by master weavers, this collection also offers an excellent array of designer apparel, party wear, casual attires, sarees, lehengas and dress materials. Each saree, designed for the Mandir brand, is carefully handpicked to suit the needs of our high-end premium class customers. We have dedicated effort put by weavers and artisans to bring the design to life, resulting in exclusive and unique creations.

**Our product range comprises of-**

- Banarasi Sarees
- Chanderi Sarees
- Coimbatore Sarees
- Gadwal Sarees
- Ikkat Sarees
- Kanchipuram Sarees
- Kuppadam Sarees
- Khaadi Sarees
- Venkatagiri Sarees
- Patola Sarees
- Paithani Sarees
- Narayanpet Sarees
- Zari Kota Sarees
- Fancy Sarees
- Bandhani Sarees
- Matka Sarees
- Tussar Sarees
- Mysore Sarees



**INR 6,000 to INR 3,50,000**

Average Price Range

**INR 20,677**

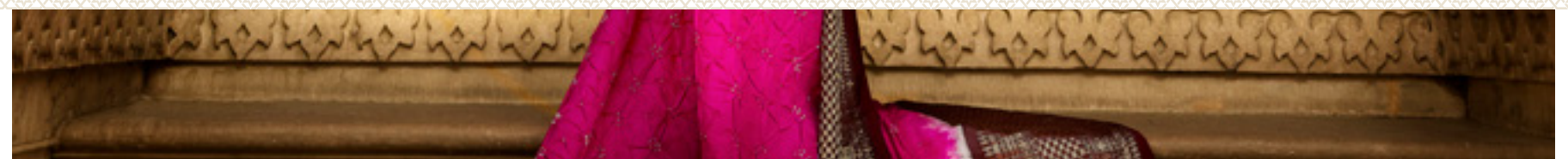
Average Invoice

**3310 sq ft**

Average Store area

**04**

No. of stores





OUR BRANDS

Unique creations for the fashion conscious

## KANCHEEPURAM VARAMAHALAKSHMI SILKS

Kanchipuram is famous for its silk sarees. We tried to make these sarees accessible to our urban customers through the Varamahalakshmi brand. In 2012, we opened the first store in Kanchipuram. This enabled us to delve into the intricacies of Kanchipuram sarees. Our dedication yielded success, prompting rapid expansion across other locations in four states of Andhra Pradesh, Telengana, Tamilnadu and Karnataka. Each of our Varamahalakshmi store personifies the traditional heritage of temple-inspired architecture. The aesthetic shopping floors are designed to offer an exceptional shopping experience to contemporary customers.

Positioned as a value retail concept, the designer sarees are priced competitively. Its overwhelming success led to its expansion in four different states of India. Kancheepuram Varamahalakshmi Silks remains a beacon of tradition and excellence in the realm of ethnic Indian fashion, embodying the artistry and cultural richness of silk sarees for generations to come.

Our collection, spanning bridal to casual wear, comprises of-

- Kancheepuram Sarees
- Banarasi Sarees
- Gadwal Sarees
- Paithani Sarees
- Ikat Sarees
- Chanderi Sarees
- Patola Sarees
- Fancy Sarees
- Coimbatore Sarees
- Venkatagiri Sarees
- Kuppadam Sarees
- Zari Kota Sarees
- Kanchi Sarees
- Kanchi Ikat Sarees
- Mysore Sarees
- Narayanpet Sarees
- Bandhani Sarees
- Khaadi
- Matka
- Tussar
- Chiniya
- Kaddi Georgette
- Uppada Sarees



**INR 4,000 to INR 2,50,000**  
Average Price Range

**INR 11,190**  
Average Invoice

**6,355 sq ft**  
Average Store area

**25**  
No. of stores



OUR BRANDS

Unique creations for the fashion conscious

## KLM FASHION MALL

KLM Fashion Mall was established as an ethnic value fashion destination for all kinds of customers. Our stand-alone stores provide a family-friendly environment, we aimed to offer trendy collections for children as well as adults at an affordable range. We tried to emulate the shopping experience of top global fashion retailers and opened KLM Fashion Mall on September 21st, 2017 as a contemporary ethnic value shopping mall for people of all ages. Setting a new precedent in the Indian retail fashion scene, KLM became the first brand to offer year-round discounts on fresh stock. Within just 3 years, the footfall at KLM has been phenomenal, attracting new customers every day to this lively mall.



**INR 200 to INR 75,000**

Average Price Range

**INR 2,728**

Average Invoice

**18,400 sq ft**

Average Store area

**19**

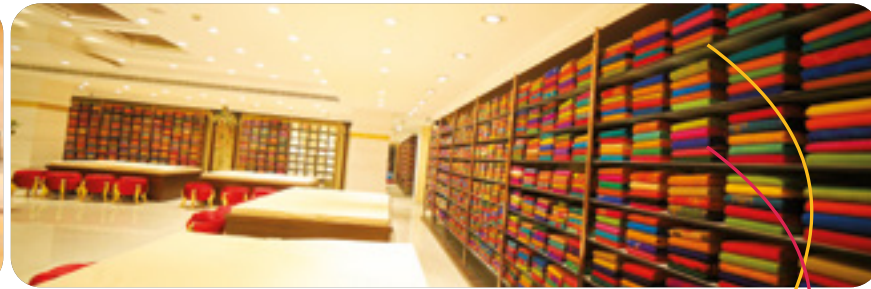
No. of stores





MARKET TRENDS

# Growth drivers for Indian retail



The Indian consumer market remains strong, charged by the aspirations of the middle and upper-middle-income groups. This presents us a unique chance to create value for our organisation and the broader stakeholder network. Moreover, it allows us to explore innovative strategies and enhance operational efficiency to meet customer expectations.



## Swift pace of urbanisation with the rise in disposable income

By 2050, an estimated 416 million people are projected to live in urban areas. As people from rural areas migrate to cities to seek employment opportunities, Tier III and Tier IV cities are expected to experience significant population growth, which in turn is expected to foster economic development. This, is anticipated to create new opportunities for value fashion stores in these areas.

**Cultural Celebrations:** Festivals, weddings, and religious events in India drive demand for ethnic attire, boosting sales throughout the year. India being a diverse cultural country have celebrations that happen most of the year.



## Growth of the festive wear market in India

The demand for sarees, particularly in South India, is a major driver of the Indian festive wear market. The market for women's Indian wear is projected to grow to ₹ 1,68,222 Crore by FY 2025 from ₹ 1,15,139 Crore in FY 2020, reflecting a compound annual growth rate (CAGR) of 7.9%. Sarees accounted for xx% of the occasional wear market in FY24, with South India region driving xxx% of the wedding and festive saree market.



## Rise in organised retail to enhance customer experience

The growth of foreign brands in India, the expansion of organised retail and the prevalence of mall culture continues to shape consumer expectations. The demand for air-conditioned retail stores and shopping malls with fitting rooms, a wide product selection, transparent pricing, quality assurance and attentive customer service has become a pre-requisite for success in the retail fashion industry. Organised retailers have effectively bridged this gap, offering customers an improved shopping experience.

STRATEGY

# Strategies for shaping success



## Brand Management

Sai Silk excels in customer engagement via events and social media.. Our marketing strategies and Tollywood partnerships expand reach, with product line expansions creating buzz with celebrity involvements.



## Digitalization

Our IT setup excels with upgrades and AI integration. Cybersecurity and data-driven marketing are priorities. Vastram improves product recommendations; Sales Force and ERP Next streamline CRM. Additionally, we continuously innovate by developing new systems and enhancing our existing ERP. Custom new modules are integrated to facilitate informed decision-making across our operations. These advancements not only bolster our technological capabilities but also ensure that our systems are optimized for efficiency and effectiveness in serving our customers and managing our business processes.



## Product Quality

Quality control aligns products with customer preferences and competitive pricing. Our procurement emphasizes on functionality, aesthetics, and variety. We enhance customer loyalty through our loyalty program and special offers, both in-store and online, including gift vouchers and combo deals. Our quality measures policy ensures consistency, reliability, and customer satisfaction. We cater to the fashion needs of the entire family, connecting them for different occasions, while ensuring efficient procurement and cost management. Our procurement strategy relies on data-driven insights and strategic purchasing aligned with market trends and customer preferences. Analysing sales data, seasonal trends, and demographic insights guides our decisions, enabling us to anticipate demand, optimise inventory, and introduce new collections that appeal to our diverse customer base. This approach ensures our offerings are stylish, relevant, and cost-effective, meeting the fashion needs of every family member for any occasion.

1. New geographical expansion
2. Focus to adapt to newer technologies to strengthen our back end constantly.
3. PQRS – value for money
4. Best in class CRM.
5. Pan India brand.



...  
Weaving Traditions Through Our  
Signature Attire  
...





PILLARS OF BUSINESS EXCELLENCE

# Laying emphasis on best practices to sustain growth

## Integrating Best In-class Technology

India's apparel manufacturers are embracing digital technology to meet financial and operational needs. Our entry into ecommerce channels reflects our proactive approach to embrace innovation and enhance investments in technologies like AR Try-Ons, AI-Powered Personalisation and Smart Fitting Rooms to streamline operations and ensure customer satisfaction. Upgrades to our datacentre hardware have significantly improved performance. Besides, partnerships with MyDbops ensures expert management of our database servers.

We have also implemented stringent cybersecurity measures to protect client data. Besides, we employ data-driven insights, content marketing, social media engagement and influencer partnerships to drive brand visibility and customer engagement.

Our AI initiative, Vastram, augments product databases for better recommendations, reflecting our commitment to personalised customer experiences. The integration of Salesforce and ERPNext has ensured operational efficiency. We also use WhatsApp for Business to enable efficient communication with customers.

To keep our people attuned to latest developments in the industry, we provide access to various online resources used for learning and development. It fosters continuous skill development.



## Strengthening branding and marketing efforts

At Sai Silk, we engage with customers through online as well as offline channels. Along with a strong presence on social media, we have developed targeted initiatives to foster customer engagement. Our Smile Rewards Programme, launched in February 2023, both in the online and offline mode has seen impressive enrolment.

Before the launch of marketing campaigns, we carefully select target audiences based on demographics, location, behaviour and competitor analysis. We also participate in movie premieres and college functions to increase our reach.

We are also appointing renowned celebrities to endorse our products. To create brand resonance, we are laying emphasis on online retail and improvement of digital marketing efforts. Through

**1.2 Mn**  
Followers on Facebook

**444.1 K**  
Followers on Instagram

targeted print, outdoor and digital platforms, we are consistently sustaining deeper interactions with customers to nurture brand loyalty and widen our customer base.

We implement geographic-based targeted digital campaigns to effectively reach specific audiences in different regions. Our CRM system, powered by Sales Force, optimizes customer relationship management, ensuring personalized interactions and efficient sales processes. The loyalty program remains a cornerstone of our strategy, enhancing customer retention and satisfaction through tailored rewards and incentives.

**253.K**  
Subscribers on YouTube

## Enhancing Supply Chain Proficiency

We collaborate closely with suppliers to optimise inventory and maintain sufficient stock to fulfil customer demands. Our products are stored in four warehouses across Karnataka, Andhra Pradesh, Telangana and Tamil Nadu, with additional storage in Chennai. We source products from artisans and weavers from different parts of the country. This helps to ensure regular supply of products to our retail stores.

To ensure efficient supply, we regularly communicate with our suppliers and assess production status through constant coordination with weavers and third-party manufacturers. Our buying team adopts a three-prong approach, prioritising functionality, aesthetics and cost competitiveness for sourcing products.

We also implement a structured and data-backed approach to stock management. By analysing sales trends and customer preferences, we strategically shuffle our inventory. This method ensures that our stores consistently offer fresh collections, aligning with evolving market demands and customer expectations. Thus, customers can always discover new and appealing selections whenever they visit our stores.

**1,64,000+ sq ft.**  
Aggregate Warehouse Area

**4034+**  
Weaver's Community Network

**80+**  
Employees in the Purchase Team



HUMAN RESOURCE

# Focused on building winning teams

Over the past 18 years, our people have played a pivotal role in our growth. We, therefore, remain committed to create a conducive working environment where talent thrives and succeeds. To foster an engaged and motivated workforce, we have initiated several employee well-being measures. Alongside, we continue to reiterate our focus on nurturing diversity and inclusion, protecting the rights of our people and guaranteeing equal opportunity for everyone.

**5,424**  
Employees



### Employee well-being and safety

We prioritise employee well-being and safety through various measures. We encourage open communication, conduct regular safety training and comply with all relevant regulations. Our management actively listens to workers' feedback and takes necessary action to address concerns. Additionally, audits ensure continuous improvement in safety practices, thereby fostering a safe working environment for all.



### Diversity and inclusion

To promote diversity and inclusion, we prioritise equal opportunity at the workplace. We maintain gender-neutral policies, provide facilities for specially-abled workers and provide financial support for older employees. Besides, women in the workforce are encouraged to take on managerial positions to ensure gender equality.



### Employee Engagement

Employee engagement is enhanced through various means including financial support, well-being initiatives, work-life balance and awards and recognition programmes. Salespersons are rewarded on the basis of performance and external artisans receive commissions for their contribution. Regular employee surveys and feedback sessions enable the Company to address employee needs effectively. Personal as well as career growth opportunities are provided through trainings and knowledge sharing initiatives.



### Human Rights

We protect the rights of handloom workers by ensuring fair compensation and promptly addressing their concerns. We also follow competency-based hiring policies to match the right skills with specific job roles. Equal opportunity and pay is ensured through compensation based on roles and contribution to the business.

CORPORATE SOCIAL RESPONSIBILITY

# Making sustainable change a reality

As a responsible corporate, we strive to improve lives, foster socio-economic growth and nurture ecological consciousness. We, therefore, engage in several initiatives encompassing healthcare, education, infrastructure development and environmental sustainability and disaster relief.

Operating primarily in South India, including Andhra Pradesh, Telangana, and Karnataka, we allocate 2% of our average profit from the last three years towards CSR activities, facilitated either directly or indirectly through the Kalamandir Foundation. Presently, all CSR endeavours are undertaken either by the Company itself or through the Foundation, without collaboration with external NGOs or institutions.



### Kalamandir Foundation

The Foundation, established officially in 2010, prioritises education, health, welfare and advocates environmental sustainability. The Foundation works in alignment with the Company's CSR policy, identifying and addressing social needs.

### Key CSR Activities

**INR 1.59 Crores**

Total CSR Spend



Scholarship & Fee reimbursements for students



Donations for healthcare



Support for child welfare



Initiatives for disabled people



Raising the Glamour Quotient





AWARDS AND RECOGNITION

# Recognised for excellence



2022

- SSKL – Most Admired Company Of The Year – Business Leader Of The Year Awards By CMO Global

- SSKL – Mid Day Success Stories

- SSKL – Fastest Growing Unique Ethnic Wear Group – ET Change Makers

2023

- Prasad Chalavadi - Legend in Retail Industry Award - Hybiz TV Business Excellence Awards

- VML - Retail Icon Award (Best Silk Store) - Times Of India

- SSKL - Best Retail Of The Year Award - Hybiz TV Business Excellence Awards

- SSKL - Best Ethnic Fashion Retail Group - Retail Icon awards by Times Of India

BOARD OF DIRECTORS



**Ravindra Vikram Mamidipudi**  
Chairman & Independent Director

He is a member of the Institute of Chartered Accountants of India with approximately four decades of experience in the finance sector and has been a partner at M. Anandam & Co., Chartered Accountants, since 1981.



**Nagakanaka Durga Prasad Chalavadi**  
Managing Director

He holds a bachelor's degree in commerce from Nagarjuna University, an MBA from the Institute of Management Education, Pune, and a post-graduate diploma in computer applications from the Institute of Computer Software Sciences. He has more than 17 years of experience in the retail sector.



**Pramod Kasat**  
Independent Director

He holds a bachelor's degree in engineering from the Birla Institute of Technology & Science, Pilani, and an MBA from the University of Bombay. He has extensive experience in investment banking and has been associated with companies in infrastructure, real estate, pharma, industrials, and logistics, amongst others.



**Sirisha Chintapalli**  
Independent Director

She holds a bachelor's degree in commerce from Nagarjuna University. She is also an associate member of the Institute of Cost Accountants of India and the Institute of Company Secretaries of India. She has extensive experience in finance and secretarial work.



**Kunisetty Venkata Ramakrishna**  
Independent Director

He holds a B. Tech degree in computer sciences and engineering from the National Institute of Technology, Warangal. He has an MBA from the Indian Institute of Management, Bangalore. He has over 25 years of experience in private equity/venture fund management.



**Kalyan Srinivas Annam**  
Whole-time Director

He holds a bachelor's degree in law from Nagarjuna University and an MBA from the Institute of Marketing and Management, New Delhi. He has approximately 16 years of experience in the retail business.



**Doodeswara Kanaka Durgarao Chalavadi**  
Whole-time Director

He holds a bachelor's degree in commerce from Nagarjuna University and a master's degree in computing from Griffith University, Australia. He has approximately 13 years of experience in the field of retail business.



## Company Information

CIN: L52190TG2008PLC059968

### Board of Directors

**Mr. Ravindra Vikram Mamidipudi**

- Chairman & Independent Director

**Mr. Nagakanaka Durga Prasad Chalavadi**

- Managing Director

**Mr. Pramod Kasat**

- Independent Director

**Mr. Venkata Ramakrishna Kunisetty**

- Independent Director

**Ms. Sirisha Chintapalli**

- Independent Director

**Mr. Kalyan Srinivas Annam**

- Whole Time Director

**Mr. Doodeswara Kanaka Durgarao Chalavadi**

- Whole Time Director

**Mr. Venkata Lakshmi Narasimha Sarma Konduri**

- Chief Financial officer

**Mr. Matte Koti Bhaskara Teja**

- Company Secretary & Compliance officer

### COMMITTEES

#### Audit Committee

Mr. Ravindra Vikram Mamidipudi - Chairman

Mr. Venkata Ramakrishna Kunisetty - Member

Mr. Pramod Kasat - Member

Ms. Sirisha Chintapalli – Member (appointed w.e.f 13.07.2023)

#### Nomination & Remuneration Committee

Mr. Venkata Ramakrishna Kunisetty - Chairman

Mr. Pramod Kasat - Member

Mr. Ravindra Vikram Mamidipudi - Member

Ms. Sirisha Chintapalli - Member

#### Risk Management 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

### Registered office

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

Ph: 040 666566555,

E-Mail: [info@sskl.co.in](mailto:info@sskl.co.in)

Website: [www.sskl.co.in](http://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. SARC Associates

49-28-13, Madhura Nagar

Visakhapatnam, Andhra Pradesh 530016.

### 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

Canara Bank

ICICI Bank Ltd

Yes Bank Ltd

### Listed on BSE and NSE Limited

#### Stakeholders' Relationship Committee

Ms. Sirisha Chintapalli – Chairperson

Mr. Nagakanaka Durga Prasad Chalavadi - Member

Mr. Kalyan Srinivas Annam – Member

#### Corporate Social Responsibility Committee

Mr. Ravindra Vikram Mamidipudi - Chairman

Mr. Nagakanaka Durga Prasad Chalavadi - Member

Mr. Kalyan Srinivas Annam - Member

#### Executive Management & IPO Committee

Mr. Nagakanaka Durga Prasad Chalavadi – Chairman

Mr. Kalyan Srinivas Annam - Member

Mr. Doodeswara Kanaka Durgarao - Member



# Notice

**NOTICE** is hereby given that the 16th Annual General Meeting of the members of Sai Silks (Kalamandir) Limited will be held Friday, September 27, 2024 at 11.00 A.M through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following items of business

## ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Financial Statement of the Company for the financial year ended 31st March, 2024 along with the Notes thereon and the Reports of the Board of Directors and the Auditors thereon.
2. To declare final dividend @ Re.1.00/- per Equity Share of ₹ 2/- each for the Financial Year ended March 31, 2024.
3. To appoint a director in place of Mr. Doodeswara Kanaka Durgarao Chalavadi (DIN: 02689280) who retires by rotation and being eligible offers himself for reappointment.

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

Sd/-

**Matte Koti Bhaskara Teja**  
 Company Secretary  
 & Compliance Officer

Place: Hyderabad  
 Date: August 14, 2024

1. In accordance with the provisions of the Companies Act, 2013 read with the Rules made thereunder and General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 5, 2022 and 10/22 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("MCA") read with Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/167 dated October 7, 2023 and other relevant circulars issued by the Securities and Exchange Board of India ("SEBI"), from time to time (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold Annual General Meetings (AGMs) through Video Conference ("VC") or Other Audio Visual Means ("OAVM") upto September 30, 2024, without physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being convened through VC/OAVM and the venue of the AGM shall be deemed to be the Registered Office of the Company.
  2. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and the Attendance Slip are not attached to this Notice.
  3. Members may note that the Board, at its meeting held on May 24, 2024, has recommended a final dividend of ` 1.00/- per share. The record date for the purpose of final dividend for the financial year is fixed as September 20, 2024. The final dividend, once declared by the members in the ensuing AGM, will be paid on or before October 26, 2024 electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts will be sent to their registered addresses. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories to receive dividend directly into their bank account on the payout date.
- Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.



For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number (PAN)	*10% or as notified by the Government of India
Members not having PAN / valid PAN	*20% or as notified by the Government of India

\* As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section.

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during financial year 2024-25 does not exceed ₹5,000, and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%\*\* (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the country of tax residence of the shareholders, if they are more beneficial to them. For this purpose, i.e., to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income-tax Rules, 1962
- Copy of the Tax Residency Certificate for financial year 2023-24 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders
- Self-declaration in Form 10F
- Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the shareholders

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the

IT Act at the rate of 20%\*\* (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

Shareholders may write to [info@bigshareonline.com](mailto:info@bigshareonline.com) for any clarifications on this subject. Shareholders can also check their tax credit in Form 26AS from the e-filing account at <https://www.incometax.gov.in/iec/foportal> or "View Your Tax Credit" on <https://www.tdscpc.gov.in>.

4. As on March 31, 2024 all the shares of the company are in dematerialized form, please contact your depository participant and kindly give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate etc.
5. As per Regulation 40 of the Listing Regulations, as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019. Even the transmission or transposition of securities held in physical if any or dematerialised form shall be effected only in dematerialised form with effect from January, 24, 2022.
6. Corporate members intending to allow their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
7. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions



of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

8. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
9. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref. no. MRD/DOP/CIR-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circular, all share transfer requests are therefore to be accompanied with PAN details.
10. Members may also note that the Notice of the 16th Annual General Meeting is available on the Company's website: [www.sskl.co.in](http://www.sskl.co.in). All documents referred to in the accompanying Notice shall be open for inspection by the Members by writing an e-mail to the Company at [secretarial@sskl.co.in](mailto:secretarial@sskl.co.in).
11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated October 7, 2023, Notice of the AGM along with Annual Report 2023-24 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2023-24 will also be available on the Company's website at [www.sskl.co.in](http://www.sskl.co.in) on the website of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).  
  
To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants in respect of shares held in physical/electronic mode, respectively.
12. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.

13. Retirement of Director by rotation: Mr. Doodeswara Kanaka Durgarao Chalavadi, Whole Time Director of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment. The Board of directors recommend his reappointment.
14. Additional information pursuant to Regulation 36 of the Listing Regulations and pursuant to Secretarial Standards on general meetings, information in respect of the Director seeking appointment/reappointment at the Annual General Meeting is furnished in the annexure and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.
15. The Company has appointed Mr. Vikas Sirohiya, Practicing Company Secretary (M. No. 15116 and C.P No. 5246) to act as the Scrutinizer to conduct and scrutinize the voting process in a fair and transparent manner. The cut-off date for e-voting has been fixed as Friday, 20th September, 2024.

#### **CDSL e-Voting System – For e-voting and Joining Virtual meetings.**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such



as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.sskl.co.in](http://www.sskl.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- (i) The voting period begins on September 24, 2024 9.00 A.M and ends on September 26, 2024 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 20, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the AGM.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for **e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:



Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdsliindia.com">helpdesk.evoting@cdsliindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at : 022 - 4886 7000 and 022 - 2499 7000

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Sai Silks (Kalamandir) Limited on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.



- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@sskl.co.in](mailto:secretarial@sskl.co.in) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at ([secretarial@sskl.co.in](mailto:secretarial@sskl.co.in)). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance\_7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at ([secretarial@sskl.co.in](mailto:secretarial@sskl.co.in)). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
  2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
  3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
  2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
  3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.



If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

### General Instructions

- i. The voting rights of Members shall be in proportion to the shares held by them in the paid-up equity share capital of the Company as on 20th September 2024, the Cut-off date.
- ii. The Scrutinizer, after scrutinising the votes cast during the meeting and through remote e-voting will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company, [www.sskl.co.in](http://www.sskl.co.in) and on the website of CDSL, [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to BSE Limited. Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e., September 27, 2024.
- iii. The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

### Details of Director seeking reappointment in the Annual General meeting

(In pursuance of Secretarial Standards on General Meetings [SS-2] and Regulation 36 of the Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements] Regulations, 2015)

Particulars	Details
Name of the Director	Mr. Doodeswara Kanaka Durgarao Chalavadi
Director Identification Number (DIN)	02689280
Category	Whole Time Director
Date of Birth	03rd August, 1970
Age	53 years
Date of first appointment in the Board	01st June, 2009
Terms and conditions of appointment	Reappointed to the office of Whole Time Director for a period of 3 years w.e.f 01.04.2024
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Nagakanaka Durga Prasad Chalavadi (Managing Director) – Brother
Brief Resume of the Director	He holds a Bachelors degree in commerce from Nagarjuna University and master's degree in computing from Griffith University, Australia. 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
Expertise in specific functional area	He has approximately 13 years of experience in the field of retail business
Board membership of other listed companies as on 31st March, 2024	Nil
List of Directorships held in other companies	Nil
List of Membership / Chairmanship of committees of other companies	Nil
Membership of Committees of Sai Silks (Kalamandir) Limited	Executive Management & IPO Committee-Member Risk Management Committee - Member
Remuneration Last drawn / Proposed remuneration	Remuneration last drawn - ₹ 3.25 lacs per month Proposed remuneration - No change from last approved limit (₹ 7.42 lacs per month)
Number of shares held in the Company as at 31st March, 2024	57,78,955 equity shares
Details of the Board meetings attended by the Director during the year	6/10
Listed entities from which the appointee director has resigned in the past three years	Nil





...  
Directors' Report  
...





# Directors' Report

Dear Shareholders,

Your Board of Directors have immense pleasure in presenting the 16th Annual Report of your Company together with the Audited Accounts for the FY ended 31st March 2024.

## 1. FINANCIAL RESULTS:

(₹ In Crores except EPS)

Particulars	FY 2023-24	FY 2022-23
Revenue from Operations	1373.55	1351.47
EBIDTA	211.65	212.53
Finance Cost	52.87	45.51
Depreciation and Amortization expense	47.91	41.01
Profit before Taxation (PBT)	134.68	133.57
Tax Expenses	35.10	36.96
Deferred Tax	1.29	0.98
<b>Profit after Taxation (PAT)</b>	<b>100.87</b>	<b>97.59</b>
Earnings Per Equity Share (in ₹)	7.51	8.11
Paidup Equity Capital	30.67	25.26

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

As you are aware, this 16th Annual Report of your Company happens to be the maiden Report subsequent upon completion of its IPO. During the year under review, the funds received by way of Issue proceeds were deployed into the business operations of the Company in line with the schedules drawn for the funds utilisation. This augmented the financial strength of your Company and relaxed the debt pressure in terms of interests cost and repayment of loans. The combined performance of new stores opened during the year and that of the existing stores resulted in an operational turnover of ₹ 1373.55 Crores for the FY 2023-24. This was slightly higher when compared to the operational turnover for the previous FY 2022-23. Further, even in terms of Profit after Taxation (PAT), your Company reported a similar pattern. The PAT for FY 2023-24 stood at ₹ 100.87 Crores when compared to ₹ 97.59 for the previous FY 2022-23. If expressed in terms of percentile growth, the operational revenue was 1.63 % higher for the FY 2023-24 than that of previous FY 2022-23. Similarly, PAT was 3.36 % higher for the FY 2023-24 than that of previous FY 2022-23.

The management of your Company is confident of achieving the business targets laid out in terms of the prospectus issued by it in connection with the IPO.

During the FY 2023-24, your Company has opened the following new stores:

Sl. No.	Format	Date of Opening	Store Location
1.	Kanchipuram Varamahalakshmi Silks	15th October, 2023	Coimbatore, Tamilnadu

Sl. No.	Format	Date of Opening	Store Location
2.	Kanchipuram Varamahalakshmi Silks	16th October, 2023	Coimbatore, Tamilnadu
3.	Kanchipuram Varamahalakshmi Silks	06th November, 2023	Poonamallee, Tamilnadu
4.	Kanchipuram Varamahalakshmi Silks	07th January, 2024	Salem, Tamilnadu
5.	Kanchipuram Varamahalakshmi Silks	04th March, 2024	Khammam, Telangana
6.	Kanchipuram Varamahalakshmi Silks	15th March, 2024	Hosur, Tamilnadu

Further, one of the existing stores (Kalamandir format), located in Khammam has been converted into the "Kanchipuram Varamahalakshmi Silks" format.

Thus, as on March 31, 2024, the total stores tally stands (under various formats) as hereunder:

Kanchipuram Varamahalakshmi Silks	KLM Fashion Mall	Kalamandir	Mandir	Total
25	19	12	4	60

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



### 3. INITIAL PUBLIC OFFER (IPO) OF EQUITY SHARES

Your Board of Directors are pleased to inform that during the FY 2023-24, your company successfully completed the Initial Public offering (IPO) of its equity shares aggregating 5,40,99,027 Equity shares of ₹ 2 /- each. This comprised of a Fresh issue of 2,70,27,027 Equity shares of ₹ 2 /- each aggregating ₹ 600 Cr and an Offer for sale of 2,70,72,000 Equity shares of ₹ 2 /- each by the Promoters and Promoters Group members aggregating ₹ 601 Cr. The Equity shares of the Company have been listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) effective September 27, 2023.

Objects of the Offer / allocation of net proceeds of the fresh issue (as per Prospectus):

Sl. No.	Particulars	Amount in Cr
1	Capital expenditure towards setting-up of 30 new stores	125.08
2	Capital expenditure towards setting-up of two warehouses	25.40
3	Working capital requirements	280.07

Sl. No.	Particulars	Amount in Cr
4	Repayment or pre-payment, in full or part, of certain borrowings availed by our Company	50.00
5	General Corporate Purposes	85.68
	<b>Total</b>	<b>566.23</b>
6	Offer related expenses in relation to Fresh Issue	33.77
	<b>TOTAL</b>	<b>600.00</b>

#### UTILISATION OF IPO PROCEEDS

The Company has appointed CARE Ratings Limited as the Monitoring Agency in accordance with Regulation 41 of SEBI (ICDR) Regulations, 2018 in order to monitor the utilization of IPO proceeds. Your Company has obtained quarterly monitoring reports from the Monitoring agency and has filed the same with both the Stock exchanges where the equity shares of the Company are listed. The Proceeds realized by the Company from the Initial Public Offering shall be utilized as per the objects of the offer as disclosed in the prospectus of the Company.

Out of the issue proceeds of ₹ **566.23** Cr (net of offer related expenses), the Company has utilized the funds as per the below mentioned table:

Sl. No.	Particulars	Amount to be utilized	Amount in Cr	
			Amount utilized as on 31.03.2024	Un utilized Amount as on 31.03.2024
1	Capital expenditure towards setting-up of 30 new stores	125.08	27.56	97.52
2	Capital expenditure towards setting-up of two warehouses	25.40	0.94	24.46
3	Working capital requirements	280.07	115.98	164.09
4	Repayment or pre-payment, in full or part, of certain borrowings availed by our Company	50.00	47.12	2.88
5	General Corporate Purposes	85.68	70.55	15.13
	<b>Total</b>	<b>566.23</b>	<b>262.15</b>	<b>304.08</b>

There has been no deviation in the utilization of the IPO proceeds of the Company. The monitoring agency reports are available at the Company's website <https://sskl.co.in/investor-relations/ipo> updates

### 4. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

As discussed elsewhere in this Report, the Company has spent an amount of ₹ 262.15 out of the Issue proceeds of ₹ 566.23 (net of offer related expenses), as on 31st March, 2024. Further, out of the unutilized amount of Rs... 262.15 Cr an amount of Rs 54.62 has been utilized till the date of this Report.

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.

### 5. DIVIDEND:

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 available on the website of the company i.e., <https://sskl.co.in/wp-content/uploads/2022/07/Dividend-Distribution-Policy-SSKL.pdf>



Your Board of Directors, after considering the profitability for the year under review and returns for the equity shareholders, has recommended a final dividend of ₹ 1. /- (i.e., 50% on the paid-up value of share) per equity share of ₹ 2/-). This dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting.

## 6. TRANSFER TO RESERVES:

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

## 7. NATURE OF BUSINESS

Primarily, 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 in retail textiles. However, with an objective of providing its customers with ethnic silver jewellery items, premium silver accessories (i.e., bracelets, rings, necklace, ear rings etc., the company launched a silver brand "Rasamayi" thus making a modest foray into the silver jewellery space.

## 8. SHARE CAPITAL:

The Share Capital of the Company as on 31.03.2024, and also as on date of this Report, stands as follows:

SI. No.	Particulars	(Amt. in ₹)
1.	Authorised Capital: 21,00,00,000 Equity Shares of ₹ 2/- each	42,00,00,000
2.	Issued, Subscribed & Paid-up capital: 15,33,66,112 Equity Shares of ₹ 2/- each	30,67,32,224
	Total Equity Capital (including 60,16,145 equity shares held by SSKL Employees Trust )	30,67,32,224

Pursuant to the Initial Public offering, the Company had allotted 27,027,027 equity shares of ₹ 2 /- each on September 25, 2023 and accordingly the total paid up share capital of the Company as on March 31, 2024 stands at ₹ 30,67,32,224 /- divided into 15,33,66,112 Equity shares of face value of ₹ 2 /- each. Subsequent to the said, there has been no change in the share capital of the Company.

## 9. CREDIT RATING

The details of Credit rating, as applicable currently, obtained from Indiaratings Limited is as follows :

S.No	Facilities	Amount in Cr	Rating	Rating Action
1	Fund Based working capital facilities	₹ 180 Cr	IND A/Positive/IND A1	Upgraded from IND A-/Stable/IND A2+
2	Term Loan	₹ 25.23 Cr	IND A/Positive	Upgraded from IND A-/Stable

## 10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The appointment and remuneration of Directors are governed by the policy devised by the Nomination and Remuneration Committee of the Company. The remuneration policy is available at company website <https://sskl.co.in/wp-content/uploads/2022/07/Remuneration-Policy.pdf>

The following are the Directors / Key Managerial Personnel (KMP) of the Company:

SI. No.	Name	Designation
1	Mr. Ravindra Vikram Mamidipudi	Chairman & Independent Director
2	Mr. Nagakanaka Durga Prasad Chalavadi	Managing Director
3	Mr. Kalyan Srinivas Annam	Whole Time Director
4	Mr. Doodeswara Kanaka Durgarao Chalavadi	Whole Time Director
5	Mr. Pramod Kasat	Independent Director
6	Mr. Venkata Ramakrishna Kunisetty	Independent Director
7	Ms. Sirisha Chintapalli	Independent Director

SI. No.	Name	Designation
8	Mr. Venkata Lakshmi Narasimha Sarma Konduri	Chief Financial Officer
9	Mr. Matte Koti Bhaskara Teja	Company Secretary

Apart from the Key Managerial Personnel mentioned above, the following employees form part of the Senior management of our Company:

SI. No.	Name	Designation
1	Mr. Mohana Durgarao Chalavadi	Senior Vice President
2	Mr. Venkata Rajesh Annam	Senior Vice President
3	Mr. Rachamadugu Balaji Bharadwaj	Senior Vice President
4	Mr. Chakradhar Boorlagadda	Head of Sourcing & Strategy

The Constitution of the Board of the Company is in accordance with section 149(6) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing obligation and Disclosure Requirements) (LODR) Regulations 2015.



There was no change in the office of Director / KMPs of the Company during the FY 2023-24 and till the date of this Report.

### RETIREMENT BY ROTATION

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Doodeswara Kanaka Durgarao Chalavadi (DIN 02689280), Whole Time Director, is liable to retire by rotation and being eligible for reappointment at the ensuing Annual General Meeting (AGM) of the Company, has offered himself for reappointment. His details as required under SEBI (LODR) Regulations, 2015 are provided in the accompanying notice convening the ensuing AGM of the Company.

### DECLARATION FROM 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 26.03.2024 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.

### BOARD AND COMMITTEES MEETINGS

The Board of Directors met Ten (10) Times during the financial year 2023-24. The details of the Board and Committee meetings and the attendance of the Directors are mentioned in the Corporate Governance Report (**Annexure-VII**).

The Board of Directors of the Company have formed various committees, as per the provisions of the Companies Act and SEBI (LODR) Regulations. The terms of reference and the constitution of these committees are in compliance with the applicable laws. In order to ensure focused attention on business and for better governance and accountability, the Board has constituted the following committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders Relationship Committee
- d. Corporate Social Responsibility Committee
- e. Risk Management Committee
- f. Executive Management & IPO Committee
- g. Internal Compliance committee / POSH Committee

The details with respect to the composition, terms of reference, number of meetings held by the aforesaid committees are given in the "Corporate Governance report" of the Company which is presented in a separate section and forms part of the Annual report of the Company.

### BOARD EVALUATION

Pursuant to the provisions of the Companies Act 2013 and SEBI (LODR) Regulations 2015 the board has carried out the evaluation of its own performance and that of its committees and the individual directors. The performance evaluation of Non independent Directors, the Board as a whole and chairperson is carried out by the Independent Directors in their separate meeting.

The evaluation process consisted of structured questionnaires covering various aspects of the functioning of the Board and its committees, such as composition, experiences and competencies, performance of specific duties and obligations, governance issues etc. The board also carried out the evaluation of the performance of the individual directors based on criteria such as contribution of the directors at the meetings, strategic perspective or inputs regarding the growth and performance of the Company etc.

Further, performance evaluation criteria for the independent directors is disclosed in the corporate governance report forming part of the Annual Report.

### FAMILIARISATION PROGRAMME

Pursuant to the SEBI Regulations, the Company has designed a Familiarisation Programme for the Independent Directors, with a view to familiarise them with their role, rights and responsibilities in the Company, nature of Industry in which the Company operates, business model of the Company etc. Through the Familiarisation Programme, the Company apprises the independent directors of the developments, if any, in the business model, corporate strategy, business plans, finance, human resources, technology, quality, facilities, risk management strategy, governance policies and operations of the Company.

## 11. HUMAN RESOURCES

The Company has a constant focus on attracting, developing and retaining talent. We believe that our employees are our key strength, and their development and well being is crucial to sustain organization success. The Company is constantly engaging in several initiatives to develop employees holistically to ensure that the Company has competent employees in all the functions of business. We are implementing robust HR practices and processes to enhance employee experience to delivery exemplary results. Some of these initiatives include Learning management process, Leadership development competency development, rewards and recognition.

## 12. ESOP

As you are aware, your Company, during the previous FY 2022-23 had 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 had issued and allotted 60,16,145 equity shares of face value ₹ 2 /- each at a price of ₹ 22 /- (including a premium of ₹ 20 /-) to SSKL Employees Trust. No options have been granted pursuant to the ESOP Scheme till date.

It is confirmed that the Scheme is in compliance with the SEBI (Share Base Employee Benefits and Sweat Equity) Regulations, 2021 and during the year under review no material changes were made to the Scheme.

Certificate has been obtained from M/s. P.S. Rao & Associates, Company Secretaries, confirming that the scheme has been implemented in accordance with the SEBI Regulations and it will be placed at the forthcoming Annual General Meeting of your Company for inspection by the members. Hence, the Disclosure under Regulation 34(3) read with Schedule V of the Listing Regulations is not applicable.

### 13. SUBSIDIARY COMPANIES, ASSOCIATE & JOINT VENTURES

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.

### 14. RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transaction(s), which are not at arm’s length basis during the FY ended 31st March, 2024.

During the FY 2024, all the contracts/arrangements/transactions carried out by the Company with its 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 carried out pursuant to contracts entered into during previous year(s) 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 are disclosed in Form No. **AOC – 2** which is appended as **Annexure - I** to this Report.

Further your company has formulated a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions and has been approved by its Board. It can be accessed at <https://sskl.co.in/wp-content/uploads/2022/07/Policy-On-Related-Party-Transactions.pdf>

### 15. PUBLIC DEPOSITS

The Company has neither accepted nor repaid any deposits during the financial year ended on 31.03.2024. Further, there were no outstanding deposits as at the beginning of the FY or at any time during the financial year 2023-24. 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 amounts from its Directors during the FY ended 31st March, 2024 and there were no amounts receivable as on 31st March, 2024.

### 16. 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.

### 17. ACCOUNTING TREATMENT

The Accounting Treatment is in line with the applicable Indian Accounting standards (IND-AS) recommended by the Institute of Chartered Accountants of India (ICAI) and prescribed by the Central Government.

- 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.

### 18. AUDITORS:

#### a) STATUTORY AUDITORS

In accordance with the provisions of section 139 of the Companies Act 2013 and the rules made thereunder, M/s. Sagar & Associates (Regd No. FRN 003510S), Chartered Accountants, Hyderabad, as statutory auditors of the Company shall continue to hold their office till the conclusion of 18th Annual General meeting of the company at a remuneration fixed by the Board of Directors of the Company in consultation with Auditors as recommended by the Audit Committee.

The independent Auditor’s report to the members of the Company in respect of financial statements for the financial year ended 31st March, 2024 forms part of this annual report. The said Auditor’s Report does not contain any qualifications, reservations, adverse remarks or disclaimers.

Further the matter pertaining to search and seizure of operations as mentioned and Confirmation/reconciliation of Trade payables & Trade Receivables under “Emphasis of matter” in the Auditor’s Report is self-explanatory and do not call for any further comments.



**b) INTERNAL AUDITORS**

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 2023-24.

**c) SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (LODR) Regulations 2015, M/s P. S Rao & Associates, Company Secretaries have been appointed as Secretarial Auditors to conduct Secretarial Audit for the FY ended 31st March, 2024. Copy of Secretarial Audit Report is attached herewith as **Annexure-II**

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.

**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.

**Instances of fraud, if any reported by the Auditors**

During the year under review, the Statutory Auditors, Secretarial Auditors and the Internal Auditors have not reported any instances of fraud committed in company by its officers or employees to the Audit Committee as contemplated under section 143 (12) and Rule 13 of Companies (Audit and Auditors) Rules 2014 of the Companies Act 2013.

**17. 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.

**18. RISK MANAGEMENT POLICY:**

The Company has in place a Risk Management Policy, aimed at

- i) embedding the risk management as an integral part of our business processes;
- ii) establishing an effective system of risk identification, analysis, evaluation and treatment within all areas and at all levels of the Company;
- iii) avoiding exposure to significant financial loss;
- iv) contributing to the achievement of the Company's objectives; and
- v) to assess the benefits and costs of implementation of available options and controls to manage the risk.

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

**19. INTERNAL FINANCIAL CONTROLS:**

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 has been done through the internal audit process established within the Company. Based on the review of the reported evaluations, your Board of Directors confirm that, for the preparation of financial accounts for the year ended March 31, 2024 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.

**20. 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-III** and forms part of this report.



## 21. CORPORATE SOCIAL RESPONSIBILITY:

Your Board of Directors and the CSR committee feel proud to mention that the CSR tenets are an integral part of our organization. Your Company has been undertaking CSR activities as a wholehearted endeavor, which is driven by the urge to do our bit to the society we live in.

As far as FY 2023-24 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 economically 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 - IV** 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 disclosed in "Corporate Governance report" of the Company which is presented in a separate section and forms part of the Annual report of the Company.

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 ₹ 1.51 Cr towards CSR Activities for the financial year 31st March, 2024. However, your Company's total expenditure towards CSR aggregated ₹ 1.59 Cr for the year ended 31st March, 2024, thus exceeding its obligation. Out of the said amount of ₹ 1.59 Cr your Company spent ₹ 1.08 Cr through Kalamandir Foundation and ₹ 0.51 Cr was spent by the Company on its own after company on its own add & implementing agencies

## 22. PREVENTION OF INSIDER TRADING

The Company has adopted a code of conduct to Regulate, Monitor and Report Trading by insiders including specified persons and Designated persons, in accordance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider) Regulations, 2015 as amended from time to time.

Mr. M.K.Bhaskara Teja, Company Secretary is the Compliance officer for monitoring adherence to the said Regulations. The said code is disclosed on company's website at <https://sskl.co.in/wp-content/uploads/2022/07/Code-of-Insider-Trading.pdf>

## 23. 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.

## 24. REMUNERATION OF EMPLOYEES

Disclosures concerning the remuneration of Directors, KMPs and employees as per section 197 (12) of the Companies Act 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 forms part of the report as **Annexure-V**.

## 25. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of SEBI (LODR) Regulations, 2015 is presented as a separate section forming part of the Annual Report of the Company as **Annexure-VI**.

## 26. CORPORATE GOVERNANCE:

Report on Corporate Governance and Certificate thereon by M/s P. S Rao & Associates, Company Secretaries regarding compliance of the conditions of corporate governance as stipulated in part C of schedule V of the SEBI (LODR) Regulations, 2015 are provided in a separate section and forms part of the Annual Report of the Company. Report on Corporate Governance is annexed as **Annexure-VII**.

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.

## 27. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

A Business Responsibility and Sustainability Report as per Regulation 34 (2) (f) of SEBI (LODR) Regulations, 2015 detailing the various initiatives taken by the Company on the environmental, Social and governance front forms part of this report and enclosed as **Annexure VIII**

## 28. 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.

### 29. 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 his / her grievances. The Vigil mechanism / whistle blower policy is 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 - IX** to this Report.

### 30. 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 is placed on the website of the Company, <https://sskl.co.in/wp-content/uploads/2024/07/Annual-Return-2023-24.pdf>

### 31. SECRETARIAL STANDARDS:

The Company has complied with the applicable clauses of the Secretarial Standards (SS-1, SS-2 and SS-3) issued by The Institute of Company Secretaries of India.

### 32. 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, 2024.

### 33. 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)

### 34. ACKNOWLEDGEMENTS:

Your Board members take this opportunity to place on record their hearty gratitude to all its investors who reposed overwhelming faith and trust in the Company, its management and its business vision which helped it complete its IPO successfully. We also thank all the intermediaries, to name a few, the Merchant Bankers, the legal counsels, the Registrars to the Issue, Bankers, our Auditors and our Secretarial consultants, who helped us achieve the milestones in the IPO journey. We also thank the SEBI, the Stock Exchanges and the depositories for their support and cooperation. We also thank our lender Banks who stood by the Company during each and every phase of its journey. To conclude, we also place our hearty thanks to all our Business Partners, Weavers and vendors, customers and other Stakeholders and more importantly the employees of the Company, who have provided their unflinching support throughout and till date.

For and on behalf of the Board of Directors

Place: Hyderabad  
Date: August 14, 2024

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

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



## Annexure - I

### 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 Limited	Business Assets Transfer Agreement (BTA)	one time arrangement	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
Nagakanaka Durga Prasad Chalavadi (Managing Director)	Rent	4 years	Lease rentals (per month) for Office premises	25.11.2021	11,00,000
		4 years	1. Flat No:1 – ₹ 1.2 lacs effective February 2023		
		4 years	2. Flat No:3 – ₹ 0.60 lacs effective February 2023	25.11.2021	
		4 years	3. Flat no:4 – ₹ 0.60 lacs effective February 2023	25.11.2021	
		4 years	4. Flat no:8 – ₹ 0.60 lacs effective February 2023	25.11.2021	
		4 years	5. Flat no:11 – ₹ 0.60 lacs effective February 2023	25.11.2021	
		4 years	6. Flat no:16 – ₹ 0.60 lacs effective February 2023	25.11.2021	
Ch. Jhansi Rani (Relative of Directors)	Rent	4 years	7. 6-3-841/E/1 ₹ 1.2 lacs effective February 2023	25.11.2021	
		4 years	Lease rentals for Office premises Flat No:14 – ₹ 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 ₹ 0.40 lacs effective January, 2023	25.11.2021	Nil



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
Varamahalakshmi Holdings (P) Ltd. (Enterprise over which Directors having significant influence)	Rent	2 years	Lease rentals for Office premises	10.03.2022	Nil
			1. Vizag – ₹ 0.60 lacs	10.03.2022	Nil
			2. Rajahmundry– ₹ 0.25 lacs	10.03.2022	Nil
			3. Bhimavaram ₹ 0.30 lacs effective June, 2022		Nil
Soul of Pluto Tech LLP (Enterprise over which Directors having significant influence)	Software & software maintenance services	10 years	Software licensing & servicing agreement ₹18.5 lacs per month subject to maximum of 40 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 ₹1,15,000 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 Mn. 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.

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: August 14, 2024



## Annexure – II

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2024

[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.

**Note :** The period under review comprises of pre-IPO and post-IPO period, and accordingly the unlisted and Listed status. During the year under review, the Company, upon completion of its IPO, issued and allotted equity shares to public and got its shares listed on NSE and BSE. The listing / trading in the shares of the Company commenced on 27th September, 2023. Further, during the period, 01st April, 2023 till the said date, the Company's status was that of an Unlisted company in the process of undertaking an IPO. Our audit approach, examination and compliance reporting of applicable provisions etc., were designed accordingly, commensurate to that of the status of the Company at relevant point of time.

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, 2024 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, 2024 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
- 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. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - The Company launched its IPO and issued / allotted shares pursuant to the said IPO, in compliance, inter alia, with the regulations contained under SEBI (ICDR) Regulations, 2018. Apart from the said, no other activity has been taken up by the Company during the Financial Year under review which would otherwise require compliance of aforementioned regulations.
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
    - Subsequent upon issue and allotment of shares, pursuant to an ESOP Plan formulated by the Company, to SSKL Employees Trust, while the Company was unlisted, i.e., during the FY 2022-23, there has been no action taken / event occurred during the Financial Year under review which would otherwise require compliance of aforementioned regulations.
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)



- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the audit period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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. However, the Company having entered the e-commerce segment, we have, inter alia, examined the compliance of Consumer Protection (E-Commerce) Rules, 2020. Further, we have also examined the compliance of Consumer Protection Act, 2019 and Trade Marks Act, 1999.

We have also examined compliance with the applicable clauses of Secretarial Standards, i.e., SS-1 and SS-2, as amended from time to time, 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 deed of assignment of wordmark "Kalamandir" remains to be registered in favour of the Company.*

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:

- a. 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. The offer documents filed by the Company with SEBI and other authorities in connection with its IPO had a mention of certain risks and concerns as perceived by the Board of Directors. We have been informed that none of the said risks and concerns, related to compliances forming part of our review, had any major bearing on the Company's affairs during the year under audit.
- b. 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, except as laid hereunder:
  - *The Company launched its IPO and upon completion of the said, its equity shares have been listed on NSE and BSE.*
  - *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.*

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

Sd/-

**Vikas Sirohiya**

Partner

M.No. 15116

C.P. No: 5246

Peer Review No. 710/2020

Place: Hyderabad

ICSI Unique Code: P2001TL078000

Date: August 14, 2024

UDIN: A015116F000996426

[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.]



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: A015116F000996426

Place: Hyderabad  
Date: August 14, 2024



## Annexure – III

### 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: 2023-24 (Amount in ₹)

Foreign Exchange Earned: Nil

Foreign Exchange Outgo: ₹ 0.92 Cr

For and on behalf of the Board of Directors

Sd/-  
**Naga Kanaka Durga Prasad Chalavadi**  
M0061naging Director  
DIN:01929166

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

Place: Hyderabad  
Date: August 14, 2024



## Annexure – IV

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

This CSR Report pertains to the period commencing on 01st April, 2023 and ending on 31st March, 2024

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:

#### 1. 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 and 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 activities:

The CSR activities are identified upon receipt of applications, representations received from community representatives, NGO's, Panchayat or Govt. agencies requesting company's assistance. Further, SSKL on its own or through its Trust – 'Kalamandir Foundation' also identifies CSR activities to be taken up during a particular period.

##### Areas Identified for CSR activities:

The areas where the Company intends to focus its CSR activity are listed below. This is not an exhaustive list

and the Company may include other activities, based on the areas identified and the need for improvement by the CSR Committee:

1. Support the economically backward and children in 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 the Registered Office to identify various projects / Programmes suitable as per the policy of the Company. These identified projects / Programmes are scrutinized by the CSR Committee and selected for implementation.

##### Monitoring:

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

**2. Composition of the CSR Committee:**

- Mr. Ravindra Vikram Mamidipudi, Chairman
- Mr. Nagakanaka Durga Prasad Chalavadi, Member
- Mr. Kalyan Srinivas Annam, Member

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

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

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off from preceding financial years (in Rs)
1	FY 2022-23	0	0
2	FY 2021-22	0	0
3	FY 2020-21	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>

**6.** Average Net Profit of the Company as per Section 135 (5) of the Act: ₹ 75,97,23,036**7.** (a) Two percent of average net profit of the Company as per Section 135(5) of the Act : ₹ 1,51,94,461

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

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

(d) Total CSR Obligation for the financial year (7a +7b -7c) : ₹ 1,51,94,461

**7. (a) CSR amount spent or unspent for the financial year 2023-24:**

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
1,59,79,738 One Crore Fifty Nine Lakhs Seventy Nine Thousand, Seven Hundred and Thirty Eight	-	-	-	-	-

**(b) Details of CSR amount spent against ongoing projects for the Financial year 2023-24 : 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 ₹)	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 2023-24:

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 ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number.
1	Promoting Education	Education	Yes	Telangana	Hyderabad	100,000	Yes	-	-
2	Promoting Education	Education	Yes	Telangana	Hyderabad	900,000	Yes	-	-
3	Promoting Education	Education	Yes	Andhra Pradesh	Vijayawada	14,00,000	No	Vasavi Foundation for Empowerment	CSR00002672
4	Health & Medical	Health Care	Yes	Andhra Pradesh	Eluru	547680	Yes	-	-
5	Health & Medical	Health Care	Yes	Andhra Pradesh	Guntur	400,000	No	Radha Lakshmi Heart Foundation	CSR00066983.
6	Health & Medical	Health Care	Yes	Telangana	Hyderabad	320,000	Yes	-	-
7	Welfare challenged	Poverty, Hunger, Malnutrition	Yes	Telangana	Hyderabad	300,000	No	Universal Human Welfare Association	CSR00059414.
8	Poverty, Hunger, Malnutrition	Poverty, Hunger, Malnutrition	Yes	Telangana	Hyderabad	392,000	No	Abhaya Foundation	CSR00001036.
9	Promoting Weaver welfare community	Promotion and development of traditional arts and handicrafts	Yes	Telangana	Janagam	772,500	No	The Handloom Futures Trust	CSR00011700.
10	Promoting Education	Education	Yes	Telangana, Andhra Pradesh, karnataka	Hyderabad, Vijayawada, Vizag, Bengaluru	92,79,404	No	Kalamandir Foundation	CSR00009299
11	Health & Medical	Health Care	Yes	Telangana	Hyderabad	505,166	No	Kalamandir Foundation	CSR00009299
12	Poverty, Hunger, Malnutrition	Poverty, Hunger, Malnutrition	Yes	Telangana	Hyderabad	10,62,988	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 (8b+8c+8d+8e) : ₹ **1,59,79,738**

(g) Excess amount for set off, if any: ₹ **7,85,277**

Sl. No.	Particulars	Rupees
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 1,51,94,461
(ii)	Total amount spent for the Financial Year	Rs. 1,59,79,738
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 7,85,277
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 7,85,277

## 9. (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 ₹)	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 ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1	FY 2022-23	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2	FY 2021-22	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3	FY 2020-21	76,16,595	N.A.	Nil	Nil	Nil	Nil

**Note :**

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

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

TOTAL ₹ 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: **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 ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project -Completed /Ongoing.
-	-	-	-	-	-	-	-	-

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

11. Specify the reason (s), if the Company has failed to spend two percent of the average net profit as per Section. 135(5): **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: August 14, 2024



## Annexure-V

### RATIO OF REMUNERATION

**Details pertaining to remuneration as required under section 197 (12) read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**a. The ratio of remuneration of each director to the median remuneration of the employees of the Company for 2023-24**

The median remuneration of employees of the company during 2023-24 was ₹ 1,91,613 and ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year is provided in the table below:

S.No	Name of the Director	Designation	Remuneration of Director for FY 2023-24	Ratio of Remuneration of each Director to Median Remuneration of employees for FY 2023-24
1	Mr. Nagakanaka Durga Prasad Chalavadi	Managing Director	₹ 5.00 Cr	261
2	Mr. Kalyan Srinivas Annam	Whole Time Director	₹ 1.99 Cr	104
3	Mr. Doodeswara Kanaka Durgarao Chalavadi	Whole Time Director	₹ 0.39 Cr	20

Note: Apart from the Directors mentioned above no other directors draw any remuneration other than sitting fee

**b. the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO),

Company Secretary or Manager, if any, in 2023-24 is provided in the table below:

S.No	Name of the Director / KMP	Designation	% increase in Remuneration in 2023-24
1	Mr. Nagakanaka Durga Prasad Chalavadi	Managing Director	Nil
2	Mr. Kalyan Srinivas Annam	Whole Time Director	Nil
3	Mr. Doodeswara Kanaka Durgarao Chalavadi	Whole Time Director	Nil
4	Mr. K.V.L.N Sarma	Chief Financial officer	Nil
5	Mr. M.K.Bhaskara Teja	Company Secretary	Nil

**c. the percentage increase in the median remuneration of employees in the financial year; 10 % increase**

**d. The number of permanent employees on the rolls of the Company: 5424 Employees**

**e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration**

There has been no increase in Managerial Remuneration during the FY 2023-24. Average percentile increase made in the salaries of the employees other than the managerial personnel in this financial year i.e.; 2023-24 is 13.94 % (approx.)

**f. the key parameters for any variable component of remuneration availed by the directors; No Variable Component of payment to Directors**

**g. affirmation that the remuneration is as per the remuneration policy of the company.**

It is hereby affirmed that the remuneration is paid as per the Nomination and Remuneration policy of the Company.

**Statement of particulars of employees pursuant to section 197 of the Companies Act, 2013 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.**

S. No	Employee Name	Designation	Remuneration for FY 2023-24	Nature of employment	Qualification & Experience of Employee	Date of joining	Age years	Previous Employment	% of shares	Relative of Director
1	Mr. Nagakanaka Durga Prasad Chalavadi	Managing Director	5,00,00,000	Regular	B. Com, MBA & 18 years of experience in retail industry	28.09.2005	56	SAP Consultant	32.97 %	Brother of Mr. Doodeswara Kanaka Durgarao
2	Mr. Kalyan Srinivas Annam	Whole Time Director	1,99,00,000	Regular	LLB, MBA 15 years of experience in the retail business	28.09.2005	50	Advocate	5.71 %	Nil
3	Mr. K.V.L.N Sarma	CFO	1,08,00,000	Regular	B.Com, Member of Institute of cost accountant of India & 36 years of experience in Finance	01.03.2022	65	CFO in CCL Products Limited	0	Nil
4	Ms. Jhansirani Chalavadi	Senior VP Retail	1,00,00,000	Regular	B.Com	28.09.2005	55	Nil	2.28	Wife of Nagakanaka Durga Prasad Chalavadi
5	Mr. Venkata Rajesh Annam	Senior VP Operations	89,00,000	Regular	B. Com	28.09.2005	45	Nil	0	Brother of Kalyan Srinivas Annam
6	Mr. R Bharadwaj B	Senior VP IT & Ecommerce	54,00,000	Regular	B Tech & MBA	01.01.2018	33	M & T Bank	0	Son in law of Nagakanaka Durga Prasad Chalavadi
7	Chakradhar B	Head of Sourcing	34,78,815	Regular	B.Com & MBA	01.11.2005	48	Self employment		Nil
8	Mr. Doodeswara Kanaka Durgarao Chalavadi	Whole Time Director	39,00,000	Regular	B. Com & Masters in Computing	28.09.2005	53	FIS Management Services, LLC	3.77 %	Brother of Nagakanaka Durga Prasad Chalavadi
9	Mr. Mohana Durgarao Chalavadi	Senior VP Operations	39,00,000	Regular	B. Tech & M.Tech	01.06.2012	54	JPMorgan Chase Bank, Sophos, Inc. and Endforce	0	Brother of Nagakanaka Durga Prasad Chalavadi
10	Uday Kumar Chidella	Sourcing Executive	30,80,801	Regular	SSC	28.09.2005	49	Self employment	0	Nil



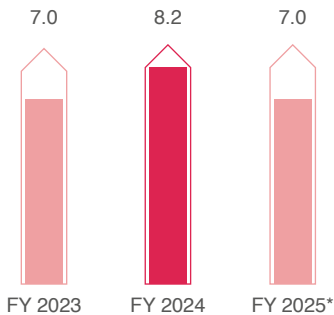
## Annexure – VI

# Management Discussion and Analysis

### Indian economy

The Indian economy exhibited a remarkable growth rate of 8.2% in FY 2024. India emerged as the fastest growing economy in the world. The strong growth in the economy was supported by timely interventions by the Indian Government along with the Reserve Bank of India (RBI). The Indian Government had significantly contributed in transforming the business environment of India. This transformation helped in attracting global investors and businesses. This further helped in the inflow of Foreign Direct Investment (FDI) in the country. India's presidency in the G20 Summit further helped in the attracting global investors. The level of inflation in India anchored at 5.4%<sup>1</sup> and supported the growth in private consumption in the economy. In FY 2024, the GST collection amount was INR 20.18 lakh crore, which is comparatively higher than the GST collected in FY 2022–23 by 11.7%.<sup>2</sup> This value underscores the country's healthy economic activity.

### Growth rate (%)



Source: PIB and Reserve Bank of India (RBI)

\*Projected

### Outlook

The Indian economy is expected to remain strong and positive over the coming years and is anticipated to grow by 7.0% in FY 2025. The domestic inflation is expected to decline, supporting further growth in the economy of the country. India is also expected to emerge as the third largest economy, surpassing Germany and Japan and becoming a USD 5 trillion economy. Therefore, the Indian Government is drafting strategic policies and programmes to support the holistic development of the economy.

### Industry Structure and Developments

#### India's Retail Industry

India's retail industry is the 4th largest retail industry in the world, contributing 10% to the economy's Gross Domestic Product (GDP).<sup>3</sup> It has remained the most preferred destination among global investors, highlighting India as one of the best places to invest in the retail space. In the reported year, the industry witnessed rapid growth due to a number of factors including a surge in foreign brand investments and the increasing number of middle-class individuals with disposable income, which increases the purchasing power among the consumers. The government also supported the growth of the industry by launching initiatives such as 'Make in India'. This initiative fuelled the growth by supporting the manufacturing activities within in the country. The popularity of e-commerce marketplaces is also an important factor contributing to this growth trajectory.



<sup>1</sup><https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=20240208113526&msec=190>

<sup>2</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=2016802#:~:text=Strong%20Consistent%20Performance%20in%20FY,compared%20to%20the%20previous%20year.>

<sup>3</sup><https://www.investindia.gov.in/sector/retail-E-commerce>







The domestic retail industry experienced significant transformation owing to factors such as the rise in the e-commerce industry, which was propelled by factors such as increased usage of smartphones and better availability of internet. In FY 2023-24, around 100% of the pin codes in India adopted the e-commerce platform. In addition to this, around 60% of the transactions were contributed by tier II and other smaller cities in the year under review .

The Indian retail industry is expected to grow and attain a market size of USD 1.1 trillion by FY 2027. The factors contributing to the rise in market size will include the rapid urbanisation in the country, the adoption of technologies such as Artificial Intelligence (AI) and data analytics and the growth in the purchasing power of the consumers. The Indian e-commerce market is expected to become the third largest online market by 2030. Both the modern and traditional retail are expected to grow by 65-70% in the next few years.<sup>4</sup>

### India's Apparel Market for Women

Along with textile, India is the largest producer of apparel in the world. The apparel industry is dynamic and changes with the evolution of the consumer's preferences. Increased usage of social media has influenced the preferences among consumers. India's population provided the industry the opportunity to cater to the diverse needs of clothing options. The industry benefitted from leveraging technology into its operation, this helped in enhancing the productive efficiency, but also helped in providing improved services to the women. It helped in facilitating easy and convenient shopping options and also provided them with customised and interactive shopping experiences.

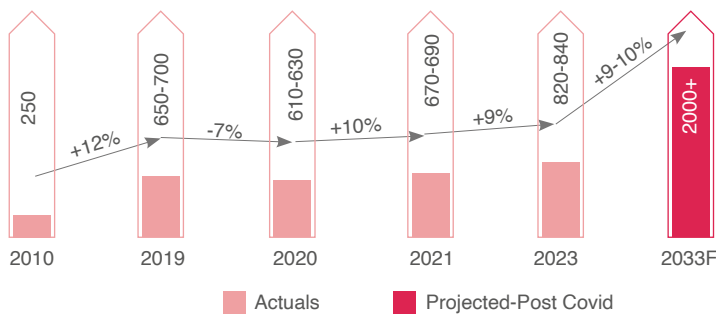
### Women's Indian Wear Market

Indian women's wear market is dynamic. It evolves with time and changes in fashion trends. The rich culture of the country is a significant growth driver for this industry. The choice of clothing varies across various regions in the country reflecting the culture of the respective regions. Factors such as increased disposable income, shift in lifestyle, rise in the e-commerce and digital platforms and increased usage of social media have further contributed to the growth of the industry in FY 2024. In addition to this, the industry experienced significant trends which further shaped the industry in the reported year. Growing awareness among environmentally conscious consumers to prefer clothing made of organic and sustainable materials. This helped the industry inculcate ethical and environmentally sustainable production practices. This also included using recycled materials for the production process, thereby, reducing waste. Fusions wears are an extremely popular choice for its adaptability according to the occasion.

### Indian Silk Sector

India is the largest producer of silk. Over time, it earned the distinction of becoming the only country to produce five different kinds of silk, including Mulberry, Eri, Tas and Muga. Mulberry silks are largely produced in the Southern Indian states. It constituted of around 70% of silk

India retail market size (USD Bn)<sup>4</sup>



Source: BCG and RAI Report. February 2024.

### Indian textile industry

The Indian textile industry remained the global leader in textile production and also emerged as the largest exporter of textile in the world in the year under review. This sector contributed 6% to India's Gross Domestic Product (GDP) in FY 2024, highlighting the significant contribution of this industry to the country's growth and development. The industry is supported by a skilled workforce and abundant availability of natural resources, that contribute to its smooth operation. The adoption of technology and sustainable

production measures have also contributed significantly to the growth of this industry. The industry experienced various trends in the reported year, such as increased awareness among consumers about sustainable textile products, demand for natural fibres and requirement for technical textiles. The Indian Government had launched the PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme to contribute to the development of world-class infrastructure for textiles.

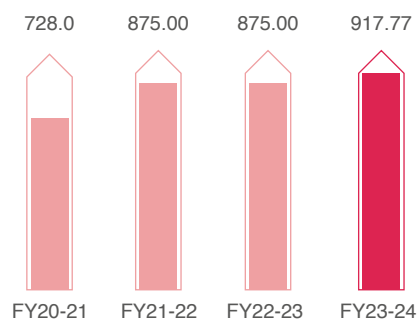


<sup>4</sup><https://www.investindia.gov.in/sector/retail-e-commerce/e-commerce>

produced in the country and Karnataka remained as the leading producer of the this type of silk. In the reported year, the production of silk fell in China and this provided Karnataka with opportunities to expand its productive abilities and meet the global demand for silk. Moreover, to support the growth and development of the industry, the Indian Government has been consistently increasing the fund allocation in FY 2024. The Silk Samagra-2 scheme has been implemented since FY 2022 and is effective till FY 2026. The Indian Government had extended an outlay of INR 4,679.86 crore for this scheme to contribute in the development and promotion of the Indian silk industry.

★ Trends in the fund allocation by the Government of India for the silk industry in the last 4 years.

Fund allocated (INR in crores)



Source: The minister of state for textile<sup>5</sup>

2<sup>nd</sup>

Largest producer of silk

India's Retail Fashion Sector

The fashion industry in India became the second largest consumed category in the country. The demand in the Indian fashion industry was driven by factors including increased disposable income, growth in the younger population, increasing influences from social media and other media channels, adoption of digitalisation and e-commerce platforms increased retail

markets in the country. The Indian fashion retail segment is dominated by online distribution channels. The online fashion market has increased approximately by 30% every year since 2019<sup>6</sup>. E-commerce platforms have significantly transformed the fashion industry by offering international brands to customers and providing the customers with customised fashion products based on their shopping patterns, fashion interests and current fashion trends.

India's Ethnic Wear Sector

Indian ethnic wear is a highly competitive market with several key players. The demand for ethnic wear is propelled by factors such as increased disposable income, growing middle-class individuals and increased usage of social media. Leveraging on this demand, key market players are building on their brand reputation, ensuring the quality of the products and crafting various marketing strategies. Moreover, the pricing of the products also influences the purchasing decision of the customer.

Indian value fashion market

Value Apparel Retailing

The rise of both branded and organised value apparel retail shares will surpass overall industry growth. The established companies in the segment are introducing initiatives to facilitate the provision of quality fashion at an affordable price. These large format stores foster a healthy retail environment, catering to the requirements of consumers purchasing premium products for the first time and also for the consumers belonging to the middle strata of society. The focus of the industry is attracting consumers from tier 2 and tier 3 cities and the people who shifted from unorganised fashion to branded fashion. Value retailing ensures the availability of fashionable pieces at affordable prices, meeting the expectations of buyers. The value apparel retail market is expected to grow and attain a market size of INR 5,34,125 crore by FY 2027<sup>7</sup>.



Growth drivers

The ethnic retail industry in India has seen significant growth due to several factors. Here are some key contributors to this growth:

1. Cultural Richness and Diversity

Diverse Ethnicities and Traditions: India's vast cultural diversity creates a wide variety of ethnic products, from clothing to jewelry and handicrafts, appealing to both domestic and international markets. Festivals and Celebrations: Numerous festivals and cultural events throughout the year drive demand for traditional attire, accessories, and home decor items.

2. Rising Disposable Income

Economic Growth: With the overall growth of the Indian economy, disposable incomes have increased, allowing more spending on ethnic and traditional products. Urbanization: As more people move to urban areas, their spending power increases, boosting demand for ethnic retail products.

3. Availability of raw materials and workforce

The growth of India's textile industry is facilitated by several factors, including the abundance of raw materials such as cotton and silk and the availability of skilled but cheap labour, proficient in textile production and innovation. These factors cumulatively propel the industry towards new heights by providing quality products and fostering innovation.

<sup>5</sup><https://sansad.in/getFile/loksabhaquestions/annex/1714/AU1802.pdf?source=pqals>

<sup>6</sup><https://www.bain.com/insights/indias-digital-fashion-disruptors/>

<sup>7</sup><https://stylebaazar.in/wp-content/uploads/2024/03/Industry-Report.pdf>

<sup>8</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=1967291>



#### 4. Consumer Preferences

Pride in Heritage: A growing sense of pride in cultural heritage among Indians, especially the younger generation, drives demand for ethnic products.

#### 5. Growing women workforce

The female workforce participation rate increased from 23.3% in FY 2018 to 37.0% in FY 2023<sup>8</sup> and further it is expected to grow in the coming years. To leverage India's growth full potential and achieve a GDP growth of 8%, the number of female workers has increased in India. This will also benefit other sectors of the economy, including the textile sector. The growth in the female workforce is expected to drive the growth in disposable income and further propel the demand for textile products among women.

#### 6. Growing urbanisation and the rise of the middle-income segment

India is experiencing rapid urbanisation. This is creating new opportunities for the middle-income population. This segment of society can access employment opportunities, education and healthy living due to urbanisation. These factors are fuelling demand for fashion and textile products. Furthermore, urbanisation contributes to industry expansion, attracting investments and bolstering growth in the textile sector.

#### 7. E-commerce and Digitalization

### Company Overview

Our business was started as a partnership firm under the name and style of "Sai Silks" on August 10, 2005 with Nagakanaka Durga Prasad Chalavadi and Jhansi Rani Chalavadi as its partners. Subsequently, Kalyan Srinivas Annam and Subash Chandra Mohan Annam joined the partnership firm on April 1, 2006 and Suchitra Annam, Sowjanya Annam and Venkata Rajesh Annam joined on March 4, 2008. Further, the name of the partnership firm was also changed to "Sai Silks (Kalamandir)" on March 4, 2008 to incorporate the brand in its name. The partnership firm was subsequently converted into a private limited company and a certificate of incorporation was obtained dated July 3, 2008 under the name and style of 'Sai Silks (Kalamandir) Private Limited' from the Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company was further converted into a public limited company pursuant to a special resolution passed by our Shareholders on May 14, 2009 and a fresh certificate of incorporation consequent upon conversion to public limited company was obtained on May 21, 2009 from the Registrar of Companies, Andhra Pradesh. The name of our Company was changed to its present name, 'Sai Silks (Kalamandir) Limited'.



All products are 100% genuine and carefully handpicked by the skilled team of the Company



Customers are provided with a plethora of choices.



The products are available at affordable prices.



2005

- ✦ First Kalamandir store was launched in Ameerpet, Hyderabad.
- ✦ Started journey as 'Sai Silks', a partnership firm with Mr Chalavadi Naga Kanaka Durga Prasad and Mrs Chalavadi Jhansi Rani as partners



2008

- ✦ Kalamandir expands to Karnataka and Andhra Pradesh
- ✦ The partnership firm was converted into a private limited company, under the name Sai Silk (Kalamandir) Private Limited



2009

- ✦ Subsequently converted into a public company under the name of Sai Silk (Kalamandir) Limited



2011

- ✦ The first premium brand of the Company, 'Mandir', was launched in Hyderabad.



2012

- ✦ VaraMahalakshmi, a premium retail format store launched in Kancheepuram, Tamil Nadu



2017

- ✦ First KLM Fashion Mall store was launched in Ameerpet, offering a wide range of styles at an affordable price



2022

- ✦ Started online retail in 2020. Revenue from operations for FY22: Online - INR171.55 million and Showrooms -INR 11,121.67 million.

## Store formats and products



### 1. Kalamandir (2005)

Ethnic fashion for people belonging to middle income strata (between INR 1,000 and INR 1,00,000) of the society.



### 2. Mandir (2011)

Ultra-premium designer sarees targeting high net-worth individuals with price range between INR 6,000 and INR 3,50,000.



### 3. VaraMahalakshmi (2012)

Premium ethnic silk sarees and handlooms targeting wedding and occasional wear with a range between INR 4,000 and INR 2,50,000.



### 4. KLM Fashion Mall (2017)

Value fashion at an affordable price including western wear ranging between INR 200 and INR 75,000.



## Kalamandir

The Company markets 'Kalamandir' as the 'Symbol of the South'. Established in 2005, Kalamandir provides a wide range of affordable products and has a strong brand equity. With its initial store in Ameerpet, Hyderabad, Kalamandir has been selling contemporary sarees to customers belonging to the middle and upper strata of the society. The sarees are available in a variety of materials including Tusser, Silk, Kota, Kora, Khadi, Georgette, Cotton and Matka.

Kalamandir has eight stores across Andhra Pradesh, Telangana and Karnataka, with a mix of small, medium and large stores. A team of proficient weavers, artisans and designers meticulously weave the Kalamandir sarees, ensuring the best quality for the consumers. Each piece is a testament to the flawless implementation of the brand's concept. With the incorporation of modern décor, Kalamandir boutiques aim to reflect the brand's aesthetic. Since the Company predominately caters to customers hailing from the middle strata of the society, the Kalamandir stores ensure the features meet the expectations of their clients.

## VaraMahalakshmi

VaraMahalakshmi outlets were opened in cities to promote Kanchipuram silk sarees among the customers. With its first store in Kanchipuram, Tamil Nadu, the outlets later expanded to Bangalore, Hyderabad, Chennai, Vijayawada and Nellore. The Company has adopted a value retail format, offering in-house designed sarees at competitive prices. The value for VaraMahalakshmi store products' range between INR 4,000 and INR 250,000.

With the aim of satisfying the market demand and perfecting the craft of authentic Kanchipuram sarees, epitomising exquisiteness. Designs ranging from Kancheepuram to Banarasi, can be worn according to any situation or preference. Each VaraMahalakshmi stores reflect the brand's Kancheepuram heritage. Elegant wall-to-ceiling decorations and meticulously chosen window highlights the South Indian roots of the Company's products. A priest present

at every VaraMahalakshmi store blesses each product purchased by the customers.

## Mandir

The growing demand for premium sarees motivated the Company to launch the Brand Mandir. The Mandir format store houses ultra-premium designer high-end sarees, including party wear, festive wear and occasional wear, all under one roof. The sarees can be even customised as per the customer's requirements. The value for Mandir products' range between INR 6,000 and INR 350,000.

Each saree undergoes a meticulous production process, with artisans dedicating from 45 days to 6 months to ensure the exclusivity and uniqueness of the product. The major product offerings include Banarasi, Patola, Ikat, Kanchipuram, Paithani, Organza and Kuppadam. Despite its growing popularity, Mandir operates solely through four stores in Hyderabad. The Company has strategically placed its stores in Hyderabad to target the markets that have the strongest purchasing power. As an

independent outlet, our Mandir store in Banjara Hills, for instance, benefits from its location by generating more business per customer visit. Mandir has steadily emerged as a premier destination for women seeking ethereal fashion choices.

## KLM fashion mall

KLM Fashion Mall is a budget-friendly fashion destination, catering to the people belonging to the middle- and lower-income strata of the society. The mall provides a varied selection of family-friendly and fashionable clothing brands. It draws influence from worldwide fashion businesses and aims to offer an international shopping experience, especially for the youth. Year-round discounts on new products distinguishes KLM from its peers. The brand has expanded to eighteen stores across three states, garnering popularity for its varied availability of affordable fashionable alternatives and a cheerful ambience. The KLM Fashion Malls are strategically placed to facilitate convenience for the families.

The following table sets out our product portfolio under KLM Fashion Mall:

Product types	Product portfolio	Average price range (INR)
Women's ethnic wear	Sarees, SKD, Dress Material	200 to 75,000
Women's western wear	Kurta, Kurti, Tops, Leggings	300 to 3,000
Men's ethnic wear	Dhotis, Sherwani, Kurtas	500 to 15,000
Men's western wear	T-Shirts, Shirts, Pants, Jeans	200 to 12,000
Kid's wear	Wide variety of kids' clothing	200 to 10,000



## Opportunities

### ✧ Product range

The Company aims to become an all-inclusive store for every family seeking affordable and quality products. The presence of a diverse range of products and brands has augmented the position of the Company in the retail market. The Company has an in-house product design team which helps the organisation to provide an innovative, diversified product portfolio and it ensures making their products differentiated in the market. The Company introduced different types of new products to enhance their product diversification strategy.

### ✧ Quality control and quality assurance

Strong quality control measures underscore the Company's commitment to delivering high-quality products, through its routine inspection, providing training and awareness regarding the quality of products and adhering to the regulatory standards. This helps the Company to ensure meeting customer expectations.

### ✧ Customer support

Sai Silks is focused on providing better and unique in-store services, highlighting the Company's dedication towards providing enhanced customer services such as assisting the customers by trained staff and seeking feedback to improve their customer service. Moreover, The Exclusive Brand Outlet (EBO) of Sai Silk enhances interaction with customers which helps in strengthening relationships with them.

### ✧ Store network and online sales

The Company increased its presence in the e-commerce sector through its websites. The Company had 60 stores operating in FY 2024. The strong omnichannel presence of the Company along with physical stores facilitates Sai Silks to cater to a larger customer base across various geographical locations. The efficient integration of both offline and online sales helps in spreading brand awareness and maintain the Company's strong presence in the industry.

### ✧ Leading Retailer

The Company is one of the leading retailers in the country with a large store network catering to various types of premium and ultra-premium saree demands. The stores also provide men's ethnic wear and children's ethnic wear. This helps the Company to diversify its product offerings and cater to a larger consumer base, expanding its revenue generating channels.

### ✧ Integration of technology

The integration of technology helps the Company to enhance its operation and the supply chain facilities by facilitating in data driven decision-making process. In the reported year, the Company had invested INR XX to enhance its technologies. Data-driven decisions taken by the Company also enabled in enhancing the efficiency and utilising the resources of the Company.

## Financial Performance

(₹ In Crores except EPS)

Particulars	FY 2023-24	FY 2022-23
Revenue from Operations	1373.55	1351.47
Profit for the year before Finance Cost, Depreciation & Taxation	235.46	219.99
Finance Cost	52.87	45.51
Depreciation and Amortization expense	47.91	41.01
Profit before Taxation (PBT)	134.68	133.57
Tax Expenses	35.10	36.96
Deferred Tax	1.29	0.98
<b>Profit after Taxation (PAT)</b>	<b>100.87</b>	<b>97.59</b>
Earnings Per Equity Share (in ₹)	7.51	8.11

### Notes:

- EBITDA is calculated as the sum of Profit Before Tax, Depreciation and Finance Costs.
- EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.
- Gross Margin is calculated as sales less the sum of Purchases of Stock in Trade and Change in Inventories.
- Return on Equity is calculated as Restated Profit for the Year divided by Net Worth as at the end of the year; "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure. These expenditures are not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, capital reserve, write-back of depreciation and amalgamation as per the SEBI ICDR Regulations.
- Return on Capital Employed is calculated as Earnings Before Interest and Tax divided by Capital Employed where Capital Employed is the sum of Tangible Net Worth, Total Debt and Deferred Tax Liability.
- Debt to Equity Ratio is calculated as Total Term Liabilities divided by the sum of Equity Share Capital and Other Equity.
- Net Debt/EBITDA is calculated as Total Term Liabilities divided by EBITDA
- For further detail on discussion on financial performance with respect to operational performance, please refer Directors report.



## Prodcut Wise / Segment Wise Performance

Catrgory	FY 2022-23	FY 2023-24
Sarees	924.03	951.88
Ladies Appareals	172.92	181.53
Mens	143.53	130.26
Kids	110.99	109.66
Fjew-Rasamayi	-	0.21
<b>Total</b>	<b>1,351.47</b>	<b>1,373.55</b>

### Threats

#### Price pressure from discounters

The price pressure from the discounters can directly impact the sales and profitability of the Company. Such price pressure can threaten the Company by resulting in increasing customer attrition over time .

#### Market disruptions from online sellers

With the increase in online sellers, price transparency has surged as well. This has posed as a challenge to the pricing strategy of the Company.

#### Weavers' management

The Company needs to have effective policies to supervise the weavers. The lack of proper policies will result in delays in productivity and timely delivery

of the products. The Company should also maintain a harmonious relationship with the artisans.

#### Increased Competition

The increasing competition in the industry can impact the brand value of the Company, affecting the market positioning. Moreover, to sustain itself in the competitive environment, the Company invests in innovation and this can further hinder the profit-making ability of the Company.

#### Change in market dynamics

The textile market is dynamic and is susceptible to change with the evolving consumer preferences. It often depends on the increased per capita income of individuals and is influenced by Western fashion and lifestyle.

#### Retaining talent

The Company needs to have a team of skilled and qualified sales staff to ensure providing enhanced customer services. The loss of skilled staff can significantly impact the organisation's ability to offer exceptional assistance to customers thereby, weakening its operational efficiency.

#### Location right

The Company's inability to choose strategic locations for its stores with high traffic can negatively impact its sales and revenue generation by undermining its strategy towards expansion and retention of customers.

### Retail operations

#### Store network

The Company's stores are designed and promoted according to the store format vision, target demographic and income group. The operating cities play an important role in store theme as well. All of the stores have stylish designs, utilising the most of available floor space, installing bright entrances and striking window displays. Enticing posters or ceiling-high decorations are incorporated to match with the store's aesthetic as well.

Sales personnel are educated to efficiently assist customers in selecting the proper product. They are trained to recognise and value customer insights and provide proper recommendations or feedback. The staff are recognised for their efforts and rewarded for the same.

States	Number of states (as of March 31, 2024)	Aggregate store area (as of March 31,2024) (sq. ft)	Revenue from operation (INR million) FY2022	Revenue from operation (INR million) FY2023	Revenue from operation (INR million) FY2024
Telangana	26	2,83,163	55115.90	6064.35	5358.7
Andhra Pradesh	16	1,93,557	4153.44	4429.38	4415.9
Tamil Nadu	9	63,006	765.80	1218.70	1875.1
Karnataka	9	107,584	1258.09	1802.26	2085.9
<b>Total</b>	<b>60</b>	<b>6,47,310</b>	<b>11293.23</b>	<b>13,514.69</b>	<b>13,735.6</b>

### Marketing and promotion

The Company's primary focus remains on understanding consumer demands through insights into their purchase habits. The Company is committed to attracting customers at their various stores. SSKL uses each event to promote their brand on relevant social media sites. This not only attract people to the business, but

also immerses them in brand's narrative. In FY 2023-24, the Company contacted lapsed clients. The inclusion of well-known celebrities in their launches enables to increase brand awareness.

The company has distinct unique selling points (USP) for each of its brands. The present marketing mix comprises

initiatives that include print media, outdoor advertising and digital channels such as digital campaigns, social media and affiliate marketing. Additionally, the Company distributes pamphlets and arranges door-to-door campaigns to help increase brand recognition in specific target regions.

## Outlook

In the coming years, it is expected that the Company will have growth opportunities leveraging technology. The Company aims to increase its store capacity in the upcoming financial year. Within FY 2025, the Company is planning to diversify its business and foray into the silver jewellery business under 'Rasamayi' to cater to targeted customers who have an interest in fine jewellery.

## Human resource

SSKL prioritises the safety and well-being of its workers, including artisans and weavers. The Company has protocols and guidelines which ensure safe work practices. The Company has a healthy gender ratio and the organisation promotes gender equality where female employees contribute to the business decisions as well. In addition to this, gender identity, sexual orientation, religious belief and caste do not affect the hiring process or operations of the Company. Workers' hard work and contributions are duly recognised and awarded by the Company.

Departments	Total number of employees (as of March 31, 2024)
Accounts	44
Administration	1050
Compliance	2
Customer Support	46
Human resource	12
Management	12
Planning and strategy	35
Procurement	655
Projects	27
Sales	3448
Store Surveillance	23
Systems	10
Marcomm	64
Total	5424

## Risk and concerns

(please mention the strategies undertaken by the Company to minimise the impact of the respective risk on the Company's operations in FY 2024)

The economic environment where the Company operates plays a vital role in driving the growth of the organisation. Any fluctuations in the economy such as economic growth, changes in the inflation level, changes in the government policies and programmes and changes in the policy rates might hinder the operational efficiency of the Company.

The market for textiles in India is competitive, compelling the Company to timely meet the market demand. Therefore, it becomes necessary for the Company to implement effective strategies to maintain the inventory level. The Company implements strategies to efficiently manage its inventories,

uses analytical abilities to forecast the demand, undertakes insight-driven actions and maintains its stock to meet the market demand.

The business of the Company is labour-intensive and requires a team of skilled workforce to provide effective customer service. Therefore, the organisation ensures hiring and retaining the right talent to manage the sales of the Company.

Timely procurement of its product is essential for the Company to smoothen its operations. The Company generally procures its products from the third-party vendors and master weavers.

Moreover, any fluctuations in the price, availability and quality of the products can hinder the quality of the production. The Company adopted strategic pricing practices where increased prices are passed to the customers. Along with this, products undergo various levels of

quality checks to ensure that high-quality products are delivered to the customers.

## Cautionary statement

Certain statements in the MDA section about future prospects may be forward-looking statements, which include a number of underlying identified and unidentified risks and uncertainties that might cause actual results to differ considerably. In addition to the aforementioned macroeconomic changes, such ongoing geopolitical developments pose unprecedented, unknown and continually shifting risk(s) to the company and the environment in which it operates. The report's facts and statistics are based on the findings of these assumptions, which are based on available internal and external information. Because the factors behind these assumptions change with time, so do the estimates upon which they are founded. These forward-looking statements reflect only the company's current objectives, beliefs, or expectations and each forward-looking statement is only as of the date it was made. The company disclaims any duty to alter or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

## Internal financial control systems

Internal financial controls, including entity-level controls, have been introduced to ensure that business operations run smoothly and efficiently. This includes following Company policies and procedures, maintaining accounting records that are accurate and comprehensive, preparing and reporting reliable financial information on time, protecting assets and preventing and detecting fraud and errors.

These internal financial controls were examined using an internal audit procedure designed by the Company and a professional firm hired to conduct systematic internal audits. Based on the evaluations, the directors confirm that the applicable Accounting Standards were followed in the preparation of the financial statements for the fiscal year ending March 31, 2024. Internal financial controls were determined to be generally adequate and effective, with no significant flaws discovered.



## Key Ratios

Particulars	As at Mar 31, 2024	As at Mar 31, 2023	Variance	Remarks for variance Morethan 25%
<b>a) Current Ratio:</b>	<b>3.41</b>	<b>1.41</b>	<b>142.30%</b>	Decrease in CL due to payment of Creditors by utilising IPO funds & Increase in CA due to Unutilised IPO funds held in Fixed Deposits
Current Assets	1,175.08	804.72		
Current Liabilities	345.05	572.54		
<b>b) Debt Equity:</b>	<b>0.24</b>	<b>0.87</b>	<b>-72.11%</b>	Due to inflow of fresh equity of Rs. 600 Cr through IPO.
Total Debt (long-term and short-term interest bearing)	257.75	345.50		
Shareholder's Equity	1,062.94	397.33		
<b>c) Debt Service Coverage Ratio:</b>	<b>2.59</b>	<b>2.99</b>	<b>-13.37%</b>	Not Applicable
Earnings available for Debt Service	233.65	219.20		
Debt Service (Obligation)*	90.25	73.35		

\* Excluding the Prepayment made through IPO funds (which is in excess of amount to be repaid as per repayment schedule)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023	Variance	Remarks for variance Morethan 25%
<b>d) Return on Equity:</b>	<b>13.81%</b>	<b>27.96%</b>	<b>-50.60%</b>	Rs. 600 Cr equity through IPO are under the process of deployment
Net Profits after taxes	100.87	97.59		
Average Shareholder's Equity	730.14	349.00		
<b>e) Inventory Turnover Ratio:</b>	<b>1.94</b>	<b>2.32</b>	<b>-16.12%</b>	Not Applicable
Total Sales	1,373.55	1,351.47		
Average Inventory	706.49	583.09		
<b>f) Trade Receivables Turnover:</b>	<b>443.78</b>	<b>565.89</b>	<b>-21.58%</b>	Not Applicable
Total Sales	1,373.55	1,351.47		
Average Accounts Receivable	3.10	2.39		
<b>g) Trade Payables Turnover:</b>	<b>5.87</b>	<b>5.77</b>	<b>1.74%</b>	Not Applicable
Total Purchases	848.56	1,035.61		
Average Trades Payable	144.62	179.57		
<b>h) Net Capital Turnover:</b>	<b>2.59</b>	<b>7.02</b>	<b>-63.14%</b>	Decrease in CL due to payment of Creditors by utilising IPO funds & Increase in CA due to Unutilised IPO funds held in Fixed Deposits
Total Sales	1,373.55	1,351.47		
Average Working Capital	531.11	192.62		
<b>i) Net Profit Ratio:</b>	<b>7.34%</b>	<b>7.22%</b>	<b>1.69%</b>	Not Applicable
Net Profit	100.87	97.59		
Total Sales	1,373.55	1,351.47		
<b>j) Return on Capital Employed:</b>	<b>13.94%</b>	<b>23.55%</b>	<b>-40.81%</b>	Due to inflow of fresh equity of Rs. 600 Cr through IPO & the funds are under the process of deployment
Earning before interest and taxes	187.54	178.98		
Capital Employed	1,345.38	759.97		
<b>k) Return on Investment*</b>	NA	NA	NA	Not Applicable

\* There are no investments made by the company, as such the ratio is not applicable.

## Annexure – VII

# Report on Corporate Governance

This Report on Corporate Governance is prepared pursuant to Regulation 34(3) read with schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 1. Company's philosophy on Corporate Governance

Sai Silks (Kalamandir) Limited is committed to adopt the best corporate governance practices to manage the affairs of the company in an ethical, accountable, transparent and fairway with an ideal blend of both legal and management practices to imbed the same in decision making process of the Company, and to communicate the same in an accurate and timely manner in such a way that both stakeholders' expectations and legal standards are not only met, but the company stands ahead of them.

The Company strives to ensure compliance with various Corporate Governance requirements as prescribed under Securities and Exchange Board of India (LODR) Regulations, 2015 as amended from time to time and considers it as its inherent responsibility to protect the rights of its stakeholders and disclose timely, adequate and accurate information regarding its financials and performance.

Adherence to various policies and codes adopted by the company from time to time in conformity with regulatory requirements helps your company fulfills its responsibility

### 2. Board of Directors

The Board is at the core of our Corporate Governance practices, oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well informed and independent Board is necessary to ensure the highest standards of Corporate Governance.

#### 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 of the Company. 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 our company serves as a director in more than 7 listed companies. Further, none of our Managing Director / Wholtime Directors serves as an independent director in more than 3 listed companies.

As on 31st March 2024, the composition of the board is as follows:

S.No	Name of the Director	Designation
<b>A</b>	<b>Executive Directors</b>	
	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 (DIN: 02689280)	Whole Time Director (Promoter Group)
<b>B</b>	<b>Non-Executive Directors</b>	
	Mr. Ravindra Vikram Mamidipudi (DIN:008241)	Chairman & Independent Director
	Mr. Venkata Ramakrishna Kunisetty (DIN: 00133248)	Independent Director
	Mr. Pramod Kasat (DIN: 00819790)	Independent Director
	Ms. Sirisha Chintapalli (DIN: 08407008)	Independent Director

Note: During the Financial year 2023-24, there has been no change in the composition of the Board of Directors.

#### b. Number of Board Meetings and Attendance of Directors thereat

The board met 10 times during the financial year 2023-24 on the following dates:

04th April, 2023	13th October, 2023
22nd May, 2023	08th November, 2023
13th July, 2023	29th December, 2023
13th September, 2023	10th February, 2024
23rd September 2023	07th March, 2024



**c. Directors Attendance**

Name of Director	04th April, 2023	22nd May, 2023	13th July, 2023	13th September, 2023	23rd September, 2023	13th October, 2023	08th November, 2023	29th December, 2023	10th February, 2024	07th March, 2024
Mr. Nagakanaka Durga Prasad Chalavadi	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Kalyan Srinivas Annam	Present	Present	Absent	Present	Absent	Absent	Present	Present	Absent	Present
Mr. Doodeswara Kanaka Durgarao	Present	Absent	Present	Absent	Present	Absent	Absent	Present	Present	Present
Mr. Ravindra Vikram Mamidipudi	Absent	Present	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Pramod Kasat	Absent	Present	Present	Present	Present	Present	Present	Present	Present	Present
Ms. Sirisha Chintapalli	Present	Present	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Venkata Ramakrishna Kunisetty	Absent	Present	Present	Present	Present	Present	Present	Present	Present	Present

**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.**

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 (24.08.2023)
	Public	Private	Member	Chairman		
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	0	1	<ul style="list-style-type: none"> <li>Zen Technologies Limited – Independent Director</li> </ul>	Yes
Mr. Ravindra Vikram Mamidipudi	7	11	15	8	<ul style="list-style-type: none"> <li>GTN Industries Limited - Independent Director</li> <li>Ahlada Engineers Limited - Independent Director</li> <li>ASM Technologies Limited - Independent Director-</li> </ul>	Yes
Mr. Pramod Kasat	4	2	5	2	<ul style="list-style-type: none"> <li>Advanced Enzyme Technologies Limited – Independent Director</li> <li>Natural Capsules Limited – Independent Director</li> <li>Fermenta Biotech Limited. – Independent Director</li> </ul>	yes
Mr. Venkata Ramakrishna Kunisetty	0	1	0	0	Nil	Yes

**Note:**

- The Directorships held by Directors in other Companies, as mentioned above are as on 31st March, 2024 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/2024/07/Familiarization-to-Independent-directors-23-24.pdf>

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

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. Venkata Ramakrishna Kunisetty 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. Venkata Ramakrishna Kunisetty
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 year review, there was no instance of resignation of any Independent Director of the Company.

Sl. No	Name	Category
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:

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

**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. Venkata Ramakrishna Kunisetty	Member



- 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 Board's 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 utilized 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.

### Composition, Names of members, Chairperson, Meetings and Attendance

The committee met 6 times during the financial year under review i.e., on 04.04.2023, 13.07.2023, 13.09.2023, 13.10.2023, 08.11.2023 and 10.02.2024.

S.No	Name	Designation	04.04.2023	13.07.2023	13.09.2023	13.10.2023	08.11.2023	10.02.2024
1	Mr. Ravindra Vikram Mamidipudi	Chairperson	Present	Present	Present	Present	Present	Present
2	Mr. Pramod Kasat	Member	Absent	Present	Present	Present	Present	Present
3	*Mr. Nagakanaka Durga Prasad Chalavadi	Member	Present	Present	NA	NA	NA	NA
4	Mr. Venkata Ramakrishna Kunisetty	Member	Absent	Present	Present	Present	Present	Present
5	@Ms. Sirisha Chintapalli	Member	NA	NA	Present	Present	Present	Present

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

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

The Company Secretary of the Company acts as a Secretary 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. Venkata Ramakrishna Kunisetty	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 on 13th July, 2023 during the financial year under review

Sl. No	Name	Designation	13.07.2023
1	Mr. Venkata Ramakrishna Kunisetty	Chairperson	Present
2	Mr. Ravindra Vikram Mamidipudi	Member	Present
3	Mr. Pramod Kasat	Member	Present
4	Ms. Sirisha Chintapalli	Member	Present

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

#### Details of remuneration for the year ended March 31, 2024

##### i. Executive Directors

₹ In Cr

Name of the Director	Salary	Other Benefits	Company's contribution to PF	Commission	Performance linked incentive	Total Remuneration
Mr. Nagakanaka Durga Prasad Chalavadi	5.00	-	-	-	-	5.00
Mr. Kalyan Srinivas Annam	1.99	-	-	-	-	1.99
Mr. Doodeswara Kanaka Durgarao Chalavadi	0.39	-	-	-	-	0.39



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 ₹ 2 each)
Mr. Nagakanaka Durga Prasad Chalavadi	Managing Director	5,05,66,160 equity shares
Mr. Kalyan Srinivas Annam	Whole Time Director	87,50,000 equity shares
Mr. Doodeswara Kanaka Durgarao Chalavadi	Whole Time Director	57,78,955 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:

- 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;
- Review of measures taken for effective exercise of voting rights by shareholders;
- 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

- Consider and specifically look into various aspects of interest of shareholders, debenture holders and other security holders;
- Investigate complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- 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;
- 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.
- 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.
- Approve, register, refuse to register transfer or transmission of shares and other securities;
- Sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
- Allot and get the shares listed;
- Authorise affixation of common seal of the Company;
- Issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- Approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- 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
- 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.; 10.03.2024

Name	Designation	10.03.2024
Ms. Sirisha Chintapalli	Chairperson	Present
Mr. Kalyan Srinivas Annam	Member	Present
Mr. Nagakanaka Durga Prasad Chalavadi	Member	Present

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

No. of shareholders complaints received during the FY	3
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	Chairperson
2	Mr. Nagakanaka Durga Prasad Chalavadi	Member
3	Mr. Kalyan Srinivas Annam	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:

- (a) 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;
  - i. Support the economically backward and children in the need of health and education;
  - ii. Support the humanity during the natural calamities, donation of clothes to flood relief camps;
  - iii. Collaborate in the initiatives of other NGOs for the cause of fostering the needy children health care;
  - iv. Support the initiatives that would help the public at large in understanding the health hazards;
  - v. Conduct the workshops and create awareness about conservation of natural resources;
  - vi. Promote the activities, which would support the welfare and well-being of the Weavers Community;
  - vii. Eradicate extreme hunger and poverty;
  - viii. Infrastructure Development (village roads, culverts, bus shelters, solar lighting etc);
  - ix. Ensure environmental sustainability;
- (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.; 04.04.2023

Sl. No	Name	Designation	04.04.2023
1	Mr. Ravindra Vikram Mamidipudi	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 Company has in place a Risk Management Committee and this committee consists of 5 members 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. Ravindra Vikram Mamidipudi	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 functions 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

- 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 three times during the financial year under review, i.e.; 04.04.2023 28.09.2023 & 10.03.2024.

Sl.No	Name	Designation	04.04.2023	28.09.2023	10.03.2024
1	Mr. Nagakanaka Durga Prasad Chalavadi	Chairperson	Present	Present	Present
2	Mr. Doodeswara Kanaka Durgarao Chalavadi	Member	Present	Present	Present
3	Mr. Kalyan Srinivas Annam	Member	Present	Present	Present
4	Mr. Ravindra Vikram Mamidipudi	Member	Present	Present	Present
5	Mr. KVLN Sarma	Member	Present	Present	Present

## 8. SENIOR MANAGEMENT:

Particulars of the Senior management including the changes therein since the close of the previous financial year.

Sl.No	Employee Name	Department	Designation	Date of Joining
1.	Mohana Durga Rao Chalavadi	Business Operations	Senior Vice President	01.06.2012
2.	Venkata Rajesh Annam	Business Operations	Senior Vice President	12.12.2007
3.	Rachamadugu Balaji Bharadwaj	IT & E-commerce	Senior Vice President	01.01.2018
4.	Chakradhar Boorlagadda	Business Operations	Head of Sourcing & Strategy	01.11.2005
5.	K.V.L.N Sarma	Finance	CFO	01.03.2022
6.	Matte Koti Bhaskara Teja	Secretarial	Company Secretary & Compliance officer	05.11.2018
7.	Sabitha Borra	Legal	General Manager	08.09.2021
8.	Annam Sowjanya	Administration	General Manager	01.04.2014
9.	Sai Ram Chavali	Human Resource	General Manager	12.02.2024
Resigned during the year				
-	-	-	-	-

## 9. SEPARATE MEETING OF INDEPENDENT DIRECTORS

The meeting of the independent directors during the year 2023-24 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 26th March 2024 and all the independent directors attended the meeting.

## 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: (In addition to disclosures required under the Companies Act, 2013):

- a. All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc for the FY 2023-24.

- a) The annual remuneration package of Executive Directors comprises a fixed salary component which is as follows

*Amount in Crores*

S.No	Particulars of Remuneration	Mr. Nagakanaka Durga Prasad Chalavadi	Mr. Kalyan Srinivas Annam	Mr. Doodeswara Kanaka Durgarao Chalavadi
1.	Designation	Managing Director	Whole Time Director	Whole Time Director
3	Gross Salary (In Rs)	5.00	1.99	0.39
	a) Salary as per the provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
4	Stock Option	-	-	-
5	Sweat Equity	-	-	-
6	Commission	-	-	-
	- As % of profit	-	-	-
	- Others, If any	-	-	-
7	Others	-	-	-
	Total	5.00	1.99	0.39



## b) Payment to Non- Executive Independent Directors

*Amount in Crores*

S. No	Name	Sitting Fee
1	Mr. Ravindra Vikram Mamidipudi	0.06
2	Mr. Pramod Kasat	0.06
3	Mr. Venkata Ramakrishna Kunisetty	0.06
4	Ms. Sirisha Chintapalli	0.07
<b>Total</b>		<b>0.25</b>

## b. Details of fixed component and performance linked incentives, along with the performance criteria:

- No Director has been paid any fixed component or performance linked incentives.

## c. Service contracts, notice period, severance fees:

- Terms and conditions of appointment as per the resolution(s) as approved by the NRC, the Board of Directors and the members of the Company.

## d. 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 stock options to any of the directors.

## 9. General Body Meetings

AGM	Financial Year Ended	Date & Time	Venue	Special Resolution passed
15th	March 31, 2023	24th August, 2023	Registered office	1. Re-appointment of Ms. Sirisha Chintapalli (DIN: 08407008), to the office of Independent Director. 2. Re-appointment of Mr. Nagakanaka Durga Prasad Chalavadi (DIN: 01929166) to the office of Managing Director. 3. Re-appointment of Mr. Kalyan Srinivas Annam (DIN: 02428313) to the office of Whole Time Director. 4. Re-appointment of Mr. Doodeswara Kanaka Durgarao Chalavadi, (DIN: 02689280) to the office of Whole Time Director.
14th	March 31, 2022	30th September, 2022 11:00 AM	Registered office	Nil
13th	March 31, 2021	30th November 2021 10:30 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. Doodeswara Kanaka Durgarao Chalavadi is retiring by rotation and being eligible offers himself for re-appointment and his details are given in the Notice.

### Means of Communication

Subsequent to the listing of the Company's shares on 27th September, 2023, the company has been undertaking dissemination of information in line with the Listing regulations on its website <https://sskl.co.in/investor-relations/>

The Quarterly, Half yearly and Yearly results are disclosed and communicated to the stock exchanges (BSE Limited and NSE Limited). The results are normally published in Financial Express / Business Standard and surya / Nava Telangana and the results are also displayed on the

company website <https://sskl.co.in/investor-relations/> along with press releases and investor presentations made to institutional investors and / or analysts.

## 10. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting for the FY 2023-24

The 16<sup>th</sup> Annual General Meeting of the company will be held on September 27, 2024 at 11:00 A.M. through Video Conferencing ("VC")/ Other Audio-visual Means ("OAVM") for details, please refer to the Notice of the AGM.

### b. Financial Year (2023-2024)

The Financial year under review is 2023-2024 (01st April, 2023 to 31st March, 2024)

### c. Dividend payment date: On or before October 26, 2024

**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

- National Stock Exchange of India Limited (NSE), Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

The Annual Listing fees in respect of both the Stock Exchanges have been paid.

The Company has paid custodial fees for the year 2024-25 to National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] on the basis of number of beneficial accounts maintained by them as on 31st March, 2024.

### e. Stock Code –

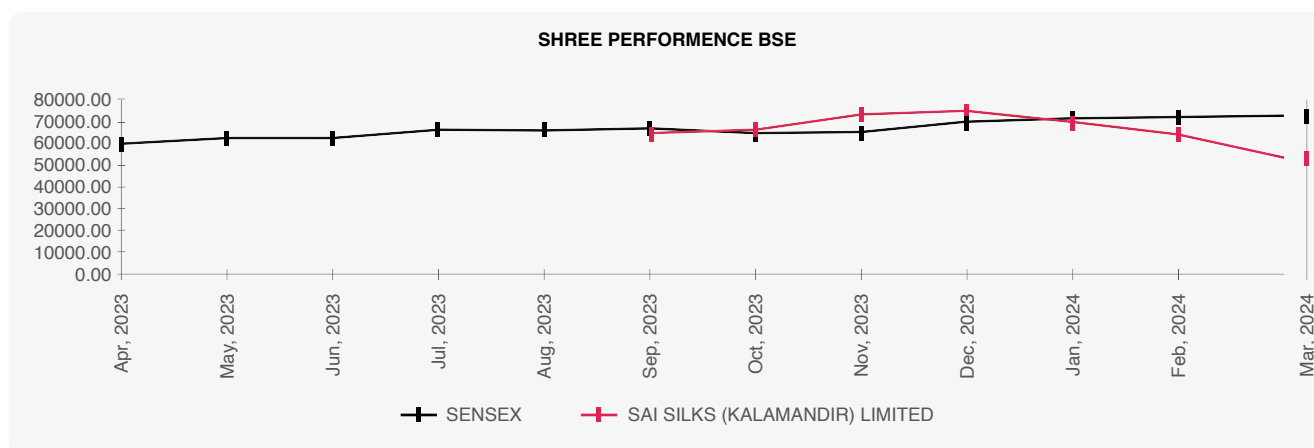
BSE – 543989  
NSE – KALAMANDIR  
ISIN - INE438K01021

### f. Market Price Data

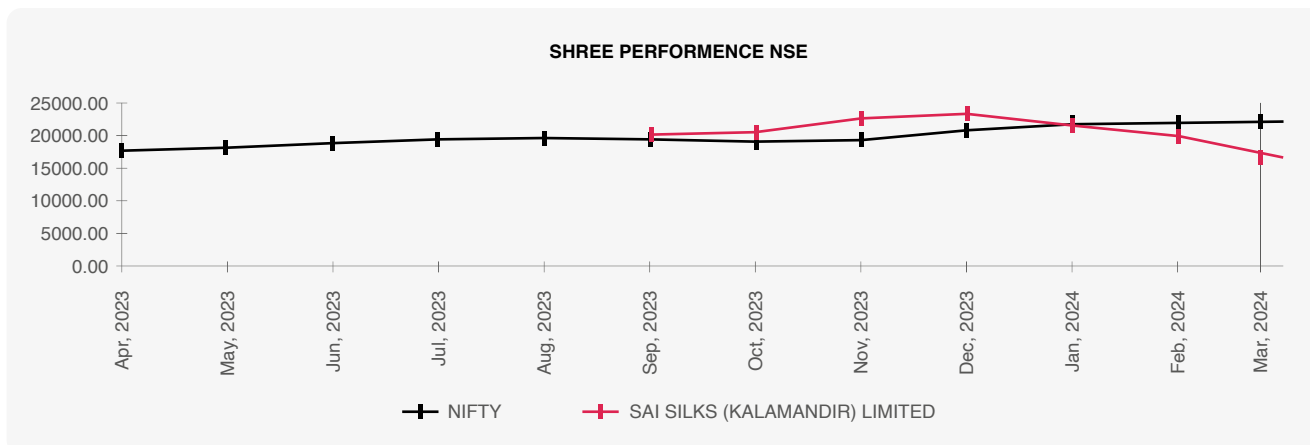
High, low during each month and trading volumes of the Company's Equity Shares during the last financial year 2023-24 at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) are as under:

Month	BSE			NSE		
	High	Low	Qty Traded	High	Low	Qty Traded
*April 2023	-	-	-	-	-	-
*May 2023	-	-	-	-	-	-
*June 2023	-	-	-	-	-	-
*July 2023	-	-	-	-	-	-
*August 2023	-	-	-	-	-	-
September 2023	258.85	230.1	16,50,422	258.80	230.95	4,11,96,936
October 2023	272.5	220.05	27,03,594	272.55	221.85	3,48,04,654
November 2023	311.4	235	16,73,648	312.00	235.25	1,97,75,351
December 2023	309.7	254.9	15,06,657	309.70	255.50	1,24,40,444
January 2024	294.25	231.85	13,63,265	294.40	231.90	1,26,05,831
February 2024	251.4	229.3	7,25,997	253.00	229.50	84,70,094
March 2024	235.05	168.4	9,93,655	235.65	168.40	1,38,53,604

\*Company got listed on BSE Limited and NSE Limited on 27th September, 2023







f. **Suspension – No shares / securities of the Company suspended during the year under review.**

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](mailto:investor@bigshareonline.com)  
 Website: [www.bigshareonline.com](http://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, 2024**

Range of Equity Shares Held	Shareholders		Shares Face value- ₹ 2/-	
	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shares held
Upto - 5000	49356	99.24	9925199	6.47
5001 – 10000	169	0.34	1240065	0.81
10001 – 20000	72	0.14	1029081	0.67
20001 – 30000	34	0.07	811363	0.53
30001 – 40000	12	0.02	433710	0.28
40001 – 50000	14	0.03	653581	0.43
50001 – 100000	16	0.03	1051973	0.69
100001 and above	60	0.12	138221140	90.12
<b>Total</b>	<b>49,733</b>	<b>100</b>	<b>15,33,66,112</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2024**

Sl.No	Category	Total No of Shares (Face Value ₹ 2)	Total Percentage as a % of Total Share Capita
1	Promoter & Promoter Group	9,32,50,940	60.80
2	Public	1,20,89,813	7.88
3	Mutual Funds	2,65,32,501	17.30
4	Alternate Investment Funds	47,78,413	3.12
5	Foreign Portfolio Investors	50,93,296	3.32
6	Non Resident Indians (NRIs)	5,35,557	0.35
7	Bodies Corporate	43,84,391	2.86
8	Trusts	1,522	0.00

SI.No	Category	Total No of Shares (Face Value ₹ 2)	Total Percentage as a % of Total Share Capita
9	HUF	5,48,911	0.36
10	Clearing Members	1,34,623	0.09
11	Non Promoter & Non Public	60,16,145	3.92
	<b>Total</b>	<b>15,33,66,112</b>	<b>100.00</b>

**j. Dematerialization of shares & liquidity**

As on March 31, 2024 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](http://www.sskl.co.in).

**n. Investor's Correspondence**

All queries of Investor(s) regarding our Company's shares in physical / Demat form may be sent to the Company Secretary of the Company, ie. [secretarial@sskl.co.in](mailto: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](mailto:secretarial@sskl.co.in)

**p. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad**

The Company does not have any debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds. However, we have obtained credit rating report from 'India Ratings & Research' in connection with working capital and term loan facility.

**11. OTHER DISCLOSURES**

**i) 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 on dealing with related party transactions, 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>

**ii) 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

**iii) The Whistle Blower (Vigil) mechanism provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of Conduct or policy and also provides for adequate safeguards against victimization of employees by giving them direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee. No compliant has been received by the committee during the year under review.**

The Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The Whistle Blower Policy of the Company is also posted on the website of the Company and may be accessed at <https://sskl.co.in/wp-content/uploads/2022/07/Vigil-Mechanism-Policy.pdf>



**iv) Details of compliance of Mandatory and adoption of Non- Mandatory Requirements**

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.13 hereunder.

**v) Policy for determining material subsidiaries may be accessed on our website**

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

**vi) Policy on dealing with Related Party Transactions**

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

**vii) Recommendation of the committees of Board**

There were no such instances during the financial year 2023-24, wherein the board had not accepted the recommendation(s) made by any committees of the board.

**viii) Commodity Price Risk and Commodity Hedging Risk – NA**

**ix) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not Applicable**

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
Mr. P. Srikanth	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

**xiii) 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

**x)** A Certificate from M/s. P.S.Rao & Associates, Company secretaries in practice has been obtained to the effect 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 and has been enclosed to this report.

**xi)** Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part

- ₹ 0.33 Crores

**xii)** 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.

**Internal Compliance Committee & Attendance in Meeting:**

The Committee met 2 times on 04.04.2023 and 23.09.2023 during the year under review

**xiv) 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.

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

All the corporate governance requirements are complied with.

**13. 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 are being placed on the Company's Website, [www.sskl.co.in](http://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. Ravindra Vikram Mamidipudi 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.

**14. 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

Regulation	Particulars of regulations	Compliance status (Yes/No)
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	Not Applicable
25	Obligations with respect to Independent directors	Yes
26	Obligations with respect to employees including senior management, key managerial personnel, directors and promoters.	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

**15. Disclosure with respect to demat suspense account / unclaimed suspense account:**

Not Applicable

**16. Prevention of Insider Trading**

In compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a Code of Conduct for regulating, monitoring and reporting of trading by insiders. This Code also provides for periodical disclosures from the designated Persons and their immediate Relatives as well as pre-clearance of transactions by such persons as per the thresholds mentioned in the code.

The code is applicable to Designated Persons and their Immediate relatives who are likely or may reasonably be expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism.



The said code of conduct may be accessed at <https://sskl.co.in/wp-content/uploads/2022/07/Code-of-Insider-Trading.pdf>

#### **17. 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 <https://sskl.co.in/wp-content/uploads/2022/07/Code-of-Conduct.pdf>

All the members of the Board and the Senior Management Personnel of the Company have affirmed compliance to the code of conduct.

The declaration from our Managing Director with regard to compliance of code of conduct by the Board of Directors and Senior Management is enclosed and forms part of this report.

#### **18. Disclosure of certain types of agreements binding listed companies**

- Information disclosed under clause 5A of paragraph A of Part A of Schedule III of Listing regulations: Nil

#### **19. 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.

#### **20. 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.

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

In terms of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended March 31, 2024.

**For Sai Silks (Kalamandir) Limited**

Sd/-

**Nagakanaka Durga Prasad Chalavadi**

Managing Director

DIN: 01929166

Place: Hyderabad

Date: August 14, 2024

## MD & CFO Certification

**(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015**

The Board of Directors

**SAI SILKS (KALAMANDIR) LIMITED**

Hyderabad.

We, Mr. Nagakanaka Durga Prasad Chalavadi, Managing Director and Mr. K.V.L.N 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, 2024 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, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- 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. that there are no Instances of significant fraud of which they have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Sai Silks (Kalamandir) Limited**

Sd/-

**Nagakanaka Durga Prasad Chalavadi**

Managing Director

DIN: 01929166

Sd/-

**KVLN Sarma**

Chief Financial Officer

Place: Hyderabad

Date: August 14, 2024



## 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, 2024, 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.

**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: A015116F000996437

Place: Hyderabad  
Date: August 14, 2024

# 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, 2024, 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: A015116F000996448

Place: Hyderabad

Date: August 14, 2024



## Annexure-VIII

# Business Responsibility & Sustainability Report

## SECTION A: General Disclosures

### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity - **L52190TG2008PLC059968**
2. Name of the Listed Entity – **SAI SILKS (KALAMANDIR) LIMITED**
3. Year of incorporation - **2008**
4. Registered office address – **6-3-790/8, Flat No-1, Bathina Apartments, Ameerpet, Hyderabad, Telangana 500016**
5. Corporate address - **6-3-790/8, Flat No-1, Bathina Apartments, Ameerpet, Hyderabad, Telangana 500016**
6. E-mail: [secretarial@sskl.co.in](mailto:secretarial@sskl.co.in)
7. Telephone – **040 66566555**
8. Website – [www.sskl.co.in](http://www.sskl.co.in)
9. Financial year for which reporting is being done – **01<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024**
10. Name of the Stock Exchange(s) where shares are listed – **BSE Ltd and NSE India Ltd**
11. Paid-up Capital – **Rs 30.67 Cr (Including Treasury Stock)**
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report-  
**Name: Mr. M.K.Bhaskara Teja,**  
**Ph: 04066566555**  
**Email id: [secretarial@sskl.co.in](mailto:secretarial@sskl.co.in).**
13. Reporting boundary - **Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).** *Standalone basis*

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

Sl. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Retail Trading of textile goods	Retail Trading of premium ethnic fashion, ethnic fashion for middle income and value-fashion	100%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No	Product/Service	NIC Code	% of total Turnover contributed
1	Textile goods	6211	100%

### III. Operations

#### 16. Number of locations where stores and/or operations/offices of the entity are situated:

Location	Number of stores	Number of offices	Warehouses	Total
National	60	2	4	66
International	0	0	0	0

#### 17. Markets served by the entity:

##### a. Number of locations

Locations	Number of stores
National (No. of States)	4 (Andhra Pradesh, Telangana, Karnataka and Tamilnadu)
International (No. of Countries)	0

##### b. What is the contribution of exports as a percentage of the total turnover of the entity? - Nil

##### c. A brief on types of customers:

The company caters to a wide range of consumers. The products form a part of the daily and occasion-based fashion both in the ethnic Indian fashion and western fashion. The value fashion and ethnic wear are offered to broad spectrum of age groups. Our USP is value for money, customized designs in addition to richness and pride

### IV. Employees

#### 18. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	5424	3524	65%	1900	35%
2.	Other than Permanent (E)	NIL				
<b>3.</b>	<b>Total employees (D + E)</b>	<b>5424</b>	<b>3524</b>	<b>65%</b>	<b>1900</b>	<b>35%</b>
<b>WORKERS</b>						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than Permanent (G)	NA	NA	NA	NA	NA
<b>6.</b>	<b>Total workers (F + G)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

##### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	56	27	48%	29	52%
2.	Other than Permanent (E)	NA	NA	NA	NA	NA
<b>3.</b>	<b>Total differently abled employees (D + E)</b>	<b>56</b>	<b>27</b>	<b>48%</b>	<b>29</b>	<b>52%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	NA	NA	NA	NA	NA
5.	Other than permanent (G)	NA	NA	NA	NA	NA
<b>6.</b>	<b>Total differently abled workers (F + G)</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	0.14%
Key Management Personnel	6	0	0%



## 20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9%	14%	11%	12%	17%	14%	10%	19%	12%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

## 14. Holding, Subsidiary and Associate Companies (including joint ventures) –

Sai Silks (Kalamandir) Limited does not have Holding, Subsidiary and Associate Companies as on March 2024

## 21. (a) Names of holding / subsidiary / associate companies / joint ventures

Sl. No	Name of the holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
NA		NA	NA	NA

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes)

(ii) Turnover (in Rs.) Rs.1,373.55 Cr

(iii) Net worth (in Rs.) Rs. 1,062.86 Cr

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY -2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0		0	0	
Investors (other than shareholders)	NA	0	0		0	0	
Shareholders	Yes	0	0		0	0	
Employees and workers	Yes	0	0		0	0	
Customers	Yes	0	0		0	0	
Value Chain Partners	Yes	0	0		0	0	
Other (please specify)	-	0	0		0	0	

Vigil mechanism policy - <https://sskl.co.in/wp-content/uploads/2022/07/Vigil-Mechanism-Policy.pdf>

## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material Issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1	Talent Management	Risk and Opportunity	Well managed talent enhances the basket size and improves the sales efficiency. Good talent management practices control attrition and increases productivity.  Expectations of skilled talent are higher and the competitors also look for competitive talent. Losing the right talent for a better price	Provide good compensation and benefit structure.  Create a competitive environment.  Provide transparent evaluation of talent and reward the right talent	The Payroll cost both for replacement as well as talent enrichment will increase
2	Shrinkage	Risk	Losing good fabric, Garment because of poor store practices	Creating a double check mechanism for sensor tags. Global Counting audit every month Store Managers held accountable for stock	Additional Manpower
3	Customer Experience	Risk and Opportunity	Good Customer Experience increases loyalty  Bad Customer experience adversely effects the brand	Training on Customer Experience to Store Staff Technology adoption to seek feedback from customers and having a CAPA. Loyalty programmes to retain customers	Technology Integration cost
4	Social Conditions	Risk	A peaceful social environment makes people to go around malls, shopping centers.	Ensure that our Shopping centers take adequate precautions of safety and security	Maintainance Cost
5	Community Relations	Opportunity	Community relations builds a brand equity and customers have a feel good factor about the company because of the CSR	CSR Allocations	Community Relations



## SECTION B: Management & Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<a href="https://sskl.co.in/wp-content/uploads/2024/08/BRSR-Policy.pdf">https://sskl.co.in/wp-content/uploads/2024/08/BRSR-Policy.pdf</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, ISO, BIS) adopted by your entity and mapped to each principle.	None								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	None								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								

### Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

We are pleased to present our Business Responsibility and Sustainability Report (BRSR) for the FY 2023-24. This report underscores our commitment to sustainable and responsible retail practices.

We are dedicated to positively impacting the communities where we operate, investing in education, healthcare, and skill development programs to improve the quality of life for underprivileged sections. Additionally, we prioritize creating a safe and inclusive workplace for all our employees.

Maintaining the highest standards of integrity and transparency is paramount to us, ensuring accountability and fostering trust among all our stakeholders.

This report provides a detailed overview of our sustainability initiatives and future goals, aligning with the United Nations Sustainable Development Goals (SDGs).

We extend our gratitude to our employees, partners, and stakeholders for their continued support as we strive to build a sustainable future.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Nagakanaka Durga Prasad Chalavadi, Managing Director
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability-related issues? (Yes / No). If yes, provide details.	Mr. Nagakanaka Durga Prasad Chalavadi, Managing Director

### Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	Our company has attracted the applicability provisions of BRSR during the third quarter of the FY 2023-24 hence we shall commence our attention and follow up on all the principles starting FY 2024-25 and will be reviewed every year.																	

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the existing regulations as Applicable.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.										P	P	P	P	P	P	P	P	P
										1	2	3	4	5	6	7	8	9
	At present company is evaluating all the policies internally																	

If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	No	No	No	No	No	No	No	No	No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No	No	No	No	No	No	No	No	No
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No	No	No	No	No	No	No	No	No
It is planned to be done in the next financial year (Yes/No)	No	No	No	No	No	No	No	No	No
Any other reason (please specify)	No	No	No	No	No	No	No	No	No



## SECTION C: Principle Wise Performance Disclosure

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.



**PRINCIPLE 1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

#### Essential Indicators

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors & Key Managerial Personnel	4	Directors and KMPs are were updated on matters relating to the industry, business model, risk metrices, mitigation and management, governing regulations, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc.	92%
Employees other than BoD and KMPs	58	We conduct the following training and programmes for our employees a. Learning Management System b. Weekly Training sessions c. Leadership Advances Programme d. The Key e. Rising Stars f. Customer Service g. Vision Building	92%

### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the fol owing format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	Nil	Nil	Nil	Nil	
Punishment	Nil	Nil	Nil	Nil	

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes we have a policy : <https://sskl.co.in/wp-content/uploads/2024/08/Anti-Bribery-Policy.pdf>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: Nil**

**6. Details of complaints with regard to conflict of interest**

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. NA**

### Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

We regularly interact with our vendors to facilitate discussions on conducting business in an ethical, transparent and fair manner. Further, we also encourage our large vendors to focus on products that are economically viable and environmentally sustainable. We have introduced several articles for our customers that are made from recycled plastic / fabric / yarn. We constantly share with them industry best practices that enable them to suitably adopt policies and procedures, which lead to better overall governance, reduced environmental impact and social equity.

Total number of awareness programmes held	Topics/ Principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness program
Nil	Nil	Nil

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same. Yes**

Our Code of Conduct for the Board Members clarifies that Directors and Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company. Any incident of conflict, about a Board Member's or senior management personnel's actual or potential conflict of interest with the Company should be brought promptly to the attention of the Chairman of the Board, who will review the case and determine a proper course of action. Further, our policy mandates that Directors or senior management personnel who may be involved in any conflict or potential conflict situation shall exclude themselves from any discussion or decision in relation thereto. If any related party transaction is unavoidable, it must be fully disclosed to the board of the Company.





Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

- Not Applicable as our company is being engaged in retail trading of textile goods only

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	NA	NA	NA
Capex	NA	NA	NA

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

- b. If yes, what percentage of inputs were sourced sustainably?**

The Company has a specific procedure which is followed before collaborating with any business partners/ associates. Our team visits their facilities to assess and evaluate them on health and safety parameters. The Company aims to reduce its fuel consumption in transportation by operating through common distribution centres in vicinity of our store locations, wherever feasible.

We continuously strive to select the goods which have less impact on the environment. However, based on market trends we are trying to select the goods that are consumed as per the market requirements in sustainability manner.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company places greater importance on cutting down its consumption of non eco-friendly items and working towards a sustainable value chain.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Since the Company Business involved in Trading of textile goods, Extended Producer Responsibility (EPR) as such is not applicable to the Company.

### Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? Not Applicable as our company is engaged in retail trading of textile goods.**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable as our company is not involved in manufacturing and only trades in textile goods.

Name of Product / Service	Description of the risk / concern	Action Taken
NA	NA	NA
NA	NA	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
NIL	NIL	NIL

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	NIL	NIL	NIL	NIL
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	NIL	NIL	NIL	NIL
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil



**PRINCIPLE 3**

Businesses should respect and promote the well-being of all employees, including those in their value chains

### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	3524	2488	71%	2488	71%	-	-	-	-	-	-
-	1900	1309	69%	1309	69%	-	-	-	-	-	-
<b>Total</b>	<b>5424</b>	<b>3797</b>	<b>70%</b>	<b>3797</b>	<b>70%</b>	-	-	-	-	-	-



**Details of measures for the well-being of workers: NA**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Other than Permanent workers</b>											
Male	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**Details of retirement benefits, for Current FY and Previous Financial Year**

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	62%	NA	Yes	44%	NA	Yes
Gratuity	100%	NA	-	100%	---	Yes
ESI	70%	NA	Yes	38%	---	---
Others Please specify	Nil	Nil	Nil	Nil	Nil	Nil

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The company stores, warehouses and offices have been equipped with elevators and hand rails to facilitate movement of differently abled people.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes we have a policy : [https://sskl.co.in/wp-content/uploads/2024/08/SSKL\\_Human-Rights-and-EOE\\_V1-final.pdf](https://sskl.co.in/wp-content/uploads/2024/08/SSKL_Human-Rights-and-EOE_V1-final.pdf)

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Not Applicable since no employees was on parental/maternity leave.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism)
Permanent Workers	Not Applicable
Other than Permanent Workers	Not Applicable
Permanent Employees	Yes, SSKL provides employees and workers with multiple avenues to voice their grievances and concerns. Apart from the Prevention of Sexual Harassment (POSH) committee and the Whistle Blower platform, employees have access to various forums such as Business HR intervention, team meetings, quarterly business updates, and sessions with the Managing Director to raise grievances and provide suggestions. The redressal mechanism employed by SSKL encompasses several key elements to ensure a fair and effective resolution.
Other than Permanent Employees	

	Yes/No (If Yes, then give details of the mechanism)
	<p><b>These elements include:</b></p> <ul style="list-style-type: none"> <li>Detailed discussion: The concerned individual engages in thorough discussions to understand the specifics and complexities of the grievance, facilitating a transparent exchange of information.</li> <li>Investigation and assessment: The issue undergoes a comprehensive investigation and evaluation process, which may include gathering evidence, interviewing relevant parties, and analysing the situation from multiple perspectives to ensure an equitable assessment.</li> <li>Corrective actions: Following the investigation, appropriate corrective actions are implemented. These measures are designed to address the identified issues, rectify any misconduct, and prevent recurrence of similar incidents.</li> </ul> <p>Through the implementation of this grievance redressal mechanism, SSKL underscores its commitment to fostering a supportive and inclusive work environment where employees are encouraged to voice concerns freely.</p>

**7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:** Not Applicable

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA

**8. Details of training given to employees and workers:**

Category	Current Financial Year (FY 2023-24)					Previous Financial Year (2022-23)				
	Total (A)	Health and Safety Measures		Skill Upgradation		Total (D)	Health and Safety Measures		Skill Upgradation	
		B	B/A	C	C/A		E	E/D	F	F/D
Male	3524	2110	60%	2678	76%	3406	1362	40%	2384	70%
Female	1900	1140	60%	1577	83%	1834	880	48%	1339	73%
<b>Total</b>	<b>5424</b>	<b>3250</b>	<b>60%</b>	<b>4255</b>	<b>78%</b>	<b>5240</b>	<b>2243</b>	<b>43%</b>	<b>3723</b>	<b>71%</b>

**9. Details of performance and career development reviews of employees and worker:**

	Current Financial Year (2023-24)			Previous Financial Year (2022-23)		
	Total (A)	No. (B)	B/A %	Total (C)	No. (D)	C/D %
Male	3524	1894	54%	3406	275	8%
Female	1900	867	46%	1834	123	7%
	5424	2761	51%	5240	397	8%

**10. Health and safety management system:**

- a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?**

The workplace of the organization does not use high end machinery or hazardous chemicals to warrant health and safety risk. However, The Store In charge and Managers are constantly trained to monitor any risks like fire, flooding, electricity etc.,

- b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Inhouse administration team monitors the status of the Air Conditioners, Electricity Boards, Annual Maintenance Contracts to evaluate the risk factors. Based on the feedback from the internal audit committee, the modifications are made to the workplace.



**C. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Not Applicable (since our company is not involved in manufacturing activities).

**D. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) – YES**

**11. Details of safety related incidents, in the following format**

Safety Incident/Number	Category	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace**

Yes. Our Company is committed to provide safe and healthy working conditions for all employees. We have implemented a strong process for safe and healthy working environment supported by written Standard Operating Procedures (SOP). These SOP provide guardrails within which all employees operate to ensure the complete safety of all customers, employees and assets at all our premises.

**13. Number of Complaints on the following made by employees and workers**

	Current Financial Year (2023-24)			Previous Financial Year (2022-23)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	-	-	Nil	-	-
Health & Safety	Nil	-	-	Nil	-	-

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Nil

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

No health and safety incidents have been reported. Therefore, no corrective action plans have been arrived at. Given the situation post Pandemic, certain preventive measures have been initiated like mandatory availability of masks, hand gloves and hand sanitizers. Limiting the number of employees per floor to maintain Social Distancing has also been initiated.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

The employees are given comprehensive coverage in the ESI and PF but the organization has a humanitarian approach to such cases where we compensate the employee / survivors adequately. Employing the survivor in a suitable job within the organization on compassionate grounds is also considered based on the interest of the family.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. - The Company expects its value chain partners to uphold business responsibility principles and values of transparency and accountability. Business agreements with critical service providers also mandate all partners to comply with all the statutory laws, Regulations and rules made thereunder.**

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the Company has a policy where eligible employees can be offered suitable work with the Company post their retirement. This helps retiring employees and the Company to further leverage the long-term experience and skill sets of employees.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Critical observations from our internal / external reviews are followed up for closure / corrections in a time bound manner.



## PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company identifies stakeholder groups through defined internal processes which include discussions with key functions and the Top Management to understand individuals, entities and groups that impact the Company or get impacted by our business operations. Using this approach the Company has identified and mapped all its key internal and external stakeholders and same are mentioned below:

- Customers
- Employees
- Shareholders
- Business Partners/ Associates
- Regulatory Authorities/ Bodies



**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channel of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, community meetings, Notice Board website), other	Frequency of engagement (Annual, Half yearly, Quarterly/ others) Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Advertisements, Website, In-Store Communication, Dedicated Customer Helpdesk at stores	Regular	<ul style="list-style-type: none"> <li>Information about offers and promotions</li> <li>Timely and efficient redressal of concerns</li> <li>Receipt of feedback on the sale services offered by the Company</li> </ul>
Employees	No	Email, Community Meetings, Website, Conference Calls.	Regular	<ul style="list-style-type: none"> <li>Training &amp; Development initiatives</li> <li>Safety and Well-being programmes</li> <li>Performance review and career development</li> <li>Employee recognition and engagement activities</li> <li>Policy changes</li> </ul>
Shareholders	No	Email, Annual General Meeting, Press Releases, Analyst / Investor Meetings, Statutory Electronic and Physical Correspondence	Need based / as per statutory requirements	<p>To appraise periodically on Company Performance</p> <ul style="list-style-type: none"> <li>To answer queries of investors on operations of the Company and other secretarial matters</li> </ul>
Business Partners/ Associates	No	Business Partners/ Associates	Regular	<ul style="list-style-type: none"> <li>Supply of materials and services</li> <li>Assessing supplier performance and addressing any queries</li> <li>Understanding evolving industry trends and relevant best practices</li> <li>Undertaking discussion on Sustainability Parameters</li> </ul>
Regulatory Authorities/ Bodies	No	Electronic and Physical Correspondence, One-on-one meetings	As per statutory requirements	<ul style="list-style-type: none"> <li>Adherence to applicable laws and regulations</li> <li>Timely response to any information sought</li> </ul>

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company firmly believes in consistent engagement with its key stakeholders to ensure better communication of its performance and strategy. The executive directors are periodically updated on diverse topics which inter alia cover specific industry overview, customer service related updates, digital initiatives, Corporate Social Responsibility related projects/initiatives, financial performance, strategy etc. They are also given an overview of the regulatory regime including material regulatory developments, circulars and amendments by Securities & Exchange Board of India, Ministry of Corporate Affairs etc. and feedback is sought from them. Further, the Board of Directors communicates annually with shareholders through the Company's Annual Report and Annual General Meeting.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

The Company's vision envisages it to continuously investigate, identify and make available new products / categories for the customer's everyday use and at the 'best' value than anybody else. We regularly interact with several Service and Technology Companies in the areas of Sustainability (Energy Conservation, Water Conservation, Sustainable Products & Building Materials and Transporters). Over the years, this has resulted in various initiatives being put in place towards better environmental, social and governance practices.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

We are committed to being transparent with all our stakeholders. We engage with them periodically and responsibly on diverse issues.

Each of our stakeholders has an option to register any grievance / complaint through the “Contact us” section of our website. In addition, they can also register their grievance / complaint through a central helpline number, email and post. Customers have an additional option of raising grievances / complaints through a Digital Kiosk and a Register of complaints at our stores. Through a formal mechanism, we address each grievance / complaint. Due care is taken to maintain complete confidentiality of all grievances /complaints. Our Senior Management Team is directly involved in all critical issues. They also periodically review feedback and suggest corrective actions in our internal processes, where required.



## Businesses should respect and promote human rights

### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	5424	2928	54%	5240	2201	42%
Other than permanent	0	0	0	0	0	0
<b>Total Employees</b>	<b>5424</b>			<b>5240</b>		
<b>Workers</b>						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
<b>Total Workers</b>		<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

#### 2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 Current Financial Year					FY 2022-23 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>	5424	0	0%	5424	100%	5240	0	0%	5240	100%
Male	3524	0	0%	3524	100%	3406	0	0%	3406	100%
Female	1900	0	0%	1900	100%	1834	0	0%	1834	100%
<b>Other than Permanent</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Workers</b>										
<b>Permanent</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Other than Permanent</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



### 3. Details of remuneration/salary/wages, in the following format

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	19900000	0	0
Key Managerial Personnel	6	4650000	0	0
Employees other than BoD and KMP	3524	16500	1900	11500
Workers			NA	

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) - YES

The Internal committees are set up to review the occurrence and impact of Human Rights violations from time to time. The team constitutes key management personnel, functional heads, Human Resources and Legal Team. The team evaluates the issue objectively and advises the management on the process and mechanism to handle such situations.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Internal Complaints Committee (ICCs) has been constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to hear and redress complaints of sexual harassment.

The Company also has a Whistle Blower Policy in place where the employees are free to report any malpractices to the Company.

The Company also has a Code of Conduct in place to ensure that issues can be addressed as and when they arise with utmost attention and detail.

### 6. Number of Complaints on the following made by employees and workers.

	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human Rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

### 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Whistle Blower Policy provides sufficient safeguards for his/her protection wherein the identity of the whistle blower is kept confidential and employee assisting the investigation is also protected to the same extent as whistle blower.

### 8. Do human rights requirements form part of your business agreements and contracts?

(Yes/No)

Yes, the Company ensures that it complies with the applicable laws and the same are incorporated in the business agreements and contracts.

### 9. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Company has implemented mechanisms through relevant policies, internal checks & audits and reviews to avoid instances of human rights violations.
Forced / involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others, please specify	

**2. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No significant risks / concerns were found during the year.

### Leadership Indicators

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

There were no grievances/ complaints received with respect to Human Rights, hence the need of modification of business process did not arise.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

This aspect is being covered as part of the internal reviews and audits.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, The company stores, warehouses and offices have been equipped with elevators and hand rails (for stairwells) to facilitate the movement of differently abled people.

**4. Details on assessment of value chain partners:**

	% of your value chain partners that were assessed (by entity or statutory authorities or third parties)
Child labour	We have carried out random assessment of our vendors across merchandise and services through internal reviews to provide us assurance on continued compliance on these parameters.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Other, please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

All critical observations from our internal / external reviews are followed up for closure / corrections in a time bound manner.



Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

**1. Details of total energy consumption (in Units/ Liters) and energy intensity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total electricity consumption (A)	16,676,107 units	17,503,394 units
Total fuel consumption (B)	63,861 Litres	80,903 Litres
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	16739968	17584297
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	198340488.5	228221846.6
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	6,211.275	5,343.1
(ii) Groundwater	10,950	5,475
(iii) Third party water	6,149.214	5,675
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	23310.489	16493.1
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)	5,459,969	5,175,776
Water intensity (optional) – the relevant metric may be selected by the entity		

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. Not applicable
5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format: Not applicable

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	NA	NA	NA
SOx	NA	NA	NA
Particulate matter (PM)	NA	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	NA	NA
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		NA	NA
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity		NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No



**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	171 MT	139 MT
E-waste (B)	0.5 MT	0.4 MT
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>171.05 MT</b>	<b>139.04 MT</b>

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Waste Management is one of the most critical processes that we have established in the organisation. We have a space to keep the cartons and plastic scrap. This is segregated at the store level. Our company do not dealt with hazardous and toxic chemicals in our stores and warehouses

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: Not applicable.**

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons there of and corrective action taken, if any.
	NA	NA	NA
	NA	NA	NA

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: Not applicable**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA	NA	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

The Company is adheres with the applicable environmental law / regulations / guidelines in India as applicable to the extent from time to time. There are no non-compliances has been made by the company under the above specified laws.

S. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA

### Leadership Indicators

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>-</b>	<b>-</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	0	0
Total fuel consumption (E)	0	0
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>0</b>	<b>0</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**2. Provide the following details related to water discharged:.**

Water consumption at our premises is primarily for drinking, personal hygiene and general cleaning purposes. Excess waste water is discharged through local sewage systems

Parameter	FY 2022-23 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>-</b>	<b>-</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No.

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Water consumption at our premises is primarily for drinking, personal hygiene and general cleaning purposes. Excess waste water is discharged through local sewage systems.

Parameter	FY 2022-23 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	-	-
-No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format: Not applicable**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NA	NA
<b>Total Scope 3 emissions per rupee of turnover</b>		NA	NA
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity		NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.



5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. Not applicable
6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format: Nil

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
NA	NA	NA	NA

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.  
No
8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.  
We regularly interact with our vendors to facilitate discussions on integrating environmentally friendly measures in their business processes. Further, we also encourage our large vendors to focus on products that are economically viable and environmentally sustainable.
9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.  
For select critical vendors we undertake internal reviews



Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. a. Number of affiliations with trade and industry chambers/ associations.  
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	RETAILERS ASSOCIATION OF INDIA (RAI)	National

Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities

Name of the Authority	Brief of the Case	Corrective Action taken
No Issues Reported	No Issues Reported	No Issues Reported

### Leadership Indicators

1. Details of public policy positions advocated by the entity

S. No	Public Policy Advocated	Method resorted for Advocacy	Whether information available in public domain (Yes/No)	Frequency of Review by Board (Annually/ Half yearly / Quarterly / Others – please specify)	Web Link, if available
	NIL	NIL	NIL	NIL	NIL



## Businesses should promote inclusive growth and equitable development

### Essential Indicators

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

During the Financial year, the Company has not undertaken any project which would require Social Impact Assessments (SIA).

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format**

Not Applicable

**3. Describe the mechanisms to receive and redress grievances of the community.**

We have provided a platform through our website and at stores where all stakeholders can directly share any feedback. This feedback can be shared anonymously and is accessed directly by a small team at the Corporate Office. Key points / issues / suggestions are directly shared with the Management Team to further direct appropriate changes in line with our culture and values

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers: our company does not involve in manufacturing activities.**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	-	-
Sourced directly from within the district and neighbouring districts	-	-

### Leadership Indicators

a. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): **Not Applicable.**

b. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: **Nil**

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

(b) From which marginalized /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

Our endeavour is to nurture local products and local businesses so that they too can compete with minimal costs to launch their products. Local suppliers/ vendors are evaluated based on the quality parameters set by the Company. . All merchandise vendors can walk-in on a designated day at our Corporate Office to meet our merchandise team. This allows an equal opportunity to all vendors to showcase their product and where feasible sell their products through our stores. Our procurement principles for introducing new vendors / products equally apply to marginalised and vulnerable groups.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Nil

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved**

Nil

**6. Details of beneficiaries of CSR Projects:**

Details of the above is available on page 76 of the Annual Report



Businesses should engage with and provide value to their consumers in a responsible manner

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Customer satisfaction is one of the key objectives of our business operations. Our store personnel interact with customers frequently to understand their experience and take feedback on our services. This helps us to improve our service quality and enhance customer satisfaction. We also encourage our customers to share their valuable feedback with us and have made available several channels which they can use to reach us.

**Some of those are:**

- Customer Care Kiosk at each store
- Feedback section of our corporate website
- Central customer care helpline number
- Electronic mail

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage of total turnover
Environmental and social parameters relevant to the product	Nil
Safe and responsible usage	Nil
Recycling and/or safe disposal	Nil

**3. Number of consumer complaints in respect of the following**

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential Services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Company has a policy on cyber security and risks related to data privacy  
<https://sskl.co.in/wp-content/uploads/2024/08/Cyber-security-data-privacy-policyV1-final.pdf>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

NIL



## Leadership Indicators

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Details of all our services is available on our website: [www.sskl.co.in](http://www.sskl.co.in)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

SSKL is in the business retailing products to customers through a network of stores across 4 states. Majority of the products are procured from reputed third party vendor/ manufacturers/ distributors which are directly sold to the customer. We constantly engage with our entire vendor ecosystem. and we seek to ensure that all our vendors adhere to appropriate labeling indicating content, safety, usage and handling and any other statutory information with respect to the products which we sell. We have a formal mechanism to inform customers on usage of services offered. Continuous and contextual communication across the customer lifecycle through - company website, communication boards at all our stores and social media page have helped us to educate and create awareness amongst our customers and society at large.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

We have the ability to inform our customers of any risk of disruption / discontinuation of services through our website, social media page and notice / communication boards at all our stores.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

SSKL is in the business retailing products to customers through a network of 60 stores across 4 states. Majority of the products are procured from reputed third party vendor/ manufacturers/ distributors. We constantly engage with our entire vendor ecosystem and we seek to ensure that all our vendors adhere to appropriate labeling indicating content, safety, usage and handling and any other statutory information with respect to the products which we sell. Customer satisfaction is one of the key objectives of our business operations. Our store personnel interact with customers frequently to understand their experience and take feedback on our services. This helps us to improve our service quality and enhance customer satisfaction. We also encourage our customers to share their valuable feedback with us and have made available several channels which they can use to reach us.

**Some of those are:**

- a. Customer Care Kiosk at each store
- c. Central customer care helpline number
- d. Electronic mail

**5. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact: **Nil**
- b. Percentage of data breaches involving personally identifiable information of customers: **NIL**

## Annexure – IX

### 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](mailto: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

## Annexure - X

### 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.

Role	Responsibility
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.



Role	Responsibility
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

## Annexure - XI

### 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 measurable 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

## Annexure-XII

### 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, 2024, 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, 2024, and its profit, other comprehensive income, 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 independence 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 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><b>Inventories valuation and existence:</b></p> <p>(Refer Note 2(o) and 8 to the standalone financial statements)</p> <p>The Company has Inventories of Rs. 723.22 Crores as at March 31, 2024 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><b>Our procedures included, but was not limited to the following:</b></p> <ul style="list-style-type: none"> <li>Obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation and existence.</li> <li>Observed the physical verification of inventories count at the financial year end and assessed the adequacy of controls over the existence of inventories.</li> <li>Obtained assurance over the appropriateness of management's</li> <li>assumptions applied in calculating the gross profit margin and discounts to be deducted from sales price to arrive at cost of goods.</li> <li>Evaluated management judgment with regards to the application of provisions to the inventories.</li> </ul> <p><b>Our Conclusion:</b></p> <p>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:

- i. 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.
- ii. Note no.38,39 of Notes forming part of accounts for the period ended 31st March 2024 which describes balance of trade receivables and trade payables are subject to confirmation/reconciliation and consequential adjustment, if any.

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 Board of Directors is responsible for the preparation of 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. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

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

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

When we read those documents including Annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with the governance.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is 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 Management 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 management 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 standalone 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 judgement 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 the 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.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and the Statement of Cash Flow

dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 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 with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure -A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control with reference to the Standalone financial statements.
- 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. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31st March 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- f. 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. D. Manohar**  
Partner  
Membership No.029644  
UDIN:

Place: Hyderabad  
Date: 24.05.2024

## “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, 2024 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, 2024, 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. D. Manohar**  
Partner

Place: Hyderabad  
Date: 24.05.2024

Membership No.029644  
UDIN:



## “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 generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment including details of Right of Use Assets covered under Ind AS 116 “Lease”.
- (B) The Company has generally 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. Accordingly, the provisions of the Clause 3 (i) (d) of the Order are not applicable.
- (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 material 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 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 2024.
- (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 2024.
- 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 in relation to loans given and investments made.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits in accordance with the provisions of the Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. 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) According to the information and explanation given to us and on the basis of our examination of the records of 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 2024 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 no 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 no subsidiaries as defined under the Companies Act, 2013. Accordingly, Clause 3(ix) (f) of the order is not applicable.
- (x) (a) During the year under review, the Company has raised moneys by way of initial public offer. The moneys raised were applied for the purposes for which those are raised.
- (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) According to the information and explanations given to us, no whistle blower complaints have been received by the Company during the year under review.
- (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 for the year 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

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 Core Investment Company, 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. Accordingly, provisions of Clause 3 (xvii) of the Order are not applicable.
- (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, the Company has spent the amount required as per Section 135 (5) of the Companies Act, 2013 during the financial year. Accordingly, Clauses 3(xx)(a) and 3(xx)(b) are not applicable to the Company.

The Company has no subsidiaries as on 31st March 2024. As such Clause 3(xxii) of the order is not applicable.

For **Sagar & Associates**  
Chartered Accountants  
Firm's Registration No: 003510S

**CA. D. Manohar**  
Partner

Place: Hyderabad  
Date: 24.05.2024

Membership No.029644  
UDIN:



# Balance Sheet

as at Mar 31, 2024

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

Particulars	Note No.	As at Mar 31, 2024	As at Mar 31, 2023
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	3	222.00	204.71
(b) Capital work-in-progress	3	2.27	(0.00)
(c) Other Intangible assets	4	3.32	5.47
(d) Right-of-use assets	5(a)	188.69	169.29
(e) Financial assets			
(i) Other financial assets	6	31.83	27.65
(f) Other non-current assets	7	18.45	8.61
		<b>466.56</b>	<b>415.73</b>
<b>2 Current assets</b>			
(a) Inventories	8	723.22	689.75
(b) Financial assets			
(i) Trade receivables	9	3.31	2.88
(ii) Cash and cash equivalents	10	44.27	4.61
(iii) Bank balances other than (ii) above	11	357.37	45.09
(iv) Loans	12	20.69	34.40
(v) Other financial assets	13	3.95	0.89
(c) Other current assets	14	22.27	27.10
		<b>1,175.08</b>	<b>804.72</b>
<b>Total Assets</b>		<b>1,641.64</b>	<b>1,220.45</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	15	29.47	24.06
(b) Other equity	16	1,033.47	373.27
		<b>1,062.94</b>	<b>397.33</b>
<b>2 Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	22.62	65.38
(ii) Lease liabilities	5(b)	192.29	166.38
(iii) Other financial liabilities	18	2.59	2.70
(b) Provisions	19	5.93	4.64
(c) Deferred tax liabilities (Net)	20	10.22	11.48
		<b>233.65</b>	<b>250.58</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	235.13	280.12
(ii) Lease liabilities	5(c)	14.19	14.04
(iii) Trade payables	22		
- Due to micro, small and medium enterprises		-	3.40
- Others		59.22	226.62
(iv) Other financial liabilities	23	29.13	31.81
(b) Other current liabilities	24	6.28	3.81
(c) Provisions	25	0.72	0.54
(d) Current tax liabilities (Net)	26	0.38	12.20
		<b>345.05</b>	<b>572.54</b>
<b>Total equity and liabilities</b>		<b>1,641.64</b>	<b>1,220.45</b>
<b>Corporate information and Material Accounting policies 1 &amp; 2</b>			

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. D. Manohar**  
 Partner  
 Membership No. 029644  
 F. No. 003510S

 Place: Hyderabad  
 Date: May 24, 2024  
 UDIN: 24029644BKDHU7510

For and on behalf of the board

**Sd/-**  
**Ch.N.K.D.Prasad**  
 Managing Director  
 DIN : 01929166

**Sd/-**  
**K V L N Sarma**  
 Chief Financial Officer

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

**Sd/-**  
**M K Bhaskara Teja**  
 Company Secretary & Compliance Officer

# Statement of Profit and Loss

for the period ended Mar 31, 2024  
(All amounts are in INR Crores, except otherwise stated)

Particulars	Note No.	Year ended Mar 31, 2024	Year ended Mar 31, 2023
<b>INCOME</b>			
I Revenue from operations	27	1,373.55	1,351.47
II Other income	28	23.48	7.45
<b>III Total Income (I+II)</b>		<b>1,397.03</b>	<b>1,358.92</b>
<b>IV EXPENSES</b>			
(a) Purchases of stock-in-trade	29	848.56	1,035.61
(b) Changes in inventories	30	(33.89)	(212.99)
(c) Employee benefit expense	31	164.63	140.84
(d) Finance costs	32	52.87	45.41
(e) Depreciation and amortization expense	33	47.91	41.01
(f) Other expenses	34	182.27	175.47
<b>Total expenses (IV)</b>		<b>1,262.35</b>	<b>1,225.35</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>134.68</b>	<b>133.57</b>
VI Exceptional Items		-	-
<b>VII Profit before tax (V-VI)</b>		<b>134.68</b>	<b>133.57</b>
VIII Tax expense:		33.81	35.98
(a) Current Tax		36.29	36.82
(b) Deferred Tax	20	(1.29)	(0.98)
(c) Short/ (Excess) provision of earlier years		(1.19)	0.14
<b>IX Profit for the year (VII-VIII)</b>		<b>100.87</b>	<b>97.59</b>
<b>X Other Comprehensive Income</b>			
A) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans	43(f)	0.11	(1.23)
b) Income tax relating to Items that will not be reclassified to profit or loss	20	(0.03)	0.31
<b>Other comprehensive income for the year, net of tax</b>		<b>0.08</b>	<b>(0.92)</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>100.95</b>	<b>96.67</b>
XII Earnings per equity share	35		
(a) Basic earnings per share of ₹ 2/- each		7.51	8.11
(b) Diluted earnings per share of ₹ 2/- each		7.51	8.11
<b>Corporate information and Material Accounting policies 1 &amp; 2</b>	0		

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. D. Manohar**  
Partner  
Membership No. 029644  
F. No. 003510S

Place: Hyderabad  
Date: May 24, 2024  
UDIN: 24029644BKDHU7510

For and on behalf of the board

**Sd/-**  
**Ch.N.K.D.Prasad**  
Managing Director  
DIN : 01929166

**Sd/-**  
**K V L N Sarma**  
Chief Financial Officer

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

**Sd/-**  
**M K Bhaskara Teja**  
Company Secretary & Compliance Officer

# Statement of Cash Flows

for the period ended Mar 31, 2024  
 (All amounts are in INR Crores, except otherwise stated)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
<b>A) Cash Flows from Operating Activities</b>		
Net profit before tax and exceptional items	134.68	133.57
Adjustments for :		
Amortisation of Right to use asset	24.11	20.28
Unwinding of discount on security deposits (net)	16.72	13.88
Actuarial gain / loss	0.11	(1.23)
Depreciation on property, plant and equipment	21.66	18.58
Impairment loss on windmill (refer note 3(iv))	-	-
Amortisation on intangible assets	2.14	2.15
Unrealized foreign exchange (gain)/ loss	0.03	0.19
(Profit)/ Loss on sale of Property, Plant and Equipment	(0.02)	(0.01)
Other Income	(5.09)	(5.00)
Interest expense	51.83	43.21
Interest income	(16.56)	(1.66)
<b>Operating profit before working capital changes</b>	<b>229.61</b>	<b>223.96</b>
Adjustments for working capital changes in :		
Inventories	(33.47)	(213.32)
Trade Receivables	(0.42)	(0.99)
Other current financial and non financial asset	15.48	(26.98)
Trade payables	(170.80)	100.90
Other current liabilities	2.47	1.38
Other financial liabilities	(3.28)	6.44
Other financial and non-financial non-current assets	(15.48)	(8.20)
Long-term provisions	1.29	2.12
Other non-current financial liabilities	(0.11)	1.58
Short term provisions	0.18	0.29
<b>Cash generated from operations</b>	<b>25.47</b>	<b>87.18</b>
Income tax paid	(46.93)	(45.95)
Cash Flow Before Exceptional items	(21.46)	41.23
Extra Ordinary Items	-	-
<b>Net Cash generated from/(used in) operating activities</b>	<b>(21.46)</b>	<b>41.23</b>
<b>B) Cash flows from Investing Activities</b>		
Sale/ (Purchase) of Property, Plant and Equipment/CWIP (incl. capital advances)	(41.20)	(60.11)
(Increase)/ Decrease in Deposits	(312.28)	(6.69)
Interest income	16.56	1.66
Other income	5.09	5.00
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>(331.83)</b>	<b>(60.14)</b>



# Statement of Cash Flows

for the period ended Mar 31, 2024  
(All amounts are in INR Crores, except otherwise stated)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
<b>C) Cash flows from Financing Activities</b>		
Proceeds from issue of Share Capital/ Share Application Money	564.66	-
Proceeds/ (repayment) from or of Long-term borrowings	(42.76)	16.72
Increase/ (Decrease) in Short-term borrowings	(44.99)	68.29
Increase/ (Decrease) in Payable to IPO Exp / Selling Share Holders	0.60	-
Prinicipal payment of lease liability	(32.71)	(26.78)
Interest paid and effect of foreign exchange	(51.85)	(43.33)
<b>Net Cash Flow from/(used in) Financing Activities</b>	<b>392.95</b>	<b>14.90</b>
<b>Net change in cash and cash equivalents (A + B + C)</b>	<b>39.66</b>	<b>(4.01)</b>
Cash and Cash equivalents at the beginning of the year	4.61	8.62
<b>Cash and Cash equivalents at the end of the year (refer note 10)</b>	<b>44.27</b>	<b>4.61</b>

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. D. Manohar**  
Partner  
Membership No. 029644  
F. No. 003510S

Place: Hyderabad  
Date: May 24, 2024  
UDIN: 24029644BKDH7510

For and on behalf of the board

**Sd/-**  
**Ch.N.K.D.Prasad**  
Managing Director  
DIN : 01929166

**Sd/-**  
**K V L N Sarma**  
Chief Financial Officer

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

**Sd/-**  
**M K Bhaskara Teja**  
Company Secretary & Compliance Officer

# Statement of Changes in Equity

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

## a. Equity share capital

Particulars	Notes	Amount
<b>Balance as at March 31, 2022</b>	15	<b>24.06</b>
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		1.20
Treasury Stock*		(1.20)
<b>Balance as at March 31, 2023</b>	15	<b>24.06</b>
Balance as at March 31, 2023 (Incl. Treasury Stock)		<b>25.26</b>
Changes in equity share capital due to prior period errors		-
Restated balance as at April 01, 2023		-
Changes in equity share capital during the period		5.41
Treasury Stock*		(1.20)
<b>Balance as at Mar 31, 2024</b>	15	<b>29.47</b>

## b. Other equity

Particulars	Notes	Reserves and surplus		Total Equity
		Securities premium	Retained Earnings	
<b>Balance as at March 31, 2023</b>	16	<b>34.36</b>	<b>338.91</b>	<b>373.27</b>
Profit for the year (Net)		-	100.87	100.87
Issue of equity shares		594.59	-	594.59
Other comprehensive income for the year		-	0.08	0.08
Provision for IPO Expenses		(35.34)	-	(35.34)
Treasury Stock*		-	-	-
<b>Balance as at Mar 31, 2024</b>	16	<b>593.61</b>	<b>439.86</b>	<b>1,033.47</b>

\* Refer to point no.(w) of Note no.2 (Summary of Material Accounting policies)

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. D. Manohar**

Partner

Membership No. 029644

F. No. 003510S

Place: Hyderabad

Date: May 24, 2024

UDIN: 24029644BKDHU7510

For and on behalf of the board

Sd/-

**Ch.N.K.D.Prasad**

Managing Director

DIN : 01929166

Sd/-

**K V L N Sarma**

Chief Financial Officer

Sd/-

**Annam Kalyan Srinivas**

Whole Time Director

DIN : 02428313

Sd/-

**M K Bhaskara Teja**

Company Secretary & Compliance Officer

# Material 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 L52190TG2008PLC059968. 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 Material Accounting policies

This note provides a list of the Material 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 period ended Mar 31, 2024.

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, 2023.

### (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.

### (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



## Material Accounting Policies

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.

**(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 (Non Cancellable) 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.

**(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

## Material Accounting Policies

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.

### (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.

### (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 10 years. The estimated useful life of the intangible

## Material Accounting Policies

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 the procurement cost 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.

### (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 included in the "Other income" line item.

- 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



## Material Accounting Policies

- 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.
- 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.

### (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

## Material Accounting Policies

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 EmployeesTrust" for providing share based payments to its employees. The company uses SSKL EmployeesTrust 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 allocatting 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.

### (x) Basis for Accounting of invoices / Debit notes / Credit Notes towards procurement Goods / Services

We account the invoices / Debit notes / Credit Notes only after acceptance of the received goods / services related to that respective invoices / Debit notes / Credit Notes. And these goods becomes forming part of our

# Notes to Financial Information

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

## Note No. 3 Property, Plant and Equipment

Description of Asset	Buildings & Civil structures	Plant and Equipment	Furniture and Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount</b>							
As at 1 Apr, 2022	30.92	36.03	135.78	9.97	6.27	218.97	-
Additions	24.46	5.21	26.02	3.31	1.21	60.21	-
Disposals/adjustments	-	-	-	(0.56)	-	(0.56)	(0.00)
<b>Closing Gross Carrying Amount (C)</b>	<b>55.38</b>	<b>41.24</b>	<b>161.80</b>	<b>12.72</b>	<b>7.48</b>	<b>278.62</b>	<b>(0.00)</b>
<b>Accumulated Depreciation and Impairment</b>							
Opening accumulated depreciation	2.52	8.30	37.89	3.06	4.04	55.805	-
Depreciation charge for the year	0.64	2.49	12.83	1.55	1.06	18.580	-
Disposals/adjustments/Impairment	-	-	-	(0.47)	-	(0.47)	-
<b>Closing Accumulated Depreciation and Impairment as at Mar 31, 2023 (D)</b>	<b>3.16</b>	<b>10.79</b>	<b>50.72</b>	<b>4.14</b>	<b>5.10</b>	<b>73.91</b>	<b>-</b>
<b>Net Carrying Amount as at Mar 31, 2023 (C-D)</b>	<b>52.22</b>	<b>30.45</b>	<b>111.08</b>	<b>8.58</b>	<b>2.38</b>	<b>204.71</b>	<b>(0.00)</b>

Description of Asset	Buildings & Civil structures	Plant and Equipment	Furniture and Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount</b>							
As at 1 Apr, 2023	55.38	41.24	161.79	12.73	7.48	278.62	(0.00)
Additions	10.35	3.42	19.38	2.52	3.29	38.96	2.27
Disposals/adjustments	-	-	-	(0.16)	-	(0.16)	-
<b>Closing Gross Carrying Amount (C)</b>	<b>65.73</b>	<b>44.66</b>	<b>181.177</b>	<b>15.09</b>	<b>10.77</b>	<b>317.42</b>	<b>2.27</b>
<b>Accumulated Depreciation and Impairment</b>							
Opening accumulated depreciation	3.16	10.79	50.72	4.14	5.10	73.91	-
Depreciation charge for the year	0.93	2.74	14.56	1.79	1.64	21.66	-
Disposals/adjustments/Impairment	-	-	-	(0.15)	-	(0.15)	-
<b>Closing Accumulated Depreciation and Impairment as at Mar 31, 2024 (D)</b>	<b>4.09</b>	<b>13.53</b>	<b>65.285</b>	<b>5.78</b>	<b>6.74</b>	<b>95.42</b>	<b>-</b>
<b>Net Carrying Amount as at Mar 31, 2024 (C-D)</b>	<b>61.64</b>	<b>31.13</b>	<b>115.89</b>	<b>9.31</b>	<b>4.03</b>	<b>222.00</b>	<b>2.27</b>

### (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) 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.



# Notes to Financial Information

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

## Note No. 4 Other Intangible assets

Description of Asset	Software	Brands	Total
<b>Gross Carrying Amount</b>			
As at 1 Apr, 2022	0.68	15.71	16.39
Additions	-	-	-
Disposals/adjustments	-	-	-
<b>Closing Gross Carrying Amount (C)</b>	<b>0.68</b>	<b>15.71</b>	<b>16.39</b>
<b>Accumulated Depreciation and Impairment</b>			
Opening accumulated depreciation	0.42	8.35	8.77
Depreciation charge for the year	0.06	2.09	2.15
Disposals/adjustments/Impairment	-	-	-
<b>Closing Accumulated Depreciation and Impairment as at Mar 31, 2023 (D)</b>	<b>0.48</b>	<b>10.44</b>	<b>10.92</b>
<b>Net Carrying Amount as at Mar 31, 2023 (C-D)</b>	<b>0.20</b>	<b>5.27</b>	<b>5.47</b>

Description of Asset	Software	Brands	Total
<b>Gross Carrying Amount</b>			
As at 1 Apr, 2023	0.68	15.71	16.39
Additions	-	-	-
Disposals/adjustments	-	-	-
<b>Closing Gross Carrying Amount (C)</b>	<b>0.68</b>	<b>15.71</b>	<b>16.39</b>
<b>Accumulated Depreciation and Impairment</b>			
Opening accumulated depreciation	0.48	10.44	10.92
Depreciation charge for the year	0.05	2.09	2.14
Disposals/adjustments/Impairment	-	-	-
<b>Closing Accumulated Depreciation and Impairment as at Mar 31, 2024 (D)</b>	<b>0.53</b>	<b>12.538</b>	<b>13.07</b>
<b>Net Carrying Amount as at Mar 31, 2024 (C-D)</b>	<b>0.15</b>	<b>3.17</b>	<b>3.32</b>

## 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 Mar 31, 2024	As at Mar 31, 2023
Opening Balance	169.29	78.40
Transition to Ind AS 116	-	-
Additions during the year / period	41.50	111.17
Impact on lease termination	-	-
Impact on lease modification	2.01	-
Amortised during the year / period	(24.11)	(20.28)
<b>Total</b>	<b>188.69</b>	<b>169.29</b>

# Notes to Financial Information

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

## Note No. 5 Leases (Contd..)

### (b) Lease liabilities

The following are the movement in lease liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Opening Balance	180.42	86.64
Additions	39.10	105.90
Modifications	1.14	-
Deletions	-	-
Interest	18.53	14.66
Lease payments	(32.71)	(26.78)
<b>Closing balance</b>	<b>206.48</b>	<b>180.42</b>
Non-current lease liabilities	192.29	166.38

### (c) Current lease liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Current lease liabilities	14.19	14.04
<b>Total</b>	<b>14.19</b>	<b>14.04</b>

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

## Note No. 6 Other financial assets

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) Rental deposits - at amortised cost - refer note (1) below	31.83	27.64
(b) Advances to Employee Trust*	-	0.01
<b>Total</b>	<b>31.83</b>	<b>27.65</b>

(1) The company has paid an amount of INR 3.00 crores 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 Material Accounting policies)

## Note No. 7 Other non-current assets

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) Advances for purchase of property, plant and equipment	15.93	6.40
(b) Deposits with govt. authorities	2.47	2.17
(c) Other deposits	0.05	0.04
<b>Total</b>	<b>18.45</b>	<b>8.61</b>

# Notes to Financial Information

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

## Note No. 8 Inventories

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) Stock in trade	723.04	689.15
(b) Packing material and others	0.18	0.60
<b>Total</b>	<b>723.22</b>	<b>689.75</b>

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 Mar 31, 2024	As at Mar 31, 2023
Considered good - Unsecured	3.31	2.88
<b>Total</b>	<b>3.31</b>	<b>2.88</b>

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.

## Note No. 10 Cash and cash equivalents

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) Balance with banks		
- In Current Accounts	30.47	0.10
- In Deposit Accounts (with maturity of less than 3 months)	-	-
(b) Cash on hand	7.81	2.63
(c) Others - Card Swiping receivables	5.99	1.88
<b>Total</b>	<b>44.27</b>	<b>4.61</b>

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

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Fixed deposits (includes FDs held as margin money against borrowings as specified in Note no.41) (maturity of less than 12 months from the balance sheet date)^	357.37	45.09
<b>Total</b>	<b>357.37</b>	<b>45.09</b>

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

## Note No. 12 Loans

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Employee loans - at amortised cost	20.69	34.40
<b>Total</b>	<b>20.69</b>	<b>34.40</b>
<b>Break-up of security details</b>		
Loans considered good – unsecured	20.69	34.40



# Notes to Financial Information

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

## Note No. 13 Other financial assets

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
[Unsecured, considered good]		
Interest accrued on FDs	0.44	0.60
Others		
- Deposits given to BSE	3.00	-
- Others	0.51	0.29
<b>Total</b>	<b>3.95</b>	<b>0.89</b>

## Note No. 14 Other current assets

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
<b>(a) Balances with statutory authorities</b>		
- Other taxes	6.74	9.68
<b>(b) Others</b>		
- Advances to Suppliers	14.13	8.35
- Prepaid Expenses	1.40	9.07
<b>Total</b>	<b>22.27</b>	<b>27.10</b>

## Note No. 15 Equity share capital

### (i) Authorised equity share capital

Particulars	Number of Shares	Amount
As at 31st Mar, 2022 @ Face Value of 10/- each	4,20,00,000	42.00
Movement during the year	-	-
<b>As at 31st Mar, 2023 @ Face Value of 2/- each</b>	<b>21,00,00,000</b>	<b>42.00</b>
As at 31st Mar, 2023 @ Face Value of 2/- each	21,00,00,000	42.00
Movement during the year	-	-
<b>As at 31st Mar, 2024 @ Face Value of 2/- each</b>	<b>21,00,00,000</b>	<b>42.00</b>

### (ii) Movement in paid-up equity share capital

Particulars	Number of Shares	Amount
As at 31st Mar, 2022 @ Face Value of 2/- each	12,03,22,940	24.06
Movement during the year @ Face Value of 2/- each	60,16,145	1.20
Treasury Stock*	(60,16,145)	(1.20)
<b>As at 31st Mar, 2023 @ Face Value of 2/- each</b>	<b>12,03,22,940</b>	<b>24.06</b>
As at 31st Mar, 2023 @ Face Value of 2/- each (Incl. Treasury Stock)	12,63,39,085	25.26
Movement during the year @ Face Value of 2/- each	2,70,27,027	5.41
Treasury Stock*	(60,16,145)	(1.20)
<b>As at 31st Mar, 2024 @ Face Value of 2/- each</b>	<b>14,73,49,967</b>	<b>29.47</b>

### Terms and Rights attached to Equity Shares

The Company has one class of equity shares having a par value of INR. 2/- 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 Material Accounting policies)

## Notes to Financial Information

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

### Note No. 15 Equity share capital (Contd..)

#### (iii) Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	For the year ended Mar 31, 2024		For the year ended Mar 31, 2023	
	Number of shares	% holding	Number of shares	% holding
Chalavadi Naga Kanaka Durga Prasad	5,05,66,160	32.97	5,69,75,505	45.10
SSKL Family Trust	2,46,53,850	16.08	2,46,53,850	19.51
Annam Kalyan Srinivas	87,50,000	5.71	1,50,96,975	11.95
Chalavadi Jhansi Rani	35,01,975	2.28	1,14,51,495	9.06
Chalavadi D K Durga Rao	57,78,955	3.77	64,35,250	5.09

#### (iv) Shares held by promoters

Name of the Promoter	% Share holding		
	As at Mar 31, 2024	As at March 31, 2023	% Change during the year
Chalavadi Naga Kanaka Durga Prasad	32.97	45.10	(12.13)
Chalavadi Jhansi Rani	2.28	9.06	(6.78)

#### (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:

Nil

### Note No. 16 Other equity

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) Securities premium (refer movement below)	593.61	34.36
(b) Retained Earnings including OCI (refer movement below)	439.86	338.91
	<b>1,033.47</b>	<b>373.27</b>

#### (a) Securities premium

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Opening Balance	34.36	34.36
Additions	594.59	12.03
Related to Treasury Stock*	-	(12.03)
Provision for IPO Expenses	(35.34)	-
<b>Closing Balance</b>	<b>593.61</b>	<b>34.36</b>

\* Refer to point no.(w) of Note no.2 (Summary of Material Accounting policies)

#### (b) Retained Earnings

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Opening Balance	338.91	242.24
Ind AS adjustments	-	-
Balance after above Ind AS adjustments	338.91	242.24
Net profit for the year	100.87	97.59
	<b>439.78</b>	<b>339.83</b>

# Notes to Financial Information

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

## Note No. 16 Other equity (Contd..)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
OCI on Gratuity and Leave Encashment	0.11	(1.23)
Deferred Tax on OCI portion	(0.03)	0.31
<b>Closing balance</b>	<b>439.86</b>	<b>338.91</b>

## Note No. 17 Financial liabilities non-current borrowings

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
<b>Secured - Long Term Loans from banks</b>		
(a) Term loans from banks *	17.76	61.85
(b) Vehicle loans from banks #	3.48	3.53
<b>Un secured - Long Term Loans from NBFCs ^</b>	1.38	-
<b>Total</b>	<b>22.62</b>	<b>65.38</b>

\* 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)

^ For details Refer Note No 41

## Note No. 18 Non-current other financial liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) Security deposits - at amortised cost	2.59	2.70
<b>Total</b>	<b>2.59</b>	<b>2.70</b>

## Note No. 19 Provisions

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) Provision for employee benefits (refer note 43)	5.93	4.64
<b>Total</b>	<b>5.93</b>	<b>4.64</b>

## Note No. 20 Deferred tax liabilities (Net)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
The balance comprises temporary differences attributable to:		
Deferred tax liabilities - Opening	11.48	12.77
Impact in the current year	(1.26)	(1.29)
<b>Total</b>	<b>10.22</b>	<b>11.48</b>

### As at Mar 31, 2024

Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	12.79	(0.89)	-	11.90
Other Adjustments	(1.31)	(0.40)	0.03	(1.68)
<b>Total</b>	<b>11.48</b>	<b>(1.29)</b>	<b>0.03</b>	<b>10.22</b>



# Notes to Financial Information

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

## Note No. 20 Deferred tax liabilities (Net) (Contd..)

As at Mar 31, 2023

Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant and equipment	13.18	(0.39)	-	12.79
Other Adjustments	(0.41)	(0.59)	(0.31)	(1.31)
<b>Total</b>	<b>12.77</b>	<b>(0.98)</b>	<b>(0.31)</b>	<b>11.48</b>

## Note No. 21 Financial liabilities current borrowings

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
<b>(a) Secured (refer note 41)</b>		
(i) Loans repayable on demand from banks	218.05	193.38
(ii) Current maturities for long term debt	7.48	26.33
(iii) Current maturities of vehicle loans	2.06	1.61
<b>(b) Unsecured (refer note 41)</b>		
(i) From related parties	-	-
(ii) From Others	-	53.74
(iii) Current maturities for long term debt*	7.54	5.06
<b>Total</b>	<b>235.13</b>	<b>280.12</b>

\* Loans availed from NBFCs (for further details refer note no. 41)

## Note No. 22 Trade payables

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Trade Payables to third parties		
- Due to micro, small and medium enterprises	-	3.40
- Others	59.22	226.62
<b>Total</b>	<b>59.22</b>	<b>230.02</b>

\*Disclosures required under Section 22 of the Micro, Small and Medium Enterprises

### Development Act, 2006

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) Principal amount remaining unpaid to any supplier as at year end	-	3.40
(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.

# Notes to Financial Information

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

## Note No. 23 Other financial liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) Interest accrued on loans	-	0.06
(b) Employee benefits payable	12.42	11.29
(c) Capital Creditors	3.04	3.12
(d) Outstanding expenses	13.07	17.34
(e) Payable to Selling Share Holders	0.60	-
<b>Total</b>	<b>29.13</b>	<b>31.81</b>

## Note No. 24 Other current liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) Statutory dues payable	4.52	2.29
(b) Advances received from customers	1.76	1.52
<b>Total</b>	<b>6.28</b>	<b>3.81</b>

## Note No. 25 Provisions

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) Provision for employee benefits (refer note 43)	0.72	0.54
<b>Total</b>	<b>0.72</b>	<b>0.54</b>

## Note No. 26 Current tax liabilities (Net)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Current tax liabilities	0.38	12.20
<b>Total</b>	<b>0.38</b>	<b>12.20</b>

## Note No. 27 Revenue from operations

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
<b>Sale of products</b>		
- through showrooms	1,354.51	1,333.00
- through online channel	19.04	18.47
<b>Total</b>	<b>1,373.55</b>	<b>1,351.47</b>

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 Mar 31, 2024	Year ended Mar 31, 2023
(a) Interest Income		
- on fixed deposits	16.56	1.66
(b) Profit / (Loss) on Sale of Fixed Assets	0.02	0.01

# Notes to Financial Information

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

## Note No. 28 Other income (Contd..)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
(c) Interest unwinding on rental deposits	1.81	0.78
(d) Other non-operating income*	5.09	5.00
<b>Total</b>	<b>23.48</b>	<b>7.45</b>

\* It includes subletting income

## Note No. 29 Purchases of stock-in-trade

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
(a) Purchases of Stock in trade	843.88	1,031.15
(b) Other Direct Expenses	4.68	4.46
<b>Total</b>	<b>848.56</b>	<b>1,035.61</b>

## Note No. 30 Changes in inventories

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
<b>Changes in inventories</b>		
<b>Stock at the end of the year</b>		
Stock in trade	723.04	689.15
<b>Stock at the beginning of the year</b>		
Stock in trade	689.15	476.16
<b>Total changes in inventories</b>	<b>(33.89)</b>	<b>(212.99)</b>

## Note No. 31 Employee benefit expense

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
(a) Salaries and Wages (refer note 43)	142.64	120.97
(b) Director's remuneration (refer note 45)	7.38	7.38
(c) Staff Bonus	6.46	5.09
(d) Staff Welfare Expenses	3.39	2.94
(e) Contribution to Provident Fund & ESI (refer note 43)	3.17	3.28
(f) Gratuity (refer note 43)	1.59	1.18
<b>Total</b>	<b>164.63</b>	<b>140.84</b>

## Note No. 32 Finance costs

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
(a) Interest on borrowings	30.52	25.55
(b) Interest on others	2.81	3.19
(c) Interest on lease rental discounting (refer note 36)	18.53	14.66
<b>Other Borrowing Costs</b>		
(d) Foreign Exchange (gain) / loss, net *	(0.03)	(0.19)
(e) Processing Charges	1.04	2.20
<b>Total</b>	<b>52.87</b>	<b>45.41</b>

\*Forex (Gain) / Loss is arrived by year-ending valuation of advances made in foreign currency as per Ind AS 21



# Notes to Financial Information

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

## Note No. 33 Depreciation and amortization expense

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
(a) Depreciation of Property, Plant and Equipment (refer note 3)	21.66	18.58
(b) Amortisation of Intangible Assets (refer note 4)	2.14	2.15
(c) Amortisation of right-of-use assets (refer note 5)	24.11	20.28
<b>Total</b>	<b>47.91</b>	<b>41.01</b>

## Note No. 34 Other expenses<sup>^</sup>

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
(a) Rent (refer note 36)	26.37	23.32
(b) Insurance	1.25	1.49
(c) Professional Charges	10.42	9.19
(d) Facility maintenance expenses	54.36	48.73
(e) Business promotion expenses	63.73	71.13
(f) Other expenses	24.224	20.07
(g) Audit Fee		
- for audit	0.24	0.19
- for tax audit	0.08	0.06
(h) CSR Expenditure (refer note below)	1.60	1.29
<b>Total</b>	<b>182.27</b>	<b>175.47</b>

<sup>^</sup> Refer note no. 34A for detailed breakup of Other Expenses

\*Disclosures in relation to corporate social responsibility expenditure

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Amount required to be spent as per Section 135 of the Act	1.52	1.02
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above		
- For Current Year	1.60	1.03
- For Previous Years	-	0.26
Amount unspent	-	-

## Note no. 34A Other Expenses

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
<b>Administration Expenses</b>		
<b>(a) Rent (refer note 36)</b>		
Rent	26.19	23.13
Rent cum Commission	0.18	0.19
	<b>26.37</b>	<b>23.32</b>
<b>(b) Insurance</b>		
Insurance	1.25	1.49
<b>(c) Professional Charges</b>		
Professional Charges	10.42	9.19
<b>(d) Facility maintenance expenses</b>		
Security Charges	2.30	2.09
Electricity Charges	22.87	19.85
Generator maintenance	0.79	0.63

## Notes to Financial Information

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

### Note No. 34 Other expenses<sup>^</sup> (Contd..)

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Office & Stores Maintenance	12.53	9.74
Alteration, Rolling & Polishing Charges	1.19	0.63
Repairs & Maintenance		
Computers & Softwares	0.74	0.83
Plant & Machinery	4.22	4.08
Building	4.60	5.57
Furniture & Fixtures	5.01	5.23
Others	0.11	0.08
	<b>54.36</b>	<b>48.73</b>
<b>(e) Business promotion expenses</b>		
Advertisement	24.95	34.55
Business Promotion	28.40	27.68
Packing Material	10.38	8.90
	<b>63.73</b>	<b>71.13</b>
<b>(f) Other expenses</b>		
Printing, Postage & Stationery	1.48	1.50
Telephone & Internet Charges	0.63	0.44
Travelling Expenses	3.99	1.13
Computer Software Maintenance	0.82	1.24
Conveyance	5.52	5.37
Festival & Functional Expenses	0.98	1.05
Directors Sitting Fee	0.25	0.18
Professional Tax	0.02	0.02
Vehicle Maintenance	0.61	0.74
Subscription	0.01	0.01
Rates & Taxes	2.25	1.58
Donations (Not eligible as CSR)	0.46	-
Bank Charges (Incl Cash Pickup & CC Swiping Charges)	7.20	6.81
	<b>24.22</b>	<b>20.07</b>
<b>(g) Audit Fee</b>		
Audit Fee	0.33	0.25
<b>(h) CSR Expenditure</b>		
CSR Expenditure	1.60	1.29

### Note No. 35 Earnings per equity share

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Profit after tax	100.87	97.59
Add / Less: Dividend tax	-	-
Profit after tax attributable for equity share holders	100.87	97.59
Number of equity shares (nos.)	14,73,49,967	12,03,22,940
Weighted average number of equity shares (nos.) - (Share split done on May 18, 2022)	13,42,79,520	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	7.51	8.11
Diluted	7.51	8.11

# Notes to Financial Information

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

## 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 Mar 31, 2024	As at Mar 31, 2023
Opening Balance	169.29	78.40
Add: Addition during the year	41.50	111.17
Less: Impact on lease termination	-	-
Less: Impact on lease modification	2.01	-
Less: Amortised during the year	(24.11)	(20.28)
<b>Total</b>	<b>188.69</b>	<b>169.29</b>

### (b) Lease liabilities

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Opening Balance	180.42	86.64
Additions	39.10	105.90
Modifications	1.14	-
Deletions	-	-
Interest	18.53	14.66
Lease payments	(32.71)	(26.78)
<b>Closing balance</b>	<b>206.48</b>	<b>180.42</b>

#### (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 Mar 31, 2024	Year ended Mar 31, 2023
Depreciation charge of right-of-use assets (refer note 33)	24.11	20.28
Interest expense (included in finance costs) (refer note 32)	18.53	14.66
Interest unwinding on rental deposits (refer note 28)	(1.81)	(0.78)
Expense relating to short-term leases (refer note 34)	26.37	23.32

#### (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				
<b>Mar 31, 2023</b>	31.31	133.81	135.55	<b>300.67</b>
<b>Mar 31, 2024</b>	34.02	151.40	161.81	<b>347.23</b>

#### (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 to be terminated).



# Notes to Financial Information

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

## Note No. 36 Right-of-use assets and Lease liabilities (Contd..)

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 to 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 to extend), the company is typically reasonably certain to extend (or not to terminate).
- (iv) The company is operating through 60 showrooms & 4 warehouses spread across the southern part of India and on evaluation of those rental agreements, 39 showrooms & 4 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 21 showrooms, 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 Mar 31, 2024	As at Mar 31, 2023
<b>Income Tax</b>		
AY 2009-10	0.06	0.06
AY 2010-11	0.02	0.02
AY 2011-12	-	0.08
AY 2012-13	0.17	-
AY 2016-17	0.89	0.89
	<b>1.14</b>	<b>1.05</b>

2. 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.
3. 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.
4. 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 ₹ 5 Crores 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.

# Notes to Financial Information

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

## Note No. 37 Contingent liabilities and commitments (Contd..)

5. Search and seizure operations under section 132 of the Income tax act:

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

### (b) Commitments

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	3.35	-
Estimated amount of contracts remaining to be executed on account of other purchase commitments	-	-
<b>Net Capital Commitments</b>	<b>3.35</b>	<b>-</b>
<b>Total (a) + (b)</b>	<b>4.49</b>	<b>1.05</b>

Note: As disclosed in the Prospectus, The Company is intended to open 30 new stores & 2 ware houses in the span of 2 years with an amount of Rs. 125 crores & 25 crores respectively. Out of which 6 stores were opened during the FY 2023-24 and spent an amount of Rs.28.50 cores by 31st March, 2024.

## Note No. 38 Trade Receivables Ageing Schedule

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(i) Undisputed Trade receivables – considered good		
Less than 6 Months	2.99	2.33
6 Months - 1 Year	0.32	0.55
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
<b>Total</b>	<b>3.31</b>	<b>2.88</b>

## Note No. 39 Trade payables Ageing Schedule

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(i) MSME		
Less than 1 year	-	3.40
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
(ii) Others		
Less than 1 year	59.21	226.62
1-2 years	0.01	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>59.22</b>	<b>230.02</b>

# Notes to Financial Information

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

## Note No. 40 CWIP ageing schedule

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Projects in progress		
Less than 1 year	2.27	(0.00)
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>2.27</b>	<b>(0.00)</b>

## Note No. 41

### (a) For the period ended Mar 31, 2024

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

SI No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
1	Canara Bank Term Loan	Showcases, Furniture and Fixtures and other fixed assets of 6 showrooms - 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%
2	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%
3	Canara Bank Housing Loan - 2	EMT / MODTD of Residential Houses / Flats undivided share purchased with this loan 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%

#### 1.0 B Nature and terms of repayment for loans availed from NBFCs:

SI No.	Lender	Security	Terms of Payment	Int. Rate Per Annum	Guarantee
1	OXYZO Financial Services Pvt Ltd	Unsecured	Term loan Repayable in 12 EMIs of Rs. 63,18,081/- starting from Nov-2023	15.00%	Personal Guarantee from NAGA KANAKA DURGA PRASAD CHALAVADI
2	Tata Capital Financial Services Limited	Collateral security with a Fixed Deposit of Rs. 1.00 Cr	Term loan Repayable in 24 EMIs of Rs. 47,54,182/- starting from Jun-2023	LTLR less 8.55 %	Personal Guarantee from Durgarao D K Chalavadi, Kalyan Srinivas Annam, Naga Kanaka Durga Prasad Chalavadi



# Notes to Financial Information

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

## Note No. 41 (Contd..)

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

SI No.	Lender	Primary Security	Other Contractual Comforts	Terms of Payment	Int. Rate
1	ICICI Bank (CC and WCDL) Sanctioned Limit: 90 Crores	1st Pari-passu Charge on entire current assets of the company. 2nd Pari-passu Charge on Unencumbered movable fixed Assets of the company	Personal Guarantee of M/s. NAGA KANAKA DURGA PRASAD CHALAVADI	On demand DP Margins : Inventory -25% Debtors - 25% (Cover period is 90 Days) Sundry Creditors to be reduced for the purpose of drawing power calculation	on CC limit: 6 Months MCLR + 0.10% on WCDL Limit: Repo Rate + Spread (As decided on the date of availment)
2	Yes Bank (CC and WCDL) Sanctioned Limit: 90 Crores	1st Pari-passu Charge on entire current assets of the company. 2nd Pari-passu Charge on all movable fixed Assets of the company (excluding Vehicles)	Personal Guarantee of M/s. NAGA KANAKA DURGA PRASAD CHALAVADI	On demand DP Margins : Inventory -25% Debtors - 25% (Cover period is 120 Days) Sundry Creditors to be reduced for the purpose of drawing power calculation	on CC limit: Overnight MCLR+0.00% on WCDL Limit: As decided on the date of disbursement

The Working Capital limits with the following Banks are under the process of discontinuance.

(Regarding this the company has paid the entire outstanding except the amount to the extent of Fixed Deposits (Cash Collaterals) with the respective Banks and gave an official communication to all the following Bankers to close the outstanding balance by adjusting the cash collaterals available with them)

Outstanding balances of working capital limits & deposits given as collateral gainst to these limits with the Banks under discontinuance as follows:

(₹ in Cr.)

Bank	CC O/s Liability_31.03.2024	Deposits as at 31.03.2024	Net (Our Balances with the Bank)
Canara Bank	15.83	16.29	0.46
HDFC Bank	21.27	22.87	1.60
IDBI Bank	7.98	8.16	0.18
	<b>45.08</b>	<b>47.32</b>	<b>2.23</b>

Note: There is no outstanding liability with the SBI & no fixed deposits with the SBI as at 31st Mar, 2024. Releasing of non cash collaterals are under process.

SI 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%)

## Notes to Financial Information

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

### Note No. 41 (Contd..)

SI No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
2	Canara Bank (CC and WCDL)	Hypothecation of stocks at all showrooms of the company on Paripassu 1st Charge Basis with SBI, HDFC & IDBI	1. Fixed assets of all showrooms and Intangible assets on Paripassu II Charge basis. 2. For Term Loan and WC Limits together, the company offered Collateral security as detailed below	On demand DP Margins : 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 & 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 WCDL)	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%

### 1.2 Schedule of Collateral property with the above Banks (Which are under the process of discontinuance)

SI 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.Vemkateswwarlu and Smt. S.Swarnalatha w/o S.Mohan Rao	H no. 222/MIG/1, (M.C.K no. 15-24-222) KPHB Colony, Phase I & II, Ward No.15, Block No.24, 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

# Notes to Financial Information

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

## Note No. 41 (Contd..)

SI No.	Type	Belonging To	Address	Offered to
6	Commercial Plot Admeasuring 2893 Sq Yards	Varamahalakshmi Holdings Pvt. Ltd.	Sy no. 8-5-255/1 (7, 7/1, 8 to 12), Diamond Colony, Saroor Nagar, Ranga Reddy, Telangana	State Bank of India
7	Cash Collateral of 8.50 Crores	Existing 2.40 Cr and Addl 6.10 Cr		State Bank of India
8	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 87,50,000 equity shares of 2/- each held by the promoters			CANARA Bank

### 1.3 Personal Guarantees of the following persons (Which are under the process of discontinuance):

SI 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



## Notes to Financial Information

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

### Note No. 41 (Contd..)

SI No.	Particulars	Offered to
<b>Corporate Guarantor</b>		
1	Varamahalakshmi Holdings Pvt. Ltd.	State Bank of India
2	M/s. Sai Readymade (Partnership Firm)	CANARA Bank

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

SI 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 Vehilce Loan - 112686183	Vellfire	Repayable in 60 monthly installments of Rs.1,93,309/- each commencing from Oct'2020.	7.75%
3	Toyota FSIL Vehilce 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%
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%

## Notes to Financial Information

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

### Note No. 41 (Contd..)

SI No.	Lender	Primary Security	Terms of Payment	Int. Rate Per Annum
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 Bank Vehicle Loan -138174629	Mahindra XUV 700	Repayable in 48 monthly installments of Rs. 52,933/- each commencing from Mar'2023.	8.50%
17	HDFC Bank Vehicle Loan -137570765	Eicher Vehicle	Repayable in 48 monthly installments of Rs. 36,950/- each commencing from Feb'2023.	9.00%
18	ICIC Bank Vehicle Loan - LAHYD00047811784	MG ZS EV Vehicle	Repayable in 60 monthly installments of Rs. 59,118/- each commencing from Jun'2023.	8.95%
19	ICIC Bank Vehicle Loan - LAHYD00047818265	NEXON 2.0 MAX XZ EV	Repayable in 60 monthly installments of Rs. 38,838/- each commencing from Jun'2023.	9.00%
20	HDFC Bank Vehicle Loan - 142250994	Mahindra XUV 400 (EL5S WQ)	Repayable in 36 monthly installments of Rs. 61,835/- each commencing from Jul'2023.	9.30%
21	HDFC Bank Vehicle Loan - 143260510	Mercedes-Benz E-Class E 220d	Repayable in 60 monthly installments of Rs. 165,692/- each commencing from Oct'2023.	8.50%
22	HDFC Bank Vehicle Loan - 146275707	TATA NEXON	Repayable in 48 monthly installments of Rs. 45,186/- each commencing from Dec'2023.	8.85%
23	HDFC Bank Vehicle Loan - 147982880	Toyota innova crysta	Repayable in 48 monthly installments of Rs. 70,156/- each commencing from Feb'2024.	8.80%
24	UNION Bank Vehicle Loan - 013916120000005	Eicher Vehicle	Repayable in 60 monthly installments of Rs. 26,910/- each commencing from Dec'2023.	12.05%
25	ICICI Bank Vehicle Loan - LVHYD00049637696	Ashok Leyland Bada Dost i4	Repayable in 35 monthly installments of Rs. 26,660/- each commencing from Apr'2024.	10.00%
26	ICICI Bank Vehicle Loan - LVHYD00049637697	Ashok Leyland Bada Dost i4	Repayable in 35 monthly installments of Rs. 26,660/- each commencing from Apr'2024.	10.00%

### (b) For the period ended Mar 31, 2023

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

SI No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
1	STATE BANK OF INDIA Corporate Loan	1st charge on fixed assets of the company excluding showrooms financed by CANARA Bank	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. Pari-Passu 2nd charge on entire current assets of the company both present & future along with other term loan lenders	Repayable in 20 Quarterly instalments of Rs. 1.50 Cr per Quarter.	6 Months MCLR + 3.15% With Half Yearly Reset

## Notes to Financial Information

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

### Note No. 41 (Contd..)

SI No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
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	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%
4	Canara Bank Term Loan - 1	Showcases, Furniture and Fixtures and other fixed assets of 8 showrooms - Exclusive First charge by way of hypothecation	<ol style="list-style-type: none"> <li>Paripassu II Charge on Stock &amp; Book Debts.</li> <li>For Term Loan and WC Limits together, the company offered Collateral security as detailed below</li> </ol>	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	<ol style="list-style-type: none"> <li>Paripassu II Charge on Stock &amp; Book Debts.</li> <li>For Term Loan and WC Limits together, the company offered Collateral security as detailed below</li> </ol>	Repayable in 20 Quarterly instalments 0.40 Cr each. Repayment starts from FY 2022-23_Q2	1 year MCLR + 2.70%
6	Canara Bank Term Loan - 3	Showcases, Furniture and Fixtures and other fixed assets of 6 showrooms - Exclusive First charge by way of hypothecation	<ol style="list-style-type: none"> <li>Paripassu II Charge on Stock &amp; Book Debts.</li> <li>For Term Loan and WC Limits together, the company offered Collateral security as detailed below</li> </ol>	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%



## Notes to Financial Information

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

### Note No. 41 (Contd..)

SI No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
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	EMT / MODTD of 38 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

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

SI 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%)

# Notes to Financial Information

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

## Note No. 41 (Contd..)

SI No.	Lender	Primary Security	Collateral Security	Terms of Payment	Int. Rate
2	Canara Bank (CC and WCDL)	Hypothecation of stocks at all showrooms of the company on Paripassu 1st Charge Basis with SBI, HDFC & IDBI	<ol style="list-style-type: none"> <li>Fixed assets of all showrooms and Intangible assets on Paripassu II Charge basis.</li> <li>For Term Loan and WC Limits together, the company offered Collateral security as detailed below</li> </ol>	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 WCDL)	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%

## 1.2 Schedule of Collateral property

SI 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, Banglore. Out of which Land Converted vide ALN(H)SR80/88-89 of 4.1.1988 By DC Banglore 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. S.Swarnalatha w/o S.Mohan Rao	H no. 222/MIG/1, (M.C.K no. 15-24-222) KPHB Colony, Phase I & II, Ward No.15, Block No.24, 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

## Notes to Financial Information

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

### Note No. 41 (Contd..)

SI No.	Type	Belonging To	Address	Offered to
7	Cash Collateral of 8.50 Crores	Existing 2.40 Cr and Addl 6.10 Cr		State Bank of India
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 87,50,000 equity shares of 2/- each held by the promoters			CANARA Bank

### 1.3 Personal Guarantees of the following persons:

SI No.	Particulars	Offered to
1	Sri Chalavadi Naga Kanaka Durga Prasad S/o C. Krishna Murthy	State Bank of India, Canara Bank, 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
	<b>Corporate Guarantor</b>	
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 Crores, except otherwise stated)

### Note No. 41 (Contd..)

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

SI 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 Vehilce Loan - 112686183	Vellfire	Repayable in 60 monthly installments of Rs. 1,93,309/- each commencing from Oct'2020.	7.75%
3	Toyota FSIL Vehilce 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%
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 Crores, except otherwise stated)

## Note No. 41 (Contd..)

### 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 tennure 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 tennure 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 tennure of 12 months from the date of first disbursement	12.00%	NA

## 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 Mar 31, 2024	Year ended Mar 31, 2023
Profit before tax-A	134.68	133.57
Tax rate - B	25.17%	25.17%
Income tax expense - A*B	33.90	33.62
Tax effect of depreciation in determining taxable profit	(1.15)	(1.18)
Tax effect of expenses other than depreciation that are not deductible in determining taxable profit	3.52	4.69
Adjustments recognised in the current year in relation to prior years	(1.19)	0.14
Effect of Deferred Tax (refer note 20)	(1.26)	(1.29)
<b>Income tax expense recognised in profit or loss</b>	<b>33.82</b>	<b>35.98</b>

# Notes to Financial Information

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

## 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 Mar 31, 2024	Year ended Mar 31, 2023
Contribution to Provident Fund & ESI	3.17	3.28

### (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, 2024 and Mar 31, 2023 vide reports dated Apr 04, 2024 and Apr 11, 2023 and respectively.

### (d) Other disclosures of defined benefit plans as required under Ind AS-19 are as under:

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Service Cost	1.20	0.98
Interest Cost	0.38	0.20
Components of defined benefit costs recognised in statement of profit or loss - (A)	<b>1.58</b>	<b>1.18</b>
Actuarial (gain) / loss on plan obligations	(0.11)	1.23
Difference between actual return and interest income on plan assets - (gain) /loss	-	-
Components of defined benefit costs recognised in other comprehensive income - (B)	<b>(0.11)</b>	<b>1.23</b>
<b>Total (A+B)</b>	<b>1.47</b>	<b>2.41</b>

### (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 Mar 31, 2024	As at Mar 31, 2023
Present value of defined benefit obligation	6.65	5.18
Less: Fair value of plan assets	-	-
<b>Net liability recognised in the balance sheet</b>	<b>6.65</b>	<b>5.18</b>
Current portion of the above (refer note 25)	0.72	0.54
Non-current portion of the above (refer note 19)	5.93	4.64



# Notes to Financial Information

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

## Note No. 43 Employee benefits (Contd..)

### (f) Movement in the present value of the defined benefit obligation are as follows:

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Present value of defined benefit obligation at the beginning of the year	5.18	2.77
Expenses Recognised in statement of Profit & Loss		
Service cost	1.20	0.98
Interest cost	0.38	0.20
Expenses Recognised in statement of OCI		
Actuarial (gain)/loss	(0.11)	1.23
Benefits paid by the company		
<b>Present value of the defined benefit obligation at the end of year</b>	<b>6.65</b>	<b>5.18</b>

### (g) Sensitivity analysis

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Present value of the defined benefit obligation at the end of year	6.65	5.18
<b>Impact of the change in the discount rate</b>		
Impact due to increase of 1.00%	6.14	4.77
Impact due to decrease of 1.00%	7.25	5.65
<b>Impact of the change in the withdrawal rate</b>		
Impact due to increase of 1.00%	6.78	5.29
Impact due to decrease of 1.00%	6.51	5.05
<b>Impact of the change in the salary</b>		
Impact due to increase of 1.00%	7.26	5.66
Impact due to decrease of 1.00%	6.12	4.76

### (h) Maturity profile - Expected Future Cash flows (Undiscounted)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
0 to 1 year	0.74	0.55
1 to 2 year	0.47	0.37
2 to 3 year	0.46	0.38
3 to 4 year	0.48	0.39
4 to 5 year	0.78	0.39
above 5 Years	11.46	9.69

### (i) Actuarial assumptions

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Discount rate	7.22%	7.51%
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.

# Notes to Financial Information

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

## 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 2024 and Mar 2023 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.

## Note No. 45 Related Party Disclosures

### a) List of related parties

Index No	Nature of relationship	Name of the related party
1	<b>Key Managerial Personnel (KMP)</b>	(a) Naga Kanaka Durga Prasad Chalavadi - MD (b) Kalyana Srinivas Annam - WTD (c) Doodeswara Kanaka Durga Rao Chalavadi - Director (d) Koti Bhaskara Teja Matte - Company Secretary (e) Konduri V L N Sarma - CFO From March 01, 2022 (f) Chakradhar Boorlagadda
2	<b>Independent Directors</b>	(a) Mamidipudi Ravindra Vikram - w.e.f. February 18, 2022 (b) Pramod Kasat - w.e.f. February 18, 2022 (c) K.V.Rama Krishna - w.e.f. June 04, 2022 (d) Sirisha Chintapalli
3	<b>Relative of KMP</b>	(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
4	<b>Enterprises over which director is having significant influence</b>	(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
5	<b>Enterprises over which Company is having significant influence</b>	(a) SSKL Employees Trust

### (b) Transactions with related parties are set out in the table below

Particulars	For the period ended Mar 31, 2024	For the period ended Mar 31, 2023
<b>(i) Purchases</b>		
(a) Sai Retail India Limited	-	200.86
<b>(ii) Rent (Expense)</b>		
(a) Varamahalakshmi Holdings Pvt Ltd.	0.14	0.13
(b) Naga Kanaka Durga Prasad Chalavadi	0.65	0.56
(c) Jhansi Rani Chalavadi	0.07	0.06
(d) Devamani Venkata Kanaka Hanisha Chalavadi	0.05	0.01

# Notes to Financial Information

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

## Note No. 45 Related Party Disclosures (Contd..)

Particulars	For the period ended Mar 31, 2024	For the period ended Mar 31, 2023
<b>(iii) Other Income - Rent</b>		
(a) Soul of Pluto Tech LLP	0.14	0.14
<b>(iv) Salary / Remuneration</b>		
(a) Naga Kanaka Durga Prasad Chalavadi	5.00	5.00
(b) Jhansi Rani Chalavadi	1.00	1.00
(c) Kalyana Srinivas Annam	1.99	1.99
(d) Doondeswara Kanaka Durga Rao Chalavadi	0.39	0.39
(e) Venkata Rajesh Annam	0.89	0.89
(f) Sowjanya Annam	0.27	0.27
(g) Suchitra Annam	0.27	0.27
(h) Mohana Durga Rao Chalavadi	0.39	0.39
(i) Supriya Padarthy	0.11	0.11
(j) Bhavani Annam	0.21	0.21
(k) Lavanya Mankal	0.11	0.11
(l) Devamani Venkata Kanaka Durga Hanisha Chalavadi	0.12	0.12
(m) Balaji Bharadwaj Rachamadugu	0.54	0.54
(n) Konduri V L N Sarma	1.08	1.08
(o) Koti Bhaskara Teja Matte	0.10	0.10
(p) Annam Subhash	-	0.07
(q) Chakradhar Boorlagadda	0.35	0.14
<b>(v) Rent expenses - Commission</b>		
(a) SSS Marketing	0.18	0.19
<b>(vi) Business Promotion Expenses - Advertisement</b>		
(a) Sumaja Creations	7.48	11.28
<b>(vii) Professional charges - Software Consultation / Maintenance (Exp)</b>		
(a) Soul of Pluto Tech LLP	4.13	3.30
<b>(viii) Other Expenses - Sitting fees</b>		
(a) Mamidipudi Ravindra Vikram	0.06	0.05
(b) Pramod Kasat	0.06	0.05
(c) K.V.Rama Krishna	0.06	0.03
(d) Sirisha Chintapalli	0.07	0.04
<b>(ix) Donations (Partly qualified as CSR Exp)</b>		
(a) Kalamandir Foundation	1.54	0.34
<b>(x) Advances Takenover</b>		
(a) Sai Retail India Limited	-	5.47
<b>(xi) Fixed Assets / Packing Materials purchased</b>		
(a) Sai Retail India Limited	0.46	6.13
<b>(xii) Loans Given</b>		
(a) SSKL Employee Trust	-	13.25
<b>(xiii) Shares issued during the year</b>		
(a) SSKL Employee Trust	-	13.24
<b>(xiv) Amount received to IPO Public Offer A/c of the Company on behalf of Selling Share Holders*</b>		
(a) Nagakanaka Durga Prasad Chalavadi	142.29	-
(b) Kalyan Srinivas Annam	140.90	-
(c) Doodeswara Kanaka Durga Rao Chalavadi	14.57	-
(d) Jhansi Rani Chalavadi	176.48	-
(e) Dhanalakshmi Perumalla	68.46	-
(f) Venkata Rajesh Annam	11.22	-
(g) Subash Chandra Mohan Annam	47.08	-

\*This amount is held in the IPO Public Offer account in a fiduciary capacity on behalf of the Selling Shareholders. Out of The amount received on behalf of the Selling Shareholders to the Public Offer Account, a significant part of the amount was transferred to the respective Shareholders and the remaining balance will be transferred upon finalisation of the IPO expenses related to them.



# Notes to Financial Information

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

## Note No. 45 Related Party Disclosures (Contd..)

### c. Related party balances: (Payable)/Receivable

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
(a) SSS Marketing		
- Other Current Financial Liabilities	(0.13)	(0.11)
- Other Non Current Financial Assets	0.12	0.12
	<b>(0.01)</b>	<b>0.01</b>
(b) Sumaja Creations - Other Current Financial Liabilities	(1.06)	(4.00)
(c) Soul of Pluto Tech LLP		
- Other Current Financial Liabilities	(1.03)	(0.33)
- Other Non Current Financial Liabilities	(0.06)	(0.06)
	<b>(1.09)</b>	<b>(0.39)</b>
(d) Varamahalakshmi Holdings Pvt Ltd. - Other Current Financial Liabilities	0.09	0.09
(e) Naga Kanaka Durga Prasad Chalavadi		
- Other Current Financial Liabilities	(0.42)	(0.37)
- Other Non Current Financial Assets	0.11	0.11
	<b>(0.31)</b>	<b>(0.26)</b>
(f) Jhansi Rani Chalavadi		
- Other Current Financial Liabilities	(0.08)	(0.07)
- Other Non Current Financial Assets	0.02	0.02
	(0.06)	(0.05)
(g) SSKL Employee Trust		
- Loans Given	13.25	13.25
- Shares allotted	(13.24)	(13.24)
	<b>0.01</b>	<b>0.01</b>
<b>Other Current Financial Liabilities</b>		
(h) Kalyana Srinivas Annam	(0.10)	(0.11)
(i) Doondeswara Kanaka Durga Rao Chalavadi	(0.02)	(0.03)
(j) Venkata Rajesh Annam	(0.07)	(0.05)
(k) Sowjanya Annam	(0.02)	(0.02)
(l) Suchitra Annam	(0.00)	(0.02)
(m) Mohana Durga Rao Chalavadi	(0.03)	(0.02)
(n) Supriya Padarthy	(0.01)	(0.01)
(o) Bhavani Annam	(0.01)	(0.01)
(p) Lavanya Mankal	(0.01)	(0.01)
(q) Devamani Venkata Kanaka Durga Hanisha Chalavadi	(0.01)	(0.01)
(r) Balaji Bharadwaj Rachamadugu	(0.03)	(0.03)
(s) Konduri V L N Sarma	(0.05)	(0.37)
(t) Koti Bhaskara Teja Matte	(0.01)	(0.01)
(u) Mamidipudi Ravindra Vikram	-	(0.01)
(v) Pramod Kasat	-	(0.01)
(w) K.V.Rama Krishna	-	(0.01)
(x) Sirisha Chintapalli	-	(0.00)
(y) Chakradhar Boorlagadda	(0.01)	(0.01)
<b>Held in a fiduciary capacity on behalf of the Selling Shareholders</b>		
(a) Nagakanaka Durga Prasad Chalavadi	(0.14)	-
(b) Kalyan Srinivas Annam	(0.14)	-
(c) Doodeswara Kanaka Durga Rao Chalavadi	(0.01)	-
(d) Jhansi Rani Chalavadi	(0.18)	-
(e) Dhanalakshmi Perumalla	(0.07)	-
(f) Venkata Rajesh Annam	(0.01)	-
(g) Subash Chandra Mohan Annam	(0.05)	-

# Notes to Financial Information

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

## Note No. 46 Capital and Financial risk management objectives and policies (Contd.)

### 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
<b>Mar 31, 2024</b>			
Lease liabilities	206.48	14.19	192.29
Borrowings	22.62	-	22.62
Other financial non-current liabilities	2.59	-	2.59
Borrowings	235.13	235.13	-
Trade payables	59.22	59.22	-
Other financial liabilities	29.13	29.13	-
<b>Total</b>	<b>555.17</b>	<b>337.67</b>	<b>217.50</b>
<b>Mar 31, 2023</b>			
Lease liabilities	180.42	14.04	166.38
Borrowings	65.38	-	65.38
Other financial non-current liabilities	2.70	-	2.70
Borrowings	280.12	280.12	-
Trade payables	230.02	230.02	-
Other financial liabilities	31.81	31.81	-
<b>Total</b>	<b>790.45</b>	<b>555.99</b>	<b>234.46</b>

### (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.

### (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 Mar 31, 2024	As at Mar 31, 2023
<b>Borrowings</b>		
Non current	22.62	65.38
Current	235.13	280.12
<b>Debt</b>	<b>257.75</b>	<b>345.50</b>
Equity share capital	29.47	24.06
Other equity	1,033.47	373.27
<b>Total capital</b>	<b>1,062.94</b>	<b>397.33</b>
<b>Gearing ratio in (Capital/Debt)</b>	<b>4.12</b>	<b>1.15</b>



# Notes to Financial Information

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

## 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 Mar 31, 2024	As at Mar 31, 2023
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Other financial non-current assets	31.83	27.65
Trade receivables	3.31	2.88
Cash and cash equivalents	44.27	4.61
Bank balances other than cash and cash equivalents	357.37	45.09
Loans	20.69	34.40
Other financial assets	3.95	0.89
<b>Total</b>	<b>461.42</b>	<b>115.52</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Lease liabilities	206.48	180.42
Borrowings	22.62	65.38
Other financial non-current liabilities	2.59	2.70
Borrowings	235.13	280.12
Trade payables	59.22	230.02
Other financial liabilities	29.13	31.81
<b>Total</b>	<b>555.17</b>	<b>790.45</b>

Particulars	Fair Value	
	As at Mar 31, 2024	As at Mar 31, 2023
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
Other financial non-current assets	31.83	27.65
Trade receivables	3.31	2.88
Cash and cash equivalents	44.27	4.61
Bank balances other than cash and cash equivalents	357.37	45.09
Loans	20.69	34.40
Other financial assets	3.95	0.89
<b>Total</b>	<b>461.42</b>	<b>115.52</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Lease liabilities	206.48	180.42
Borrowings	22.62	65.38
Other financial non-current liabilities	2.59	2.70
Borrowings	235.13	280.12
Trade payables	59.22	230.02
Other financial liabilities	29.13	31.81
<b>Total</b>	<b>555.17</b>	<b>790.45</b>

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.

# Notes to Financial Information

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

## Note No. 47 Financial instrument and risk management (Contd..)

(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.

### (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 Mar 31, 2024	As at Mar 31, 2023
Level 3		
<b>Financial Assets, measured at Amortised Cost</b>		
Other financial non-current assets	31.83	27.65
Trade receivables	3.31	2.88
Cash and cash equivalents	44.27	4.61
Bank balances other than cash and cash equivalents	357.37	45.09
Loans	20.69	34.40
Other financial assets	3.95	0.89
<b>Total</b>	<b>461.42</b>	<b>115.52</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Lease liabilities	206.48	180.42
Borrowings	22.62	65.38
Other financial non-current liabilities	2.59	2.70
Borrowings	235.13	280.12
Trade payables	59.22	230.02
Other financial liabilities	29.13	31.81
<b>Total</b>	<b>555.17</b>	<b>790.45</b>

## Note No. 48 Key Ratios

Particulars	As at Mar 31, 2024	As at Mar 31, 2023	Variance	Remarks for variance Morethan 25%
<b>a) Current Ratio:</b>	<b>3.41</b>	<b>1.41</b>	<b>142.30%</b>	Decrease in CL due to payment of Creditors by utilising IPO funds & Increase in CA due to Unutilised IPO funds held in Fixed Deposits
Current Assets	1,175.08	804.72		
Current Liabilities	345.05	572.54		
<b>b) Debt Equity:</b>	<b>0.24</b>	<b>0.87</b>	<b>-72.11%</b>	Due to inflow of fresh equity of Rs. 600 Cr through IPO.
Total Debt (long-term and short-term interest bearing)	257.75	345.50		
Shareholder's Equity	1,062.94	397.33		
<b>c) Debt Service Coverage Ratio:</b>	<b>2.59</b>	<b>2.99</b>	<b>-13.37%</b>	Not Applicable
Earnings available for Debt Service	233.65	219.20		
Debt Service (Obligation)*	90.25	73.35		

\* Excluding the Prepayment made through IPO funds (which is in excess of amount to be repaid as per repayment schedule)

# Notes to Financial Information

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

## Note No. 48 Key Ratios (Contd..)

Particulars	As at Mar 31, 2024	As at Mar 31, 2023	Variance	Remarks for variance Morethan 25%
<b>d) Return on Equity:</b>	<b>13.81%</b>	<b>27.96%</b>	<b>-50.60%</b>	Rs. 600 Cr equity through IPO are under the process of deployment
Net Profits after taxes	100.87	97.59		
Average Shareholder's Equity	730.14	349.00		
<b>e) Inventory Turnover Ratio:</b>	<b>1.94</b>	<b>2.32</b>	<b>-16.12%</b>	Not Applicable
Total Sales	1,373.55	1,351.47		
Average Inventory	706.49	583.09		
<b>f) Trade Receivables Turnover:</b>	<b>443.78</b>	<b>565.89</b>	<b>-21.58%</b>	Not Applicable
Total Sales	1,373.55	1,351.47		
Average Accounts Receivable	3.10	2.39		
<b>g) Trade Payables Turnover:</b>	<b>5.87</b>	<b>5.77</b>	<b>1.74%</b>	Not Applicable
Total Purchases	848.56	1,035.61		
Average Trades Payable	144.62	179.57		
<b>h) Net Capital Turnover:</b>	<b>2.59</b>	<b>7.02</b>	<b>-63.14%</b>	Decrease in CL due to payment of Creditors by utilising IPO funds & Increase in CA due to Unutilised IPO funds held in Fixed Deposits
Total Sales	1,373.55	1,351.47		
Average Working Capital	531.11	192.62		
<b>i) Net Profit Ratio:</b>	<b>7.34%</b>	<b>7.22%</b>	<b>1.69%</b>	Not Applicable
Net Profit	100.87	97.59		
Total Sales	1,373.55	1,351.47		
<b>j) Return on Capital Employed:</b>	<b>13.94%</b>	<b>23.55%</b>	<b>-40.81%</b>	Due to inflow of fresh equity of Rs. 600 Cr through IPO & the funds are under the process of deployment
Earning before interest and taxes	187.54	178.98		
Capital Employed	1,345.38	759.97		
<b>k) Return on Investment*</b>	NA	NA	NA	Not Applicable

\* There are no investments made by the company, as such the ratio is not applicable.

## Financial Performance Indicators (KPIs):

Particulars	As at Mar 31, 2024	As at Mar 31, 2023
Revenue from Operations	1,373.55	1,351.47
EBITDA	211.98	212.53
EBITDA Margin	15.43%	15.73%
Gross Margin	558.88	528.85
Gross Margin (%)	40.69%	39.13%

## Note No. 49

### Reconciliation of quarterly bank returns

Name of Bank	Particulars	Quarter	Amount as per books of Accounts	Amount as reported in quarterly returns	Amount of difference
Working Capital Lenders*	Inventories	June-23	708.35	708.35	-
	Receivables (Subject to DP)	June-23	1.97	1.97	-
	Trade Payables	June-23	215.86	215.86	-
Working Capital Lenders*	Inventories	September-23	719.15	719.15	-
	Receivables (Subject to DP)	September-23	1.72	1.72	-
	Trade Payables	September-23	230.49	230.49	-



# Notes to Financial Information

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

## Note No. 49 (Contd..)

Name of Bank	Particulars	Quarter	Amount as per books of Accounts	Amount as reported in quarterly returns	Amount of difference
Working Capital Lenders*	Inventories	December-23	773.13	773.13	-
	Receivables (Subject to DP)	December-23	1.87	1.87	-
	Trade Payables	December-23	253.88	253.88	-
Working Capital Lenders*	Inventories	March-24	723.04	723.04	-
	Receivables (Subject to DP)	March-24	2.46	2.46	-
	Trade Payables	March-24	59.22	59.22	-

\*Yes Bank & ICICI Bank are represented as Working Capital Lenders as at 31st Mar, 2024.

## Note No. 50

### Foreign exchange earnings and outgo

Particulars	FY 2023-24	FY 2022-23
CIF Value of imports	-	0.16
Value of import of Services	0.92	1.51
Expenditure in foreign currency	0.92	1.51

## 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.

### (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 2 instances of vehicle loans availed from ICICI Bank. The sanctioned limit of those loans of Rs. 0.16 Crores and it was filed on 22nd May, 2024.

# Notes to Financial Information

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

## Note No. 51 (Contd..)

### (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.

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. D. Manohar**

Partner

Membership No. 029644

F. No. 003510S

Place: Hyderabad

Date: May 24, 2024

UDIN: 24029644BKDHU7510

For and on behalf of the board

Sd/-

**Ch.N.K.D.Prasad**

Managing Director

DIN : 01929166

Sd/-

**K V L N Sarma**

Chief Financial Officer

Sd/-

**Annam Kalyan Srinivas**

Whole Time Director

DIN : 02428313

Sd/-

**M K Bhaskara Teja**

Company Secretary & Compliance Officer



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