



46th ANNUAL REPORT 2014-15

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BOARD OF DIRECTORS

Sri. A.Ravikumar Reddy	Managing Director
Smt. A Nina Reddy	Joint Managing Director
Sri. A Tarun Reddy	Director
Ms. A Nivruti Reddy	Director
Sri. G Sitharaman	Director
Sri. A Sudhakar Reddy	Director
Sri. B Ranga Reddy	Director
Sri. S Sridhara Rao	Director

SAVERA MISSION STATEMENT

We are a company striving to achieve excellence in

- Customer Delight
- Quality and continuous improvement
- Being sensitive to the world around us
- Employee Happiness
- Enhancing our People's Skills

**We deliver what we commit,
OUR BUSINESS IS YOU**

OUR VISION

Searching for excellence in
everything we do,
to be the best four star hotel in
Chennai

CORPORATE INFORMATION

Registered Office	:	No.146 Dr.Radhakrishnan Road, Mylapore, Chennai 600 004. Phone : 044 - 28114700
Key Managerial Personnel		
• Managing Director	:	Mr. A. Ravikumar Reddy,
• Company Secretary	:	Mr. N. S. Mohan, M.Com., M.B.A., (Fin), F.C.S., B.G.L., PGDFM
Mail Id	:	cs@saverahotel.com
Mobile	:	7299011005
• Chief Financial Officer	:	Mr. R. Dayakar Naidu, B.Com., A.C.A
Bankers	:	Central Bank of India Mid Corporate Branch 48/49 Montieth Road Egmore, Chennai 600 008.
Auditors	:	M/s. D A Reddy & Co., Chartered Accountants 'Audi Nivas' No.8, Kannaiah Street, T.Nagar, Chennai 600 017.
Registrars & Share Transfer Agents	:	M/s. Cameo Corporate Services Ltd 'Subramaniam Building' No.1, Club House Road Chennai 600 002.

SAVERA INDUSTRIES LIMITED

(CIN : L55101TN1969PLC005768)

Registered Office : No.146 Dr.Radhakrishnan Road, Chennai 600 004.

Email : hotsave@md2.vsnl.net.in, Website : www.saverahotel.com

Phone : 044 28114700 Fax : 044 28113475.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 46th Annual General Meeting of Savera Industries Limited will be held on Monday, the 28th September, 2015 at 11.00 a.m. at The Music Academy Mini Auditorium, 168, TTK Road, Chennai 600 014 to transact the following business.

1. Adoption of Audited Financial Statements for the year ended 31 / 03 / 2015 together with the reports of the Directors and Auditors thereon.

To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the company for the year ended 31st March, 2015 including audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.

2. Declaration of Dividend

To declare dividend on equity shares for the financial year 2014-15.

3. Re-appointment of Mrs. A. Nina Reddy as a Director.

To appoint a Director in the place of Mrs. A. Nina Reddy, who retires by rotation and being eligible, offers herself for re-appointment.

4. Ratification of Appointment of Statutory Auditors and fixation of their remuneration

To consider and if thought fit to pass with or without modification(s) the following resolution as on Ordinary Resolution :

“REVOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. D. A. Reddy & Co., Chartered Accountants, (Firm Regn. No.005719S) as Auditors of the company for a term of three years i.e. till the conclusion of 48th Annual General Meeting (AGM), which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 47th AGM of the company to be held in the year 2016, at such remuneration as may be mutually agreed between the Board of Directors of the company and the Auditors.

By Order of the Board
For **Savera Industries Limited**

Chennai
14th August, 2015

N S Mohan
Company Secretary

Regd. Office :
146 Dr. Radhakrishnan Road
Chennai 600 004.

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 22nd September, 2015 to 28th September, 2015 (both days inclusive) for the purpose of the 46th Annual General Meeting and determining the entitlement of the shareholders to the dividend for the financial year 2014-15.
2. The relevant details as required under clause 49 of the listing agreement entered into with the stock exchanges of person seeking reappointment relating to item no.3 of the Notice are also annexed.
3. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies to attend and vote instead of himself/herself. Such a proxy, proxies need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty(50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other member.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of the notice in writing is given to the company.

4. The dividend of Rupee 1.20 paise per share as recommended by the Board of Directors if declared at the Annual General Meeting will be paid after 28th September, 2015 but before 27th October, 2015
 - (a) To all the beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Ltd and the Central Depository Services (India) Ltd as on the close of business hours on 21st September, 2015.
 - (b) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the company on or before the close of business hours on 21st September, 2015.

5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change in address, change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
6. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956), be transferred to the Investor Education and Protection Fund.
7. Pursuant to provisions of section 124 of the Companies Act, 2013 (Section 205A(5) of the erstwhile Companies Act, 1956) dividend which remain unpaid/unclaimed for a period of 7 years from the date of transfer of the same to the company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The following are the details of the dividends paid by the company and the respective dues dates for claim by the shareholders.

Financial Year	Date of Declaration of Dividend	Last date for claim
2007-08	27-09-2008	26-09-2015
2008-09	30-09-2009	29-09-2016
2009-10	25-09-2010	24-09-2017
2010-11	21-09-2011	20-09-2018
2011-12	24-09-2012	23-09-2019
2012-13	26-09-2013	25-09-2020
2013-14	22-09-2014	21-09-2021

Further, the company shall not be in a position to entertain the claims of shareholders for the unclaimed dividends after the last date as mentioned in the table. In view of the above, the shareholders are advised to send all the un-encashed dividend warrants relating to the above years to the company for revalidation or issuance of demand draft in lieu thereof and encash them before the due dates for transfer to the IEPF.

8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon

as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. Electronic copy of the Annual Report for 2014 - 2015 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 - 2015 are being sent in the permitted mode.
11. Members who have not registered their e-mail address so far are requested to register their e-mail address with the Company/its Registrars in case of physical holdings and with respective Depository Participants in case of electronic holdings for receiving all communication including Annual Report, Notices, etc., from the company electronically.
12. Members may also note that the Notice of the 46th Annual General Meeting and the Annual Report for 2014 - 2015 will also be available on the Company's website: www.saverahotel.com for their download.
13. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the company will be entitled to vote.
14. Members seeking any information with regard to the Accounts, are requested to write to the company at an early date, so as to enable the Management to keep the information ready at the meeting.
15. Voting through electronic means
In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the members are provided with the facility to cast their votes on resolutions through e-voting services provided by the Central Depository Services (India) Limited (CDSL). The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by the Central Depository Services (India) Ltd.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 24th September, 2015 (9.00 a.m.) and ends on 27th September, 2015 (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 21st September, 2015 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 at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> 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 as mentioned in instruction (v)

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the EVSN for Savera Industries Limited on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
16. Other instructions
- a. The voting rights of the shareholders shall be in proportion to their share of the paid up equity share capital of the company as on the cut off date 21st September, 2015.
 - b. Mr. R. Balasubramaniam, Practising Company Secretary (Membership No.F2397) has been appointed as the Scrutinizer to scrutinize the e-voting as well as voting through ballots in a fair and transparent manner.
 - c. The scrutinizer shall immediately by the end of the conclusion of the evoting period unblock the votes in the presence of atleast two (2) witnesses not in the employment of the company and prepare a report of votes cast.
 - d. The facility for voting through ballot process at the AGM venue shall be made available at the meeting and the member attending the meeting who have not cast their vote by e-voting shall be able to vote at the meeting.
 - e. Once the vote on the resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - f. The members who have cast their vote by E-voting may also attend the meeting but shall not be entitled to cast their vote again.
 - g. Scrutinizer will open the ballot box kept at the venue in the presence of two witnesses and thus votes cast will be validated and the scrutinizer’s decision on the validity will be final.
 - h. Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the voting at the AGM venue will submit a consolidated voting results considering all mode of voting (i.e. e-voting / ballots at the AGM venue) based on the votes cast in favour or against, if any, forthwith to the Managing Director of the company.

- i. The consolidated voting results along with the Scrutinizer's report shall be published on the company's website www.saverahotel.com and on the website of CDSL within three days of passing the resolutions at the forty six AGM of the company scheduled to be held on 28th September, 2015 and will be communicated to the stock exchanges where the shares of the company are listed.
17. All documents referred to in the accompanying notice shall be open for inspection at the Registered Office of the company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days up to and including the date of the Annual General Meeting of the company.

By Order of the Board
For **Savera Industries Limited**

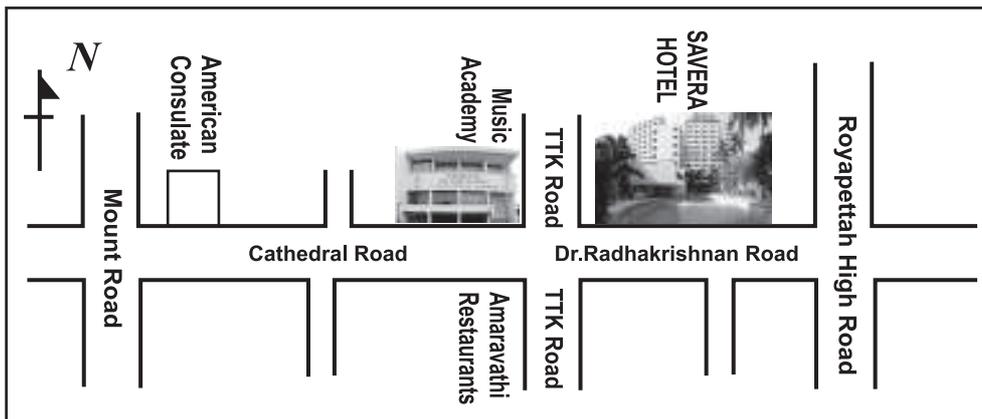
Chennai
14th August, 2015

N S Mohan
Company Secretary

Regd. Office :
146 Dr. Radhakrishnan Road
Chennai 600 004.

ROUTE MAP TO AGM VENUE - MUSIC ACADEMY

(in compliance with the Secretarial Standard 2 of ICSI)



I. DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES.

Name	Brief particulars	Other Directorship	Company Name
Mrs. A.Nina Reddy	<p>Mrs. A. Nina Reddy, B.A., D.I.D., D.C.I and H.K. is specialized in Interior Decoration and House Keeping. She has been on the Board of the company since January,1999. She has a rich exposure in hotel industry for more than 17 years. She is innovative, creative and energetic Director. Mrs. A Nina Reddy is a member of the Corporate Social Responsibility Committee and the Risk Management Committee.</p> <p>Mrs.A Nina Reddy is holding 2095812 equity shares in the company.</p>	7	<p>Amaravathi Restaurants Pvt Ltd.</p> <p>Carewell Investments Ltd</p> <p>Elkhil Agrotech Pvt. Ltd</p> <p>Ruchi Agro Products Pvt Ltd</p> <p>Savera Anthuriums (P) Ltd</p> <p>Shyam Enterprises P Ltd.</p> <p>Savera Biotech (India) P. Ltd.</p>

DIRECTORS' REPORT

To the members of Savera Industries Ltd,

The Directors have pleasure in presenting the 46th Annual Report of Savera Industries Ltd (the company), and the consolidated audited financial statements along with the audited financial statements for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

	2014-15	2013-14
		(₹ in lakhs)
Profit / (Loss) before tax for the year	396.23	446.02
Less : Provision for income tax for the year (Including deferred tax liability)	107.00	613.41
Profit after tax	289.23	(167.39)
Profit brought forward	1789.69	2123.44
Profit available for appropriation	2078.92	1956.05
Transferred to General Reserve	-	-
Dividend and Dividend Distribution Tax	172.43	166.36
Profit carried forward to next year	1906.49	1789.69

OPERATING RESULTS

The revenues of the company increased by ₹ 655.55 lakhs representing 11.60% over last year. The occupancy of the main unit i.e. Savera Hotel, Chennai rose to 76% during the year as against 69% over the corresponding period last year.

As can be seen above, the profit before tax is at ₹ 396.23 lakhs as compared to ₹ 446.02 lakhs of last year, registering a decrease of 11.16%.

During the year under review, the company has closed the business at its unit viz., Walnut Hotel, situated at Hyderabad as approved by the shareholders. Besides, the company's other units are in progressive stages.

STATE OF COMPANY'S AFFAIRS

Total expenditure for the period ended as at 31st March, 2015 amounted to ₹ 5912.80 lakhs increased by ₹ 705.34 lakhs (13.54%) as compared to the previous year. The Profit (EBITDA) before depreciation, finance cost and tax for the year ended 31st March, 2015 amounted to ₹ 1212.51 lakhs increased by ₹ 54.63 lakhs representing 4.72% over the corresponding period last year. The tax expense including deferred tax for the year ended 31st March, 2015 amounted to ₹ 107.00 lakhs. The Profit after Tax for the year ended 31st March, 2015 stood at ₹ 289.23 lakhs as against a loss of ₹ 167.39 lakhs. No transfer was made to General Reserve during the year under review.

DIVIDEND

The Board of Directors of the Company has recommended a dividend of ₹ 1.20 per equity share for the financial year ended 31.03.2015. The total outflow towards dividend will be ₹ 143.13 lakhs and the tax on dividend works out to ₹ 29.30 lakhs which will be absorbed by the company.

FIXED DEPOSIT

The Company has not accepted any fixed deposits under the provisions of the Companies Act, 2013.

FINANCIAL HIGHLIGHTS OF THE COMPANY

The financial highlights of the company for last 10 years are furnished in the Annual Report.

FINANCIAL INFORMATION AND DETAILS OF SUBSIDIARY

The Consolidated Financial Statement of the company and its subsidiary viz., Elkhill Agrotech Pvt Ltd. is prepared in accordance with the Accounting Standard 21 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the consolidated financial statements of the company. The consolidated financials disclose the assets, liabilities, income, expenses and other details. The minutes of the subsidiary company along with the financial statements were placed and reviewed by the Board of Directors of the company.

The annual accounts of the said subsidiary and related detailed information will be kept at the Registered Office of the company, as also at the registered office of the respective subsidiary company and will be available to members seeking information at any time.

The salient features relating to the subsidiary as required by sub-section 3 of Section 129 of the Companies Act, 2013 (Act) read with rule 5 of the Companies (Accounts) Rules, 2014 is furnished hereto in the Annexure 2.

There is no associate company within the meaning of section 2(6) of the Companies Act, 2013 ("Act").

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors met four (4) times once in every quarter during the year to review and consider the financial results and the meeting dates are provided in the Corporate Governance Report.

Pursuant to the provisions of the Companies Act, 2013, Mrs. A. Nina Reddy, Director retires by rotation and is eligible for reappointment. The Board recommends her appointment and

accordingly resolution seeking approval of the members for her appointment has been included in the notice of the forthcoming Annual General Meeting of the company along with her brief profile. During the year under review, Mr. R. Dayakar Naidu was appointed as the Chief Financial Officer.

The Key Managerial Personnel of the company presently are Mr. A. Ravikumar Reddy, Managing Director, Mr. N. S. Mohan, Company Secretary and Mr. R. Dayakar Naidu, Chief Financial Officer.

DIRECTORS' RESPONSIBILITY STATEMENT

On the basis of internal financial controls and systems relating to compliance maintained by the company, work done by the internal, statutory and secretarial auditors, the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2014-15.

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, and based on the representations received from the management, the directors hereby confirm that:

- i. In the preparation of the Annual Accounts for the year 2014-15, the applicable accounting standards have been followed and there are no material departures;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2015 and of the profit of the company for that period;
- iii. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating properly;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL & SYSTEM

The Company has internal control and systems commensurate with the size of the complexity of the business operations and it has well defined internal audit functions. For the purpose of independence, the internal audit dept. reports to Chairman of the Audit Committee of the Board of Directors.

SECRETARIAL AUDITOR

Mr. R. Balasubramaniam, Practising Company Secretary has been appointed as the Secretarial Auditor during the year. The Secretarial Audit Report given by him shall form part of this report.

AUDITORS

In accordance with the provisions of Section 139 the Companies Act, 2013, and the rules framed thereunder, the Auditors, M/s. D.A. Reddy & Co., Chartered Accountants, were appointed as statutory auditors of the company from the conclusion of the 45th Annual General Meeting of the company held on 22.09.2014 till the conclusion of the 48th Annual General Meeting (AGM) to be held in the year 2017, subject to ratification of their appointment at every AGM.

SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the regulators or courts or tribunals affecting the going concern status and future operations of the company.

INDEPENDENT DIRECTORS DECLARATION

Mr. G. Sitharaman, Mr. A. Sudhakar Reddy, Mr. B. Ranga Reddy, and Mr. S. Sridhar Rao who are independent directors, have submitted a declaration that each of them meets the criteria of independence as provided in sub-section (6) of section 149 of the Act and revised clause 49 of the listing agreement. Further, there is no change in their status as independent director during the year.

STATUTORY AND SECRETARIAL AUDITORS REPORT

There are no qualifications, reservations or adverse remarks or disclaimers in the Statutory Auditors and Secretarial Auditors Report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013.**LOANS & INVESTMENTS :**

A sum of ₹ 82,09,372/- is due from its wholly owned subsidiary company M/s. Elkhill Agrotech P. Ltd. as on 31-3-2015 as against the previous balance of ₹ 1,25,79,763/- as on 31-3-2014. The company has made an investment of ₹ 73,150/- for 1330 compulsory convertible debentures at the rate of ₹ 55/- each in the Indian Hotels Company Ltd which are convertible into equity shares of ₹ 1/- each upon expiry of eighteen months from the date of allotment. The company has not given any guarantee to any person/corporate.

TRANSACTIONS WITH THE RELATED PARTIES

All related party transactions that were entered into during the financial year were in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement.

Further all contracts or arrangements with related parties entered into during the financial year ended 31-3-2015 were on an arm's length basis and in the ordinary course of business. All such contracts or arrangements have been approved by the Audit Committee and the Board of Directors of the company.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 are furnished in Form AOC-2.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

In compliance with clause 49 of the listing agreement, the Board of the Company has formed a risk management committee and defined the roles and responsibilities of the Risk Management Committee. The Board further delegated to the Risk Management Committee to monitor, review and implement the risk management plan for the company and ensure its effectiveness. In addition, the Board takes responsibility in overseeing the risk management plan for the company. The Risk Management Policy facilitates in identifying the risks associated with the operations of the company and in giving suitable measures/solutions to mitigate the same. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

CORPORATE SOCIAL RESPONSIBILITY.

The CSR Policy of the company and the details about the initiatives taken by the company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed in Annexure 1 to this Report. Further details of composition of the Corporate Social Responsibility Committee and other details are provided in the Corporate Governance Report which forms part of this report.

NOMINATION AND REMUNERATION POLICY

The company's policy on directors appointment and remuneration and other matters provided in section 178(3) of the Companies Act, 2013 has been disclosed in the corporate governance report, which forms part of the directors' report.

BOARD EVALUATION

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, committees and self-evaluation.

Directors, who were designated, held separate discussions with each of the Directors of the company and obtained their feedback on overall Board effectiveness as well as each of the other directors.

Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC).

A separate meeting of the independent directors was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. After the annual independent directors meeting, the collective feedback of each of the independent directors was discussed by the Chairman of Nomination and Remuneration Committee with the Board's Chairman covering performance of the Board as a whole, performance of the non-independent directors and the performance of the Board Chairman.

Important key criteria for performance evaluation are as follows.

Directors performance evaluation

- Attendance at Board or Committee Meetings
- Contribution at Board or Committee Meetings
- Guidance/support to management outside Board/Committee meetings.
- Performance evaluation of Board and Committees
- Structure of the Board and Board composition
- Establishment and delineation of responsibilities to Committees.
- Effectiveness of Board processes , information and functioning.
- Board culture and dynamics
- Quality of relationship between Board and management.
- Efficacy of communication with external stakeholders.

LISTING

The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited.(MSE). The listing fees have been paid to Bombay Stock Exchange Ltd only.

CORPORATE GOVERNANCE

In terms of clause 49 of the Listing Agreement, a report on Corporate Governance, the Auditors' Certificate on the compliance of conditions of Corporate Governance and the report on Management Discussion and Analysis form part of the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 134 (3) (m) of the Act, read with the companies (Accounts) Rules 2014 is furnished hereunder.

Your company is part of the eco green practices and is keen in green energy practices. The company installed solar water heater system through which the company is able to get 100 % solar hot water for meeting the requirements of unit at Chennai. The entire Hotel lightings are now either in LED or in CFL. This reduces the power consumption at the maximum and reduces the heat generation at the minimum level. The company is having centralized LPG banking system, by this the residue of the LPG is minimized. The company is constantly monitoring the electrical and diesel consumption and necessary control system is implemented to control the consumption. The total electrical power consumption is backed up by the wind energy resulting in saving more in the electricity cost.

The company is practicing of reduce, reuse and recycle system by which the company is closely controlling the wastage generation. For reuse, all the unwanted materials are placed in red band area and the required item will be retrieved by the necessary departments. The sewage and sewerage waste water is treated in STP and the treated water is reused in flushing system and in cooling towers. The company also installed organic waste generators. This generators converts the organic wastes into composite manure.

Hotel being a service industry, technology absorption, transfer etc., are not applicable. The company has installed Wi-Fi internet, group mobile system, wireless systems for its security for faster communication.

Earnings in convertible foreign exchange for the year amounted to ₹ 393.90 lakhs for the services rendered to Foreign Tourists (Previous year ₹ 409.50 lakhs). Expenditure in Foreign Currency is ₹ 133.42 lakhs (Previous Year ₹ 48.41 lakhs).

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti-Sexual harassment Policy in line with the requirement of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual and trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15.No. of complaints received- Nil; No. of complaints disposed off: Nil.

EXTRACT OF THE ANNUAL RETURN

As Provided under section 92(3) of the Act, the extract of annual return is given in Annexure 3 in the prescribed form MGT -9 which forms part of this report.

PARTICULARS OF EMPLOYEES

The information required under section 197(12) of the Act, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in the Annexure 4 to this report. No employee had drawn remuneration during the year 2014-15 more than the amount prescribed under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014.

Your directors wish to place on record their appreciation for the good services rendered by the employees at all levels of the company.

GENERAL :

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

Issue of equity shares with differential rights as to dividend, voting or otherwise

Issue of shares (including sweat equity shares) to employees of the company under any scheme.

Neither the Managing Director nor the Joint Managing Director receive any remuneration or commission from its subsidiary.

ACKNOWLEDGEMENTS

The directors would like to thank the Central Bank of India, and other financial institutions for extending their financial support. They further express their thanks to the Central Government, State Government and other stakeholders for their patronage, support and guidance.

For and on behalf of the Board

Chennai
14th August, 2015

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 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 transaction under third proviso thereto.

1. Details of Contracts or arrangements or transactions not at arm's length basis : Nil

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

(a)	Names of the related party and nature of relationship	M/s. Shyam Hotels & Restaurants, a Partnership Firm. Promoter directors are interested	M/s. Amaravathi Restaurants Pvt., Ltd., Promoter directors are interested
(b)	Nature of Contracts/ arrangements/transactions	Supply of Packaged drinking water to the company	Franchise Contract using the Trade Mark "Malgudi" for the Restaurant of the company.
(c)	Duration of Contracts/ arrangements/transactions	Contract for a period of 3 years	Franchise Contract for a period of 3 years
(d)	Salient terms of the contracts or arrangements or transactions including the value if any.	Supply of packaged drinking water to the company not exceeding ₹ 25.00 lakhs per year	Franchise fee for use of the said Trade Mark is 3% on each month sales exclusive of service tax, royalty tax, but subject to deduction of tax at source.
(e)	Justification for entering into such contracts or arrangements or transactions	Uninterrupted supply and the best quality at a competitive rate prevailing in the market	In Restaurant Business, the brand equity image is one of the main factors, which attract the public with pre-determined assumption of taste and service. Hence the Board proposed to make use of the brand "Malgudi"
(f)	Date of approval by the Board, if any	05.11.2014	05.11.2014
(g)	Amount paid as advances, if any	NIL	Nil

Place : Chennai
Date : 14th August 2015

A.Ravikumar Reddy
Managing Director

A Nina Reddy
Joint Managing Director

ANNEXURE - 1

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT.

1. A brief outline of the company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes :

The company's objective is to manage the business processes to produce an overall positive impact on our society and create wellness. Taking corporate social responsibility ('CSR') as a strategic social investment, the company aims to integrate its resources with society's development needs for better future. To align the company's activities with its vision and undertake initiatives in the area of (a) education and skill development (b) social and economic welfare, (c) environmental sustainability. For achieving the company's objective, vision and mission, the CSR activities are being undertaken by the company independently. The activities are centred on education and skills development to the under-privileged. The company's activities will be carried out in promoting education to the under-privileged. The company is running this educational activity in the name of Savera Hotel Academy. (SHA). The company plans to enhance further in the same line of activities. The company has posted the CSR Policy on its website. www.saverahotel.com.

2. The composition of the CSR committee :

The Committee comprises of the following directors to look into the CSR activities of the company.

Mr. A. Ravikumar Reddy, Managing Director
Mrs. A. Nina Reddy, Joint Managing Director
Mr. B Ranga Reddy Independent director

3. Average net profit of the company for last three financial years

	2011-12	2012-13	2013-14 (₹ In lakhs)
Net profit as per Sec 198	667.13	497.72	444.34
Average net profit	₹ 536.40 lakhs		

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) :
₹ 10.73 lakhs

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year : ₹ 10.73 lakhs

(b) Amount unspent : N.A.

(c) Manner in which the amount spent during the financial year is detailed below.

CSR Expenditure of ₹ 15.15 lakhs towards Education and skills development to the under-privileged.

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

There was no unspent amount.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR Policy are in compliance with CSR objectives and policy of the company.

Place : Chennai
Date : 14th August, 2015

A.Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

ANNEXURE - 2

Form No. AOC-1

Statement containing salient features of the financial statement of subsidiary/ associate company/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014.)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl.No.	1
1. Name of the subsidiary	M/S. ELKHILL AGROTECH PRIVATE LTD
2. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3. Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not Applicable
4. Share capital	₹ 2,00,00,000 - (20000 shares of ₹ 1000 each)
5. Reserves & Surplus	(₹ 2,51,39,111)
6. Total assets	₹ 54.57 lakhs
7. Total liabilities	₹ 54.57 lakhs
8. Investments	-
9. Turnover	₹ 1.74 lakhs
10. Profit before taxation	₹ (9.75) lakhs
11. Provision for taxation	-
12. Profit after taxation	₹ (9.75) lakhs
13. Proposed Dividend	NIL
14. % of shareholding	100%

- Names of subsidiaries which are yet to commence operations – Nil
- Names of subsidiaries which have been liquidated or sold during the year – Nil.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associated Companies and Joint Ventures.

There is no Associate Company and Joint Ventures.

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
Joint Managing Director

Place : **Chennai**
Date : 29th May, 2015

R.Dayakar Naidu
Chief Financial Officer

N.S.Mohan
Company Secretary

ANNEXURE - 3

Form No. MGT 9

EXTRACT OF ANNUAL RETURN

(ANNEXURE TO DIRECTORS REPORT)

As on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS					
i	CIN		L55101TN1969PLC005768		
ii	Registration Date		17/11/1969		
iii	Name of the Company		Savera Industries Limited		
iv	Category/Sub Category of the Company		Public company/listed by equity shares		
v	Address of the Registered office and contact details		No.146,D r.Radhakrishnan Road, Chennai 600 004, Tamil Nadu. Tel : 044 28114700 Fax : 044 28113475 Email : info@saverahtoel.com		
vi	Whether listed company		Yes		
vii	Name, address and contact details of the Registrar and Share Transfer Agent, if any		M/s.Cameo Corporate Services Limited 'Subramaniam Building' No.1, Club House Road, Chennai 600 002 Tel :044 28460390 Fax :044 28460129 Email : cameo@cameoindia.com		
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY.					
All the business activities contributing 10% or more of the total turnover of the company shall be stated :					
	S.No	Name and Description of main products/services	NIC Code of the product / service	% to total turnover of the company	
	1	Hoteliering	55 Accommodation & Food Service	54.83%.	
			56 Food & Beverages service activities	45.17%	
III PARTICULARS OF THE HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sl.No	Name & address of the company	CIN/GLN	Holding / subsidiary / associate	% of shares held	Applicable section
1.	Elkhill Agrotech Pvt Ltd, 111 Palace Road Fernhill, Ooty - 643 004	UO1117TZ1998PTC008287	Wholly owned subsidiary company	100%	2 (87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. PROMOTERS									
(1) INDIAN									
(a) Individual/HUF	1801460	-	1801460	15.10	1801460	-	1801460	15.10	0.00
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	1043033	-	1043033	8.74	1043033	-	1043033	8.74	0.00
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any other - Directors and their relatives	4424272	-	4424272	37.09	4424272	-	4424272	37.09	0.00
sub total A (1)	7268765		7268765	60.94	7268765		7268765	60.94	0.00
(2) FOREIGN									
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
sub total A (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoters	7268765	0	7268765	60.94	7268765	0	7268765	60.94	0.00
A = A (1) + A(2)									
B. PUBLIC									
SHAREHOLDING									
1) Institutions									
(a) Mutual funds	-	-	-	-	-	-	-	-	-
(b) Banks/FIs	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs.	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub total B (1)	-	-	-	-	-	-	-	-	-

2) Non- Institutions									
a) Bodies Corp.									
i) Indian	493491	7000	500491	4.20	582444	7000	589444	4.94	0.74
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual									
i) Individual share-holders holding nominal share capital upto ₹ 1 lakh	985059	632592	1617651	13.56	996390	612992	1609382	13.49	-0.07
ii) Individual share-holders holding nominal share capital in excess of ₹ 1 lakh	1734522	16400	1750922	14.68	1664430	16400	1680830	14.09	-0.59
c) Others (Specify)									
i) Clearing Member	4410	-	4410	0.04	272	-	272	0	-0.04
ii) Hindu Undivided Families	774524	-	774524	6.49	769970	-	769970	6.46	-0.03
iii) Non Resident Indians	11237	-	11237	0.09	9337	-	9337	0.08	-0.01
Sub total B (2)	4003243	655992	4659235	39.06	4022843	636392	4659235	39.06	0.00
Total public share-holding B=B(1)+B(2)	4003243	655992	4659235	39.06	4022843	636392	4659235	39.06	0
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs									
GRAND TOTAL (A+B+C)	11272008	655992	11928000	100.00	11291608	636392	11928000	100.00	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's name	shareholding at the beginning of the year			shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	A.Priyamvatha	687600	1.71	0	687600	1.71	0	0
2	A.Shravya	204100	1.71	0	204100	1.71	0	0
3	A.Ritika	291760	2.45	0	291760	2.45	0	0
4	Tarun Reddy A	432800	3.63	0	432800	3.63	0	0
5	A.Nina Reddy	2095812	17.57	0	2095812	17.57	0	0
6	A.Ravikumar Reddy	1603840	13.45	0	1603840	13.45	0	0
7	A.Nivruti	291820	2.45	0	291820	2.45	0	0

8	Shyam Enterprises Private Ltd	273400	2.29	0	273400	2.29	0	0
9	Ruchi Agro Products Pvt Ltd	430740	3.61	0	430740	3.61	0	0
10	Amaravathi Restaurants Pvt Ltd	134508	1.13	0	134508	1.13	0	0
11	Amaravathi Restaurants Pvt Ltd	204385	1.71	0	204385	1.71	0	0
12	A.Revathi	18000	0.15	0	18000	0.15	0	0
13	A.H.V.P.Sidhu	300000	2.52	0	300000	2.52	0	0
14	Vasuprada A	300000	2.52	0	300000	2.52	0	0
TOTAL		7268765	60.94	0.00	7268765	60.94	0.00	0.00

(iii) Change in Promoters' shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	7268765	60.94	7268765	60.94
2	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
3	At the end of the year	7268765	60.94	7268765	60.94

There is no change in promoters' shareholding during the year 2014-15.

The Promoters have not pledged their shares during the year under review.

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No	Name of the top 10 shareholders	Shareholding at the beginning of the year		Change in shareholding during the year		Shareholding at the end of the year	
		No. of shares	%	No. of shares	%	No. of shares	%
1	Lalit Modi	702280	5.89	-	-	702280	5.89
2	A.Rajasekhara Reddy	344480	2.88	-	-	344480	2.88
3	Zaki Abbas Nasser	160000	1.34	120000	1.01	280000	2.35
4	Lok Prakashan Ltd	226000	1.89	--	-	226000	1.89
5	A.Chaitanya Kumar Reddy	113360	0.95	-	-	113360	0.95
6	Nishitha Reddy	113360	0.95	-	-	113360	0.95
7	Jitender Kumar Lalwani	121204	1.05	4000	0.03	125204	1.08
8	Atrun Fiscal Pvt Ltd	75205	0.63	2214	0	77419	0.65
9	JM Financial Services Ltd	76348	0.64	14311		90659	0.76
10	Ketan A Shah	0	0	65000	0.54	65000	0.54

The above details are given as on 31.3.2015. The company is listed and 94.66% shareholding is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders is due to market operations. Further, company has not allotted or issued any bonus or sweat equity shares during the year.

(v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No	For each of the Directors and KMP	shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr.A.Ravikumar Reddy Managing Director & KMP - At the beginning of the year	1603840	13.45	1603840	13.45
2	Mrs.A.Nina Reddy Joint Managing Director - At the beginning of the year - Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.) - At the end of the year	2095812 0 2095812	17.57 17.57	2095812 0 2095812	17.57 17.57
3	Mr.A.Tarun Reddy Director - At the beginning of the year - Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.) - At the end of the year	432800 0 432800	3.63 3.63	432800 0 432800	3.63 3.63
4	Ms.A.Nivruti Director - At the beginning of the year	291820	2.45	291820	2.45

	- Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.) - At the end of the year	0 291820		0 2.45	0 291820		2.45
5	Mr.G.Sitharaman Director - At the beginning of the year - Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.) - At the end of the year	0 0 0		0.00	0 0		0.00
6	Mr.A.Sudhakar Reddy Director - At the beginning of the year - Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.) - At the end of the year	580 0 580		0.00	580 0 580		0.00
7	Mr.B.Ranga Reddy Director - At the beginning of the year Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.) - At the end of the year	0 0 0		0.00	0 0		0.00

8	Mr.S.Sridhara Rao Director				
	- At the beginning of the year	0	0.00	0	0.00
	- Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0		0	
	- At the end of the year	0	0.00	0	0.00
9	Mr.N.S.Mohan Company Secretary - KMP				
	- At the beginning of the year	0	0.00	0	0.00
	Date wise increase/de- crease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0		0	
	- At the end of the year	0	0.00	0	0.00
10	Mr.R.Dayakar Naidu Chief Financial Officer - KMP				
	- At the beginning of the year	2000	0.00	2000	0.00
	- Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	0		0	
	- At the end of the year	2000	0.00	2000	0.00

V. INDEBTEDNESS :

(Amount in ₹)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal amount	24,04,77,335	48,46,211	--	24,53,23,546
(ii) Int. due but not paid	28,04,598	--	--	28,04,598
(iii) int. accrued but not due	--	--	--	
Total (i) + (ii) + (iii)	24,32,81,933	48.46.211		24,81,28,144
Change in indebtedness during the financial year				
--Addition	1,77,06,069	13,98,000	--	1,91,04,069
--Reduction	4,62,90,000	36,47,917	--	4,99,32,917
Net Change	2,85,83,931	22,49,917		3,08,33,848
Indebtedness at the end of the financial year				
(i) Principal amount	21,18,93,406	2596294	--	21,44,89,700
(ii) Int. due but not paid	24,67,967	--	--	24,67,967
(iii) int. accrued but not due	--	--	--	
Total (I + ii + iii)	21,43,61,373	25,96,294		21,69,57,667

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager.

S. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		A.Ravikumar Reddy Managing Director	A.Nina Reddy Joint Managing Director	
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961 (b) Value of perquisites u/s. 17 (2) of Income Tax Act, 1961 (c) Profits in lieu of Salary under section 17(3) of Income Tax Act, 1961	28,05,065	28,05,065	56,10,130
2	Stock option	-	-	-
3	Sweat Equity	-	-	-

4	Commission - as % of profit - others, specify –	-	-	
5	Others please specify (PF & retirement benefits)	16,500	16,500	33,000
	Total (A)			
	Ceiling as per the Act			

B. Remuneration to other directors.

S. No	Particulars of Remuneration	Name of Directors				Total amount
		G.Sitharman	A.Sudhakar Reddy	B.Ranga Reddy	S.Sridhara Rao	
1	Independent Directors Fee for attending Board, Committee meetings	55000	50000	50000	30000	185000
2	Commission	0	0	0	0	
3	Others, please specify	0	0	0	0	
	Total - 1	55000	50000	50000	30000	185000
S. No	Particulars of Remuneration	A.Tarun Reddy	A Nivruti	Total Amount		
1	Other Non-Executive Directors Fee for attending Board, Committee meetings	45000	40000	85000		
2	Commission	0	0	0		
3	Others, please specify	0	0	0		
	Total - 2	45000	40000	85000		
Total B = (1)+(2)						
Total Managerial Remuneration A + B						
Overall Ceiling as per the Act,						

C Remuneration to Key Managerial Personnel other than MD/WTD/Manager

S.No	Particulars of Remuneration	Key Managerial personnel			Total Amount
		C.E.O	C.S.	C.F.O	
1	Gross Salary	N.A.			
	(a) Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961	N.A.	12,55,000	4,20,000*	16,75,000
	(b) Value of Perquisites U/s. 17(2) Income Tax Act, 1961	N.A.			
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	N.A.			
2	Stock option	N.A.			
3	Sweat Equity	N.A.			
4	Commission	N.A.			
	- as % of profit	N.A.			
	- others, specify	N.A.			
5	Others please specify – P.F.	N.A.	16,500	5,400	21,900
	Total		12,71,500	4,25,400	16,96,900

*CFO has been appointed w.e.f 13.8.2014

VII	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	There were no penalties / punishment / compounding of offences against company, directors, and other officers in default.
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ANNEXURE - 4**Particulars of remuneration**

The information required under section 197 of the Act and the rules made thereunder in respect of employees of the company is as follows.

- (a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Explanation: (a) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one: (b) if there is an even number of observations, the median shall be the average of the two middle values)

Mr. A. Ravikumar Reddy Managing Director	Mrs. A. Nina Reddy Joint Managing Director
1 : 16.70	1 : 16.70

- (b) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary if any, in the financial year.

The percentage increase in remuneration of the Managing Director and Joint Managing Director during the financial year 2014-15 is furnished below.

Name of the Person	% increase in remuneration
Mr. A. Ravikumar Reddy	13.33%
Mrs. A. Nina Reddy	13.33%

The percentage increase in remuneration of the Chief Financial Officer is Nil as he has been appointed w.e.f. 13-08-2014. The percentage increase in the remuneration of the Company Secretary : 4.89%

- (c) The percentage increase in the median remuneration of employees in the financial year : 12%
- (d) The number of permanent employees on the rolls of the company : 361
- (e) The explanation on the relationship between average increase in remuneration and company performance. The remuneration of non-unionised employees is linked to their performance in the company and also has a correlation with the company's performance. The union employees are governed by the respective wage settlement agreement between the company and the union on periodic basis.
- (f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: The total revenue has got increased by Rs.655.55 lakhs representing 11.60% from Rs.5653.48 lakhs to Rs.6,309.03 lakhs as compared to the decrease 2.45% from Rs.5795.42 lakhs to Rs.5653.48 lakhs last year. The increase

in the remuneration of KMP was after considering industry standards and inflationary conditions.

- (g) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies: The market capitalization of the company as at 31st March, 2015 is Rs.4568 lakhs as against Rs.4133 lakhs as at 31st March, 2014 representing an increase of 10.53% during the year under review. Since the company has incurred loss during the last year, price earning ratio has not been arrived at. The price earning ratio for the current year ended 31-03-2015 is 15.82%. The market quote at BSE for the equity shares of the company as on 31st March, 2015 was Rs.38.35 (high) and Rs.38.30 (low) per equity share having the face value of Rs.10/- each.
- (h) 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 and justification thereof and point out if there any exceptional circumstances for increase in the managerial remuneration: The percentage increase in the salaries of employees other than the managerial personnel in the last financial year is 13.39% as compared to the increase of 13.33% to the Managing Director and Joint Managing Director. The increment given to each individual employee is based on the employees' profile, experience and also their performance and contribution to the company's growth over a period of time and also considering the inflationary conditions.
- (i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the company.

Particulars	Managing Director	Company Secretary	Chief Financial Officer*
Remuneration	₹ 28.05 lakhs	₹ 12.55 lakhs	₹ 4.20 lakhs
Revenue	₹ 6309.03 lakhs	₹ 6309.03 lakhs	₹ 6309.03 lakhs
Remuneration (as % of revenue)	0.45 %	0.20%	0.06%
Profit before Tax	₹ 396.23 lakhs	₹ 396.23 lakhs	₹ 396.23 lakhs
Remuneration (as % of PBT)	7.07%	3.16%	1.06%

*CFO was appointed w.e.f. 13-08-2014.

- (j) The key parameters for any variable component of remuneration availed by the directors: Nil.
- (k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

The highest paid Directors are the Managing Director and the Joint Managing Director. No employee has received the remuneration in excess of the Managing Director and Joint Managing Director.

- (l) Affirmation that the remuneration is as per the remuneration policy of the company.

It is affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees, approved and adopted by the company.

Form No.MR.3
Secretarial Audit Report

(For the financial year ended 31st March, 2015)

[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
Savera Industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Savera Industries 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 my opinion thereon.

Based on my verification of Savera Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Savera Industries Limited ("The Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder : Not applicable for the year under review;
- (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, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 : Not applicable for the year under review;
- (d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 : Not applicable for the year under review;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 : Not applicable for the year under review;
- (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, 2009 : Not applicable for the year under review;
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 : Not applicable for the year under review;

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not applicable as they were not notified during the period under review)
- ii) The Listing Agreements entered into by the Company with Madras Stock Exchange Limited and Bombay Stock Exchange Limited.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Decision taken at the Board Meeting as represented by the management were taken unanimously.

I further report that 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.

I further report that during the audit period

- (a) The company has passed the special resolution under section 180 (1) (a) of the Companies Act, 2013, through postal ballot for closure of its business which is being carried on at Walnut Hotel (a unit of Savera Industries Ltd) door No.5/76-4-16 & 17, Raidurga, Gachibowli - Toli Chowki Road, Hyderabad - 500 008, sale & disposal of the movable assets situated at the premises of Walnut Hotel, (a unit of Savera Industries Ltd) and termination of the lease entered for Walnut Hotel with the lessor.
- (b) The company has passed the special resolution under section 180(1)(c) of the Companies Act, 2013 empowering the Board of Directors to borrow moneys (apart from temporary loans from company's bankers in the ordinary course of business) provided that the amounts borrowed and outstanding at any point of time does not exceed Rs.100 crores over and above the aggregate of the paid up capital and free reserves of the company.
- (c) The company has passed special resolution under section 180(1)(a) of the Companies Act, 2013 empowering the Board of Directors to mortgage and/or charge all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertaking or undertakings of the company for securing any loan from Banks/Other Financial Institutions, up to an amount not exceeding the borrowing powers of the company.

This report is to be read with my report of even date which is annexed as Annexure A and forms part of this report.

Place : Chennai
Date : 7th August, 2015

R.Balasubramaniam
Practising Company Secretary
FCS No.:2397
C.P.No.1340

ANNEXURE A to the Secretarial Audit Report

To
The Members
Savera Industries Ltd

My report of even date is to be read along with this letter.

1. Maintenance of secretarial and other records is the responsibility of the management of the company. My responsibility is to express an opinion on the relevant records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the relevant records and compliances. The verification was done on test basis to verify that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial and tax records and books of accounts of the company.
4. Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future liability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai
Date : 7th August, 2015

R.Balasubramaniam
Practising Company Secretary
FCS No:2397
C.P.No.1340

REPORT ON CORPORATE GOVERNANCE

(Annexure to the Report of the Directors)

1. The basic objective of Corporate Governance Policies adopted by the company, is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to meet with the statutory requirement, but also to go beyond by putting in place procedures and systems, which are in accordance with best practices of governance. Your company believes that good corporate governance enhances the trust and confidence of all stakeholders. Good practice in corporate behaviour helps to enhance and maintain public trust in companies and stock market.

Your company reviews its Corporate Governance practices to ensure that they reflect the latest developments in the corporate arena and thus positioning itself to conform to the best corporate governance practices. Your company is committed to pursue excellence in all its activities and maximise its shareholders wealth.

The company's Corporate Governance policies and practices focus on the following principles.

- 1) To recognise the respective roles and responsibilities of the Board and Management.
- 2) To achieve the highest degree of transparency by maintaining high degree of disclosure levels.
- 3) To ensure and maintain high ethical standards in its functioning.
- 4) To give the highest importance to investors relations.
- 5) To ensure a sound system of risk management and internal controls.
- 6) To ensure that employees of the company subscribe to the corporate values and apply them in their conduct.
- 7) To ensure that the decision making process is fair and transparent.
- 8) To ensure that the company follows globally recognised corporate governance practices.

The company reports the following compliance of Corporate Governance for the financial year 2014-15.

2. Board of Directors

The composition of the Board is broad based and comprises of Executive, Non-Executive and Independent directors. Totally. There are four independent directors and four promoter directors.

Attendance of Directors at the Board Meeting held during the financial year 2014-15 and last AGM is given below.

Sl. No.	Name of the Directors	No. of Board Meetings held	No. of Board meeting attended	Last AGM Present/ Absent
1	Mr. A. Ravikumar Reddy	4	4	Present
2	Mrs. A. Nina Reddy	4	4	Present
3	Mr. A. Tarun Reddy	4	3	Present
4	Ms. A. Nivruti	4	4	Present
5	Mr. G. Sitharaman	4	4	Present
6	Mr. A. Sudhakar Reddy	4	4	Present
7	Mr. B. Ranga Reddy	4	4	Present
8	Mr.S.Sridhara Rao*	4	3	Present

*Mr.S.Sridhara Rao was appointed as an Additional Director in the Board Meeting held on 13.08.2014 and he was invited for the said Board Meeting.

No. of other Boards or Board Committees in which the directors of the company are member or chairperson.

Sl. No.	Name of the Directors	Category of Director	Other Companies Directorship	Other Companies Committees membership
1	Mr. A. Ravikumar Reddy	Promoter - Executive	7	Nil
2	Mrs. A. Nina Reddy	Promoter – Executive	7	Nil
3	Mr. A. Tarun Reddy	Promoter - Non Executive	3	Nil
4	Ms. A. Nivruti	Promoter - Non Executive	3	Nil
5	Mr. G. Sitharaman	Independent – Non Executive	-	Nil
6	Mr. A. Sudhakar Reddy	Independent – Non Executive	-	Nil
7	Mr. B. Ranga Reddy	Independent – Non Executive	1	Nil
8	Mr.S.Sridhara Rao	Independent – Non Executive	-	Nil

Board Meetings

- The Board of the Company has also the various specialised committees constituted by it. Totally four meetings of the Board were held and the gap between two meetings did not exceed one hundred twenty days.
- The date on which the said meetings were held on 26.05.2014, 13.08.2014, 05.11.2014, and 12.02.2015 during the financial year 2014-15. The necessary quorum was present for all the meetings.
- The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.
- During the year, a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole, to review the performance of the Chairperson of the company taking into account the views of executive directors and non-executive directors and to assess the quality, quantity and timeliness of flow of information between the company management and the board that is necessary for the board to effectively and reasonably perform their duties. The Board periodically reviews compliance of all laws applicable to the company.
- The required information, as recommended by the SEBI/Stock Exchanges are circulated to the Directors, including the non-executive directors who have actively participated in the deliberations of the Board.

3. Audit Committee

The Company's Audit Committee is constituted in line with the provisions of Clause 49 of the listing agreement entered into with the stock exchanges read with Section 177 of the Companies Act, 2013. It comprises entirely of Independent Directors and Non- Executive Director. Each member of the committee has the relevant experience in the field of finance and accounting. The Chairman of the Audit Committee is Mr.G.Sitharaman, who is a fellow member and past president of the ICAI. He is an eminent Chartered Accountant and has over 50 years of professional experience. The primary objective of the Audit Committee is to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The terms of reference of the Audit Committee are broadly as under :

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- Reviewing with management the annual financial statements and auditor's report thereon before submission to the board for approval , with particular reference to :
 - a. 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.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by the Management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue), 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in the matter.
- Review and monitor and auditor's independence and performance and effectiveness of audits process;
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- 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.

- Discussion with internal auditors of any significant findings and follow up thereon.
- 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 the board.
- 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.
- To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of CFO (i.e. the wholetime 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.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee meetings during the financial year 2014-15 were held on 26.05.2014, 13.08.2014, 05.11.2014, and 12.02.2015. The attendance of Members at the Audit Committee meeting held during financial year 2014-15 is furnished hereunder.

S. No.	Name of the members	Category	Number of meetings during the year 2014-15	
			Held	Attended
1	Mr.G.Sitharaman-Chairman	Independent & Non Executive	4	4
2	Mr.A.Sudhakar Reddy	Independent & Non Executive	4	2
3	Mr.A.Tarun Reddy	Non independent & Non Executive	4	3
4	Mr.B.Ranga Reddy	Independent & Non Executive	4	2

4. Nomination and Remuneration Committee

The company already has the Remuneration Committee in terms of clause 49 of the listing agreement though it is not mandatory. In compliance with the provisions of section 178 of the Companies Act, 2013, the company has renamed the Remuneration Committee as “the Nomination and Remuneration Committee” with the following members w.e.f 26th May, 2014.

S.No	Name of the members	Category
1	Mr.B.Ranga Reddy – Chairman	Independent & Non Executive
2	Mr.A.Sudhakar Reddy	Independent & Non Executive
3	Mr.G.Sitharaman	Independent & Non Executive
4	Mr.A.Tarun Reddy	Non independent & Non Executive

The terms of reference of the Committee include inter-alia the following.

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- b. Formulation of criteria for evaluation of independent directors and the Board.
- c. Devising a policy on Board diversity
- d. 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. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Extract of the Nomination and Remuneration Policy

The committee shall evaluate the performance of the Managing Director by setting his key performance indicators at the beginning of each financial year. The committee shall ensure that his key performance indicators are aligned with the goals of the Company. The committee shall also approve the compensation package of the Managing Director and Whole-time Director. The compensation structure shall include basic salary, perquisites, commission, etc. The committee shall ensure that the compensation packages are in accordance with applicable law, in line with the Company's objectives, shareholders' interest, with industry standards and have an adequate balance between fixed and variable component. All the recommendations of the committee shall be referred to the Board for approval. The committee shall evaluate the performance of the senior management personnel of the Company. The committee shall also provide an overview of the remuneration payable to key managerial persons as defined under the Act and senior management of the Company. The committee shall ensure that the remuneration to the key managerial persons 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.

The Committee shall determine the Commission payable to the Non-Executive Directors after taking into the account their role for the decision making at meetings of the Board / Committees participation and time spent as well as providing major inputs and supporting highest level of Corporate Governance and Board effectiveness. It shall be within the overall limits fixed by the shareholders of the Company as per the provisions of the Companies Act, 2013 and rules made thereunder.

Attendance of Members at the meeting of the Committee held during financial year 2014-15.

S.No	Name of the members	No. of meeting	Meeting attended
1	Mr.B.Ranga Reddy – Chairman	1	1
2	Mr.A.Sudhakar Reddy	1	1
3	Mr.G.Sitharaman	1	1
4	Mr.A.Tarun Reddy	1	1

The details of remuneration paid to the Executive and Non-Executive Directors are given below:

S. No.	Name of the Directors	Category of Director	Salary Per annum	Bonus Stock Option, Pension Retirement Benefits etc	Sittings Fees for Board / Committee Meeting
1.	Mr. A. Ravikumar Reddy	MD - Executive	Rs. 28,05,065	Nil	Nil
2.	Ms. A. Nina Reddy	JMD - Executive	Rs. 28,05,065	Nil	Nil
3.	Mr. A. Tarun Reddy	Non - Executive	Nil	Nil	Rs. 45,000
4.	Ms. A. Nivruti Reddy	Non - Executive	Nil	Nil	Rs. 40,000
5.	Mr. G. Sitharaman	Non - Executive	Nil	Nil	Rs. 55,000
6.	Mr. A. Sudhakar Reddy	Non - Executive	Nil	Nil	Rs. 50,000
7.	Mr. B. Ranga Reddy	Non - Executive	Nil	Nil	Rs. 50,000
8.	Mr. S. Sridhara Rao	Non - Executive	Nil	Nil	Rs. 30,000

5. Stakeholders Relationship Committee

The company has renamed the Investors Grievance Committee as Stakeholders Relationship Committee both in compliance with corporate governance requirements and section 178 (5) of the Companies Act, 2013. The committee consists of the following members.

SI. No.	Name of the member	Category
1	Mr. A. Tarun Reddy	Chairman
2	Mr. A. Sudhakar Reddy	Member
3	Mr. A. Ravikumar Reddy	Member
4	Ms. A. Nivruti	Member

Roles and Powers:

The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the company including complaints relating to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

- i) Name of non-executive director heading the committee: Mr. A. Tarun Reddy,
- ii) Name and Designation of the Compliance Officer :Mr.N.S.Mohan, Company Secretary, and is also the Secretary to all the committees.
- iii) Number of shareholders complaints received so far.

Number of Complaints received during the year	Number of complaints not solved to the satisfaction of shareholder	Number of pending complaints
1	0	Nil

(a) Share Transfer Committee

The transfer deed requests received by the company are processed and transferred within the stipulated period. No valid transfer request remained pending for transfer to the transferees as on 31.03.2015. All requests for dematerialisation of shares are processed and confirmed through the concerned depository. Attendance of Members at the Meetings of the Share Transfer Committee held during the financial year 2014-15 is furnished hereunder. No sitting fees were paid to the members of the Share Transfer Committee to attend the meeting.

Sl. No.	Name of the Members	No. of meetings held	No. of meetings attended
1	Mr.A.Ravikumar Reddy - Chairman	10	10
2	Mr. B. Ranga Reddy - Member	10	10

(b) Reconciliation of Share Capital Audit

In terms of the Circular No. CIR/MRD/DP/ 30 /2010 dated 06.09.2010 issued by the SEBI, the reconciliation of share capital held in depositories and in physical form with the issued / listed capital of the company was carried out by Sri. R.Balasubramaniam, Practising Company Secretary for every quarter of the financial year 2014-15. The reconciliation of share capital audit report was placed before the Board and submitted to the stock exchanges where the company's shares are listed.

Risk Management Committee

In compliance with clause 49 of the listing agreement, the Board of the Company has formed a Risk Management Committee and defined the roles and responsibilities of the Risk Management Committee. The Board further delegated to the Risk Management Committee to monitor, review and implement the risk management plan for the

company and ensure its effectiveness. In addition, the Board takes responsibility in overseeing the risk management plan for the company. The Risk Management Policy facilitates in identifying the risks associated with the operations of the company and in giving suitable measures/solutions to mitigate the same. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

6. General Body Meetings

Location and time for the last three Annual General Meetings and the details of the special resolutions passed :

For the financial year	Venue	Date	Time	Special Resolutions
2011-12	The Music Academy, No.168 T.T.K.Road, Chennai 600 014.	24.09.2012	11.00 A.M.	Nil
2012-13	The Music Academy, No.168 T.T.K.Road, Chennai 600 014.	26.09.2013	11.00 A.M.	Nil
2013-14	The Music Academy, No.168 T.T.K.Road, Chennai 600 014.	22.09.2014	10.00 A.M.	Authority to borrow monies in excess of the paid up capital and free reserves of the company
				Authority to the Board for mortgaging and/or charging of assets of the company.

The Resolutions of 45th Annual General Meeting held on 22.9.2014 were passed by means of E-Voting and the votes cast by the members of the company who were present at the meeting. The resolutions were passed with requisite majority.

Details of postal ballot process conducted during the year 2014-15

During the year under review the company conducted postal ballot (physical and electronic voting) pursuant to the provisions of section 110 of The Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 on the special resolution under section 180 (1) (a) and other applicable provisions, if any, of The Companies Act, 2013, in respect of closure of the business which is being carried on at Walnut Hotel (a unit of Savera Industries Limited) door No.5/76-4-16 & 17 Raidurga, Gachibowli-Tolichowki Road, Hyderabad 500 008, sale & disposal of the movable assets situated at the premises of Walnut Hotel (a unit of Savera Industries Limited) and termination of the lease entered for Walnut Hotel with the lessor.

Resolution	Company to close the business which is being carried on at walnut hotel (a unit of Savera Industries Limited) door no.5/76-4-16 & 17 Raidurga, Gachibowli -Tolichowki Road, Hyderabad 500 008, sell & dispose of the movable assets situated at the premises of Walnut Hotel and terminate the lease entered for Walnut Hotel with the lessor						
	Special Resolution						
	Postal Ballot Forms		E-Votes		Total votes polled		% to total votes polled
Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)	Votes / Shares	Count (Nos.)		
Total Votes received	1952390	160	5803551	19	7755941	179	100.00%
Less : Invalid votes	438822	39	0	0	438822	39	5.66%
Net Valid votes	1513568	121	5803551	19	7317119	140	94.34%
Votes favouring the resolution - (A)	1512928	117	5802778	16	7315706	133	99.98%
Votes against the resolution - (B)	640	4	773	3	1413	7	0.02%
Total Votes received -(A)+(B)	1513568	121	5803551	19	7317119	140	100.0%

The Resolution has therefore been approved by the Shareholders with the requisite majority.

Mr. R. Balasubramaniam, Practising Company Secretary was appointed as a Scrutinizer to conduct the post ballot process in a fair and transparent manner. The postal ballot/e-voting results were declared on 19th December, 2014 based on the report of the Scrutinizer.

As of now, the company has no proposal to pass any special resolution to be conducted through postal ballot.

7. Disclosures

- (i) There is no material significant related party transactions that may have potential conflict with the interest of the company at large (as per clause 49 of the listing agreement). However, the Board of Directors of the company has approved a policy for related party transactions which has been posted on the Company website www.saverahotel.com.
- (ii) There has been no instance of non-compliance by the company on any matter related to Capital Markets during the last three financial years and hence SEBI, the Stock Exchanges or any Statutory authorities had not imposed penalties or strictures.
- (iii) The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. The company affirms that no person has been denied access to the chairman of the audit committee. The Whistle blower policy has been posted on the Company's website www.saverahotel.com

(iv) Code of Conduct ; The members of the Board and Senior Management Personnel have affirmed the compliance with the code applicable to them during the year ended 31-03-2015. The Annual Report of the company contains a certificate issued by the Managing Director of the company in terms of clause 49 of the listing agreement.

(v) No. of shares held by the Non Executive Directors.

Non - Executive Directors	No. of shares held
Mr. A. Tarun Reddy	432800
Ms. A. Nivruti Reddy	291820
Mr. G. Sitharaman	Nil
Mr. A. Sudhakar Reddy	580
Mr. B. Ranga Reddy	Nil
Mr. S. Sridhara Rao	Nil

(vi) The company has four independent directors. They are seniors and professionals knowing about the company, nature of industry and business model. The company has issued to them appointment order specifically defining their roles, rights & responsibilities in the company.

(vii) Relationship between the Directors Inter-se

Promoter Directors :

Mr.A.Ravikumar Reddy, Managing Director is the father of Mr.A.Tarun Reddy who is also one of the directors of the company. Mrs.A.Nina Reddy, Joint Managing Director is the mother of Mrs.A.Nivruti, who is also one of the directors of the company. Mr.A.Ravikumar Reddy, Managing Director is the brother-in-law of Mrs.A.Nina Reddy, Joint Managing Director.

Independent Directors :

Independent Directors are not related to any director in any way.

Means of Communication :

Financial results, quarterly/half yearly results, are published within the stipulated period in English and vernacular newspapers. Address of our official website is www.saverahotel.com where the above information is also displayed. E-Mail ID for the Investor Grievance is cs@saverahotel.com. The Shareholders can send their grievances to this exclusive E-Mail ID. And also shareholders can send their grievances through <http://scores.gov.in/admin> (Sebi COmplaints REdress System)

The company presents all the relevant information to the Stock Exchanges from time to time as stipulated under the Listing Agreement

8. General shareholder information

- a) The 46th Annual General Meeting of the members of the company will be held on Monday, the 28th September, 2015 at 11.00 a.m. at The Music Academy, Mini Auditorium, 168, TTK Road, Chennai 600 014.
- b) Financial Calendar for the year 2015-16 (Tentative)

Results for the quarter ended	Tentative date
JUNE 2015	Before Second Week of August, 2015
SEPTEMBER, 2015	Before Second week of November, 2015
DECEMBER, 2015	Before Second week of February, 2016
MARCH, 2016	Before 30 th May, 2016.

- c) Date of Book Closure – 22nd September, 2015 to 28th September, 2015 (both days inclusive))
- d) The Company will pay the dividend within 30 days from the date of approval by the Shareholders.
- e) Your company's shares are listed in the following stock exchanges:
- i) LISTED IN
1. Bombay Stock Exchange Ltd.
Phiroze Jeejeebhai Towers
Dalal Street, Mumbai 400 001.
 2. Madras Stock Exchange Ltd,
No.11, Second Line Beach,
Chennai 600 001.

The Listing Fees for the financial year 2015-16 have been paid to the Bombay Stock Exchange Ltd only.

- f) Stock Code of the Company
- Bombay Stock Exchange : 512634
 Madras Stock Exchange : SAVERA
 ISIN No. of the company : INE104E01014
- g) Market price data - The highest price traded in Bombay Stock Exchange Limited, Mumbai per share was ₹ 54.85 (03.07.2014) and the lowest price per share was ₹ 28.10 (12.05.2014) during the year.

Month	High Price ₹	Low Price ₹	Closing Price ₹	No. of shares	No. of Trades	Total Turn- over
Apr-14	39.50	32.00	33.20	8,078	276	2,80,909
May-14	39.85	28.10	36.30	37,872	1,149	12,37,718
Jun-14	47.90	35.00	45.85	2,02,210	1,378	84,85,592
Jul-14	54.85	39.00	39.00	57,911	1,247	27,86,661
Aug-14	48.80	38.00	44.40	62,420	1,024	26,79,422
Sep-14	54.65	38.40	39.90	27,909	646	12,32,544
Oct-14	49.10	38.60	43.15	44,817	516	19,35,337
Nov-14	50.90	42.00	48.40	35,898	659	16,74,487
Dec-14	51.50	37.50	40.80	76,270	774	34,49,165
Jan-15	45.90	38.60	41.30	14,852	422	6,14,751
Feb-15	47.00	36.70	41.20	44,228	508	19,09,615
Mar-15	44.00	34.00	38.30	88,319	478	33,70,172

h. Shareholding Pattern as on 31.03.2015

Category of Sharehold- ers	No. of sharehold- ers	Total No. of shares	No. of shares held in dematerialised form	%
Promoter and Promoter Group	14	7268765	7268765	60.94
FI / Banks	-	-	-	-
Body Corporate	97	589444	582444	4.94
Individual shareholders holding nominal share capital up to R1 lakh	5878	1609382	996390	13.49
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	36	1680830	1664430	14.09
Clearing member	3	272	272	0
HUF	122	769970	769970	6.46
NRIs	20	9337	9337	0.08
Total	6170	11928000	11291608	100.00

i. Registrars & Share Transfer Agents and Share Transfer System

The Company has already appointed M/s. Cameo Corporate Services Limited, Chennai as the Share Transfer Agents. Whenever the company receives the share transfers, transmission, split, duplicate certificates, etc., the same are done within the stipulated period. For any assistance regarding demat, remat, share transfers, transmission, duplicate share certificates, change of address and other matters, please write to the Share Transfer Agents at the address given in the "address for correspondence column", quoting your folio number/client ID and DP ID.

j. Distribution of share holdings as on 31.3.2015

Total Nominal Value ₹ 11,92,80,000
 Nominal value of each equity share ₹ 10/- each
 Total number of shares 11928000
 Distinctive Nos. 1 to 11928000

Share holding of Nominal Value	No. of holders	% to total No. of shareholders	Nominal value of shares (₹)	% to capital
10 - 5000	5538	89.74	6414520	5.38
5001- 10000	300	4.86	2363620	1.98
10001 - 20000	142	2.30	2349350	1.97
20001 - 30000	39	0.63	1017840	0.85
30001 - 40000	27	0.44	983760	0.82
40001 - 50000	20	0.32	962010	0.81
50001 - 100000	43	0.70	3169990	2.66
100001 - above	61	1.01	102018910	85.53
Total	6170	100.00	11,92,80,000	100.00

k. Dematerialisation of Shares and liquidity

The equity shares of the company shall be traded compulsorily in dematerialised form only. The company has already entered into agreements with the Depositories NSDL and CDSL so as to provide the members to hold the shares in dematerialised form.

Around 94.66 % of the shareholdings of the Company have already been dematerialised as on 31st March, 2015. Further, it is stated that as on 30th June, 2015, around 94.72 % of the shareholdings of the company are in dematerialised mode.

l. UNIT LOCATIONS

SAVERA HOTEL No.146 Dr.Radhakrishnan Road, Chennai 600 004 Tamilnadu Phone : 044 - 28114700	Lotus Park Hotel S.No.95/2 Doddanekkundi Marathahalli Ring Road Bengaluru 560 037 Phone : 080- 25401144
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m. Address for Correspondence

Shareholders may correspond at the address given below, quoting folio number/Client ID and DP ID:

Company's Registered Office & Secretarial Dept.	Company's Registrars & Share Transfer Agents
Company Secretary M/s. Saver Industries Limited New No.146, Dr. Radhakrishnan Road Chennai - 600 004 Tamilnadu Tel No. 044-28114700 Fax No. 044-28113475 Email: cs@saverahotel.com	M/s. Cameo Corporate Services Ltd., UNIT: Saver Industries Limited `Subramanian building' No.1, Club House Road Chennai - 600 002 Tamilnadu Tel No. 044-28460390 Fax No. 044-28460129 Email: cameo@cameoindia.com

MD / CFO Certification :

As required under clause 49 (corporate governance) of the listing agreement, the Managing Director & Chief Financial Officer have furnished the necessary certificate to the Board of Directors with respect to the Financial Statements and the Cash Flow Statement for the year ended 31-3-2015.

Policy on Material subsidiary :

The company has framed a policy on material subsidiary and posted the same on its website : www.saverahotel.com.

Report on Corporate Governance:

The Company regularly submits to the Stock Exchanges within the prescribed period quarterly report on corporate governance. A certificate from the Statutory Auditors of the company on Corporate Governance is attached as an annexure to this Report.

Compliances of Mandatory / Non-mandatory Requirements

a) **Mandatory Requirements**

The company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under Clause 49 of the Listing Agreement with the Stock Exchanges.

b) **Non-Mandatory Requirements**

The Board : The composition of the Board of Directors, Committees of the Board are in line with the provisions of the Listing Agreement, the Companies Act, 2013, and other applicable laws.

Shareholders Rights :

The company is publishing the financial results in English and Tamil Newspapers and also posting its financial results on its website www.saverahotel.com. Hence quarterly / half yearly declaration of financial performance is not being sent to each shareholder individually.

Audit Qualifications :

During the period under review, there are no audit qualifications in the financial statements.

Regarding the other non-mandatory requirements, the Board shall consider as and when necessary.

**Declaration by the The Managing Director under clause 49
of the Listing Agreement regarding adherence to the code of conduct.**

To
The Members of
Savera Industries Limited

Pursuant to clause 49 (II) (E) of the listing agreement entered into with the stock exchanges, I, A.Ravikumar Reddy, Managing Director of the Company, hereby confirm that all the members of the Board and the Senior management Personnel of the company, have confirmed the compliance to the Code of Conduct of the Company, during the year ended 31st March, 2015.

Place : Chennai
Date : 14th August, 2015

A.Ravikumar Reddy
Managing Director

Auditors' certificate on compliance of condition of corporate governance as per clause 49 of the listing agreement with the stock exchanges

To
The Members of
Savera Industries Ltd

We have examined the compliance of conditions of Corporate Governance by Savera Industries Limited for the year ended 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company to ensure compliance with the conditions of the 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 and based on the representations made by the management, we hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned listing agreement.

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 D.A.Reddy & Co.,
Chartered Accountants
(Firm Regn. No.005719S)

CA.D.Audisesha Reddy, B.Com. FCA.,
Proprietor
Membership No.019352

Place: Chennai
Date: 14th August, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure & developments

Travel and tourism is the largest service industry globally in terms of gross revenue and foreign exchange earnings. It is also one of the largest employment generators in the world. It has been a major social phenomenon and is driven by social, religious, recreational, knowledge seeking and business interests and motivated by the human urge for new experience, adventure, education, and entertainment. Tourism is both cause and consequence of economic development. It has the potential to stimulate other sectors in the economy owing to cross-synergistic benefits and its backward and forward linkages.

The India tourism report looks at a range of key indicators in this established tourism destination in the competitive Asia Pacific region, including forecasts for inbound and outbound travel volumes and the impact of growth on industry value and tourism related expenditure. Overall India offers enormous growth potential, a fact recognised by many leading domestic and global hotel groups which are focused on extensive expansion plans across the country.

India has a strong inbound tourism market, attracting visitors from a diverse range of source markets in Europe, Asia and North America. This has helped it to offset declines from major source markets such as Russia in recent months. A relaxation of visa restrictions, and a new online visa application, are yielding tangible benefits and overall we expect to see visitor numbers increase by 5% to reach 7.4mn this year. Considering the size and range of India's attractions, there is substantial long term growth potential in terms of inbound tourism.

India's outbound tourism potential is also substantial. The country has a large population and increasingly affluent middle class, which is boosting outbound tourism figures. In 2015, positive growth in household income and wider economic growth will support a 9% increase in outbound travel, with departures set to reach 13.7%. Many countries, including Vietnam and Australia, are specifically targeting Indian tourists, keen to tap into an increasingly lucrative potential market, and the expect outbound tourism to continue to expand as travel becomes more affordable and as visa restrictions on Indian visitors are eased.

Opportunities, Future outlook and Threats

The Indian travel and tourism industry is likely to see a spurt in growth this year on the back of new visa reforms, according to a report by the World Travel and Tourism Council. India's travel and tourism economy is poised to grow 7.5% in 2015 over last year, exceeding the 6.9% growth that the global forum has predicted for the South Asian region. In 2014, the industry contributed ₹ 7.64 trillion and 36.7 million jobs to the Indian economy. By the end of 2015, the travel and tourism sector will contribute ₹ 8.22 trillion or 7% of India's gross

domestic product (GDP) and 37.4 million jobs—almost 9% of total employment, the report said.

“India has an excellent opportunity to benefit from visa reforms and infrastructure improvements under the new government,” David Scowsill, president and chief executive of WTTC, adding that India’s projected tourism growth was the highest for any major economy. “But the overall contribution of India’s travel and tourism sector to the overall economy is still relatively low (6.7% of GDP, against a global average of 9.8%).” In last November, India expanded the visa-on-arrival scheme to 43 nationalities from 12 countries earlier. It is in process of rolling out a similar facility for 150 countries. Investment in the sector is likely to rise by 9.3% in 2015 over 2014 when travel and tourism investments in the country accounted for 6.2% of total investments. “It should rise by 6.5% per annum over the next 10 years to ₹ 4,337.8 billion in 2025 or 6.9% of the total,” the report said, adding that the sector had the potential to contribute 46 million jobs to the Indian economy by 2025.

Worldwide, the contribution to GDP from travel and tourism would have grown by 3.7% by the end of this year. The report cautioned that although recent improvements in the process of granting visas are welcome, visa liberalization still has a long way to go. The recent insistence upon biometric data for visitors from France and the UK will have far reaching impacts on travel to India from these countries, it said. India also needs to recast and relaunch its the Incredible India campaign to “maximize India’s new visa regime”, said the report. Security and safety of tourists remain the major concerns. “Government strategy is required to offset the damaging impact on the country’s international reputation, from the negative perceptions of the treatment of women and women travellers in the country,” the report said.

India is trying to raise the share of foreign travel arrivals to 1% of total global tourists over the next couple of years, In 2014, foreign exchange earnings from tourist arrivals totalled \$ 19.657 billion, compared with \$18.445 billion in 2013. The country has recently improved its visa processes but more needs to be done on the implementation side and to bring more countries into the visa waiver programme.

Risks & Concerns

The hotel industry faces stiff competition particularly from the International hotel chains. Both global and indian economy affects the industry through the policy changes. In general the hotel industry has more operating leverage which has further increased with on going renovations and quality up gradation. Further, competitiveness in international airfares and strengthening financial health of Indians resulted in destinations like Singapore, Malaysia, Middle East Countries and Europe becoming more affordable to the average Indian traveler. This has increased outbound travel and presents a risk to the domestic segment for leisure resorts.

In addition to economic risks, your company faces risks from social-political environment internationally and within the country. Your company is affected by events like political issues, conflict between nations, threat of terrorism, insurgencies, occurrence of infectious diseases, poor weather conditions and natural calamities, etc., which badly persuade the level of travel and business activities.

Internal Control Systems and Adequacy

The company has in place an adequate internal control system. The controls have been devised to give a reasonable assurance with regard to maintaining of proper controls on accounting, operations monitoring, protecting the assets from unauthorized use or losses, compliances with regulations and ensuring reliability of financial reporting. The internal controls are supplemented by the programme of internal audit.

Discussion on financial performance with respect to operational performance/ business performance

(₹ in lakhs)

Particulars	31-03-2015	31-03-2014	% of change
Room Income	2429.99	2300.74	5.62
Food & Beverage Income	2816.26	2249.24	25.21
Other Income	1062.78	1103.50	
Total Income	6309.03	5653.48	11.60
Occupancy (%)	76	69	

Overall income increased by 11.60% from ₹ 5653.48 lakhs to ₹ 6309.03 lakhs. The occupancy increased by 10% over last year. Room revenues increased by 5.62% from ₹ 2300.74 lakhs to ₹ 2429.99 lakhs, while Food and Beverages income increased by 25.21% from ₹ 2249.24 lakhs to ₹ 2816.26 lakhs. Other income decreased by 6.79% from ₹ 1063.93 lakhs to ₹ 991.69 lakhs.

Expenditure : As far as expenses are concerned, there is an increase of ₹ 705.34 lakhs in the total expenditure for the fiscal ended 31st March, 2015 which works out to 13.54 % hike over the corresponding period last year.

Finance Charges : Interest cost amounted to ₹ 315.47 lakhs for the year ended 31.03.2015.

Profit Before Tax : The profit before tax stood at ₹ 396.23 lakhs as compared to ₹ 446.02 lakhs over the corresponding period last year.

Profit After Tax: The profit after tax stood at ₹ 289.23 lakhs as compared to ₹ (167.39) lakhs of last year.

Material Developments in human resources/industrial relations front.

Your company sincerely believes that its employees are its vital assets and hence in order to keep its employees motivated and engaged, your company provides them good environment, so that they are able to leverage their full potential. The HR department updates its HR policies, practices and processes so as to enable and empower its employees.

Your company provides the following welfare and HR activities to the company's employees:

1. Dental Camp
2. Eye Screening camp
3. "Suicide Awareness" Programme
4. Medical Check-up for all Women for Women's Day
5. "AIDS Awareness" Programme
6. Diwali, Ayudha Pooja, Christmas, Krishna Jayanthi, Vinayaka Chaturthi, Pongal, Ramzan are celebrated with staff.
7. Common Staff Birthday celebration every month
8. Best Employee award of the month
9. Star Performer of the year
10. Women's Day celebration
11. Savera Women's club formed for all women working in Savera
12. Pongal Traditional Games
13. Sports Day
14. Savera Cricket team is formed and participates in corporate matches.
15. May Day
16. Founders Day – (Staff Family Day)
17. Towel folding competition, Quiz Programme, Table Setting competition for F&B Department
18. Eye Donation Awareness Programme – so far 101 donors have registered.
19. First Aid Class, Safety and Fire Fighting awareness programmes for staff.
20. Appreciation Award (Best Attendance, Best Comments from guest, Pat on the back) for staff
21. Long Service Award
22. Christmas Carol Singing

23. World Heart Day – Awareness
24. Green Awareness day
25. World Autism Day
26. Yoga class for all category staff
27. Movie of the month for all staff
28. Diabetes Camp
29. Every month General Medical Check up
30. Corporate fun games
31. Nutrition and Diet Awareness

By giving these welfare schemes and training programmes, the employees become loyal to the company and thereby the employee attrition rate is minimized. The overall attrition rate is 4.87%. Promotions and recognition awarding policies, training and development, skill program are used as effective tools by HR for improving employee productivity.

The training focuses on improving high quality services based on the concept of customer delight. All employees should attend the training programme specially framed 120 hours of training for each individual and it is mandatory.

CAUTIONARY STATEMENT :

The information contained in the Management Discussion and Analysis regarding company's estimates, expectations, projections, guidance are based on assumptions and expectations of future events. The company takes no responsibility of such statements since the company exercises no control over the events that take place in future. The actual results may differ from those expressed or implied. The changes in the domestic and global economic conditions and Government regulations, tax laws and other statutes may affect the hospitality industry.

Financial Summary Highlights for the last 10 years.

(₹ in lakhs)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
INCOME	6309.03	5653.48	5795.42	5371.6	4728.56	3485.61	3939.38	4540.31	4,728.56	3,016.94
OPERATING & GENERAL EXPENSES	5096.52	4495.61	4509.86	3874.84	3394.57	2535.81	2956.25	3090.79	3,394.57	2,291.23
INTEREST	315.47	361.23	384.4	322.12	234.42	252.96	373.96	288.69	234.42	108.02
DEPRECIATION	500.81	350.63	302.17	245.36	219.49	197.79	274.45	219.07	219.49	168.56
PROFIT BEFORE TAX	396.23	446.01	498.99	929.28	880.08	499.05	334.72	941.76	880.08	449.13
TAXATION	107.00	*613.41	106.3	216.08	312.77	191.56	243.45	330.8	312.76	86.19
PROFIT AFTER TAX	289.23	(167.40)	392.69	713.2	567.31	307.49	91.27	610.96	567.32	362.94
DIVIDEND, DIVIDEND TAX & SURCHARGE	172.43	166.36	166.36	166.36	166.91	83.45	69.78	139.55	166.91	99.01
DIVIDEND %	12%	12%	12%	12%	12%	12%	10%	20%	20%	15%
FIXED ASSETS NET	6746.63	7355.27	7039.28	6020.33	6121.25	5609.69	5692.97	6580.09	6,121.25	3,985.96
CAPITAL	1192.8	1192.8	1192.8	1192.8	1192.8	596.4	596.4	596.4	596.40	596.40
RESERVES (INCLUDING REVALUATION)	3905.05	3852.24	4195.83	3980.95	3445.58	3653.02	3440.42	3430.39	2,970.42	1,195.93
DEFERRED TAX LIABILITY	121.00	384.59	-14.41	85.62	68.40	41.05	39.5	36.69	61.97	65.12
BONUS ISSUE	-	-	-	-	-	1 : 1	-	-	-	-

* including deferred tax liability.

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
SAVERA INDUSTRIES LIMITED

Report on the standalone Financial Statements

1. We have audited the accompanying standalone financial Statements of Savera Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the standalone financial statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of directors, as well as evaluating the overall presentation of the financial statements.

6. 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.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("The Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the annexure a statement on the matters specified in paragraphs 3 & 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on

March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of March 31, 2015;
 - (ii) The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **D A Reddy & Co.**,
Chartered Accountants
(Firm Regn. No.005719S)

CA. D.Audisesha Reddy, B.Com., FCA.,
Proprietor
Membership No.019352

Place : Chennai
Date : 29th May, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

1. In respect of the fixed assets of the company:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
2. In respect of the inventories of the company:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under section 189 of the Act, except to its subsidiary.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
5. The company has not accepted deposits during the year .
6. The provisions of clause 3 (vi) of the Order are not applicable to the company as the company is not covered by the Companies (Cost Records and Audit) Rules, 2014.

7. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund Employees State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - (c) The company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and the Rules made thereunder within time.
8. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediate preceding financial year.
9. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank during the year and did not have any amount outstanding to the Banks.
10. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks.
11. According to the information and explanations given to us, the Company availed Term Loan during the year and applied for the purposes for which the loan was obtained.
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company and no material fraud on the company has been noticed or reported during the year.

For **D A Reddy & Co.**,
Chartered Accountants
(Firm Regn. No.005719S)

CA. D.Audishesha Reddy, B.Com., FCA.,
Proprietor
Membership No.019352

Place : Chennai
Date : 29th May, 2015

Balance Sheet as at 31st March 2015

₹ In lakhs

Particulars	Note	AS AT 31.03.2015	AS AT 31.03.2014
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	1,192.80	1,192.80
(b) Reserves and Surplus	3	3,905.05	3,852.24
		5,097.85	5,045.04
Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,657.86	1,991.42
(b) Deferred Tax Liability (net)	5	235.04	384.59
(c) Other Non- Current Liabilities	6	4.79	14.29
		1,897.69	2,390.30
Current Liabilities			
(a) Short-term Borrowings	7	107.07	146.88
(b) Trade payables	8	156.59	160.05
(c) Other Current Liabilities	9	1,034.98	920.82
(d) Short term provisions	10	287.73	243.62
		1,586.37	1,471.37
TOTAL		8,581.91	8,906.71
ASSETS			
Non- Current Assets			
(a) Fixed assets			
(i) Tangible assets	11	6,746.63	7,355.27
(b) Non- Current Investments	12	314.19	313.46
(c) Long-term Loans and advances	13	683.63	499.90
		7,744.45	8,168.63
Current Assets			
(a) Inventories	14	13.40	42.70
(b) Trade Receivables	15	123.17	149.14
(c) Cash and Bank Balances	16	659.12	481.57
(d) Other Current Assets	17	41.77	64.67
		837.46	738.08
TOTAL		8,581.91	8,906.71
Significant Accounting Policies	1		

As per our report attached
For D.A. Reddy & Co.,
Chartered Accountants
(Firm Regn. No.005719 S)

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

CA D Audishesha Reddy, B.Com, F.C.A.
Proprietor (Membership No.019352)

N.S.Mohan
Company Secretary

R.Dayakar Naidu
Chief Financial Officer

Place : Chennai

Date : 29th May, 2015

Profit and Loss Statement for the Year Ended 31st March 2015

₹ In lakhs

Particulars	Note	AS AT 31.03.2015	AS AT 31.03.2014
INCOME			
Revenue from Operations	18	6239.42	5,615.04
Less: Excise Duty		1.48	1.13
Revenue from Operations (Net)		6,237.94	5,613.91
Other Income	19	71.09	39.57
Total Revenue		6,309.03	5,653.48
EXPENSES			
Cost of Materials consumed	20	877.34	783.40
Change in Inventory of Stock-in-trade	21	90.29	80.92
Employee benefit expenses	22	1670.45	1,465.70
Finance Cost	23	315.47	361.23
Depreciation	24	500.81	350.63
Other expenses	25	2458.44	2,165.58
Total Expenses		5,912.80	5,207.46
Profit before tax		396.23	446.02
Tax expense:			
(1) Income Tax		228.00	214.41
(2) Deferred Tax Liability		(121.00)	399.00
		107.00	613.41
Profit after Taxation		289.23	(167.39)
Earnings per equity share:			
Basic and Diluted		2.42	(1.40)
Significant Accounting Policies	1		

As per our report attached
For D.A. Reddy & Co.,
Chartered Accountants
(Firm Regn. No.005719 S)

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

CA D Audishesha Reddy, B.Com, F.C.A.
Proprietor (Membership No.019352)

N.S.Mohan
Company Secretary

R.Dayakar Naidu
Chief Financial Officer

Place : Chennai
Date : 29th May, 2015

Standalone Cashflow Statement for the Year Ended 31st March 2015

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
A. Cash flow from Operating Activities		
Net profit before tax and extra-ordinary items	396.23	446.02
Adjustments for		
(a) (Profit)/Loss on sale of fixed assets	1.52	(0.41)
(b) Impairment Loss	109.21	
(c) Bad debts/Creditors written back	-	16.63
(d) Preliminary and preoperative expenses written off	-	116.72
(e) Renovation Expenses written off	15.25	
(f) Interest Expenses	315.47	361.24
(g) Dividend/Interest Income	(36.16)	(38.67)
(h) Depreciation on fixed asset	500.81	350.63
	906.10	806.14
Operating profit before working capital changes	1,302.33	1,252.16
Adjustments for		
(a) (Increase)/Decrease in Other Current Assets	7.65	24.80
(b) (Increase)/Decrease in Trade Receivables	25.98	31.75
(c) (Increase)/Decrease in Inventories	29.30	34.44
(d) (Increase)/Decrease in Short Term Loan Advance	-	0.95
(e) Increase/(Decrease) in Other Non- Current Liabilities	(9.50)	-
(f) Increase/(Decrease) in Short Term Provisions	38.15	5.07
(g) Increase/(Decrease) in Trade Payables	(3.46)	(13.27)
(h) Increase/(Decrease) in Other Current Liabilities	92.31	0.98
	180.43	84.72
Cash generated from Operations	1,482.76	1,336.88
Income taxes paid/Refund	218.85	242.90
Net cash from Operating Activities (A)	1,263.91	1,093.98
B. Cash flow from Investing Activities		
Purchase of fixed assets	(103.22)	(694.44)
Sale of fixed assets	7.79	18.37
Net (Increase)/Decrease in Long Term Advances	(193.00)	57.45

Net Decrease in Other Cash Balances	(96.75)	185.02
Dividend/ Interest Income Received	36.15	38.67
Net Decrease in Non-Current Investment	(0.73)	14.86
Net cash from Investing Activities (B)	(349.76)	(380.07)
C. Cash flow from Financing Activities:		
Repayment of borrowings	(351.52)	(181.02)
Dividend paid	(166.36)	(166.36)
Interest expense paid	(315.47)	(361.23)
Net cash used in financial activities (C)	(833.35)	(708.61)
Net increase in cash and cash equivalents (A)+(B)+(C)	80.80	5.30
Cash and cash equivalents at beginning of the period (see note 1)	141.95	136.65
Cash and cash equivalents at end of the period (see note 1)	222.75	141.95
NOTES TO THE STATEMENT:		
	AS AT 31.03.2015	AS AT 31.03.2014
Cash and Cash Equivalents		
Balance with Scheduled Banks - In Current Account	182.64	116.79
- Cash on Hand	40.11	25.16
	222.75	141.95
<p>(1) Cash and Cash Equivalents consist of balances with banks. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.</p> <p>(2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.</p> <p>(3) Previous year's figures have been regrouped wherever necessary to confirm to current year's classification.</p>		
As per our report attached For D.A. Reddy & Co., Chartered Accountants (Firm Regn. No.005719 S)	For and on behalf of the Board	
	A. Ravikumar Reddy Managing Director	A. Nina Reddy Joint Managing Director
CA D Audishesha Reddy, B.Com, F.C.A. Proprietor (Membership No.019352)	N.S.Mohan Company Secretary	R.Dayakar Naidu Chief Financial Officer
Place : Chennai Date : 29th May, 2015		

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements for the year ended 31st March, 2015

Note 1:**Significant Accounting Policies****A) Corporate Information:**

Savera Industries Limited is incorporated in India in November, 1969, and is engaged in the business of Hoteliering. Shares of the Company are listed in Bombay Stock Exchange Ltd (BSE) and Madras Stock Exchange Ltd. (MSE)

B) Accounting Policies

The financial statements are prepared under historical cost convention on accrual basis and comply with the Accounting standards (AS) referred to in Section 133 of the Companies Act, 2013. Significant accounting policies adopted in the presentation of the accounts are as under:

a) Fixed Assets

Fixed Assets are carried at cost less depreciation. Land, Building and Plant & Machinery were revalued on 31.03.1993.

b) Depreciation

Depreciation is provided on straight-line basis, at rates prescribed in Schedule II of the Companies Act, 2013. Depreciation on revalued assets to the extent of revaluation is debited to revaluation reserve.

c) Impairment of Assets

Impairment is ascertained at each balance sheet date in respect of the Company's fixed assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on appropriate discount factor.

d) Inventories

Stocks of food, beverages & Operating supplies inventories are valued at average cost or market value whichever is lower. Crockeries and Cutleries are written off over a period of three years.

e) Investments

Long Term Investments are carried at cost. Provision for decline in the value, other than temporary, has been made wherever necessary. Current Investments are carried at lower of cost, market value or net asset value. Investment in subsidiary company is treated as Long Term Investment, (Considering the nature of business and based on the independent expert opinion, the decline in value of investment is temporary.) However, the decline in the value of investments in subsidiary will depend on continuance or otherwise of business in future.

f) Transactions in Foreign Exchange

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are restated at the exchange rate ruling at the Balance Sheet date.

Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.

g) Employee Benefits

As per the requirements of Accounting Standard 15 "Employee Benefits" (Revised 2005) issued by the Institute of Chartered Accountants of India, the contribution to the Gratuity is determined using the projected unit credit method with actuarial valuation being carried out at each Balance Sheet date. The company has an arrangement with LIC for managing the Gratuity Fund. The demand raised from LIC based on Actuarial Report is paid by the company towards discharge of the gratuity liability.

Regarding Gratuity Fund being maintained with LIC, the details are furnished here-under.

Opening Balance as on 1-04-2014	₹	1,92,09,326
Add : Contribution to the Fund during the year under review	₹	17,98,784
Add: Gratuity Conversion Charges	₹	7,34,700
Add : Interest to the Fund	₹	9,92,428
Total	₹	<u>2,27,35,238</u>
Less : Disbursements	₹	28,78,730
Less : Finance costs	₹	1,03,789
Balance Fund as on 31-03-2015	₹	<u>1,97,52,719</u>
Actuarial value of accrued gratuity liability as on 31-03-2015	₹	2,61,87,260
The Fund with LIC	₹	<u>1,97,52,720</u>
The Provision for Contribution towards the Fund	₹	64,34,540
Less : Amount already paid	₹	<u>10,00,000</u>
	₹	<u>54,34,540</u>

The said amount of ₹ 54, 34,540/- will be paid before the due date for filing the Return of Income.

h) Borrowing Costs

Interest and other borrowing cost on specific borrowings are capitalized.

i) Segment Reporting

The company's only business is Hoteliering and hence disclosure of segment wise information is not applicable under Accounting Standard (AS)-17 "Segment Information notified by the Company's (Accounting Standards) Rules. There is no Geographical segment to be reported since all the operations are undertaken in one geographical area.

j) Taxes on Income:

Deferred Tax is computed in accordance with Accounting Standard 22 (AS-22) "Accounting for Taxes on Income". Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances; deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset

or deferred tax liability is recorded for timing differences, i.e. differences that originate in one accounting period and reversed in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on applicable tax rates. Deferred tax assets / liabilities are reviewed as at each Balance Sheet date.

k) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized in terms of Accounting Standard (AS) 29 – ‘Provisions, Contingent Liabilities and Contingent Assets’ when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

l) Leases

Lease arrangements where the risk and rewards are incidental to ownership of an asset substantially vest with the lessee which are recognized as finance lease.

m) Bonus

Bonus is provided in the books and the payment shall be made before the due date of filing of the Income Tax Return i.e. 30.09.2015.

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SHARE CAPITAL

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
(i) Authorised Share Capital		
1,20,00,000 equity shares of ₹ 10 each (Previous year 1,20,00,000 Equity Shares of ₹10 each)	1,200.00	1,200.00
(ii) Issued, Subscribed and Paid up		
1,19,28,000 Equity Shares of ₹ 10/- each (Previous year 1,19,28,000 Equity Shares of ₹ 10/- each)	1,192.80	1,192.80
	1,192.80	1,192.80

(a) Reconciliation of Equity shares

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	11,928,000	11,928,000
Shares outstanding at the end of the year	11,928,000	11,928,000

Footnotes:

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

(ii) During the year ended March 31, 2015, the amount of per share dividend recognized as distribution to equity shareholder was ₹ 1.20/- (Previous year ₹ 1.20/-)

(b) Shareholder holding more than 5 % of Equity Shares of the company

Name of the shareholder	AS AT 31.03.2015		AS AT 31.03.2014	
	No. of Shares	% of holding	No. of Shares	% of holding
A. Nina Reddy	2,095,812	17.57%	2,095,812	17.57%
A. Ravikumar Reddy	1,603,840	13.45%	1,603,840	13.45%
Lalit Modi	702,280	5.89%	702,280	5.89%
A. Priyamvada	687,600	5.76%	687,600	5.76%

NOTE 3 : RESERVES AND SURPLUS		
	₹ In lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Revaluation Reserve		
As per last Balance Sheet	1,344.00	1,353.84
Less: Depreciation for the year	4.57	9.84
(A)	1,339.43	1,344.00
General Reserve		
Opening Balance	718.55	718.55
Less : Depreciation on transition to schedule II of the Companies Act 2013 on tangible fixed assets with Nil remaining useful life (Net deferred tax) [₹ 87.96 (refer Note II) minus ₹ 28.54 (refer Note 5)]	59.42	-
(B)	659.13	718.55
Surplus/ (Deficit) in the Statement of Profit and Loss		
Opening Balance	1,789.69	2,123.44
Add: Profit for the year	289.23	(167.39)
Less: Transfer to General Reserve	-	-
Less: Proposed dividend	143.13	143.14
Less: Tax on Proposed dividend	29.30	23.22
(C)	1,906.49	1,789.69
TOTAL (A+B+C)	3,905.05	3,852.24
NOTE 4 : LONG TERM BORROWINGS		
	₹ In lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Non- Current portion of:		
Term Loan		
From Banks (Refer Note (i) and (ii) below)	1,649.58	1,977.62
Long- term Finance lease obligations - Hire Purchase (Refer note (iii) and (iv) below)	8.28	13.80
	1,657.86	1,991.42

(i) Secured by First Charge on entire Land & Building, Movable & Immovable Assets of the Company situated at Door No. 146, Dr. Radhakrishnan Road, Chennai – 4. & Property admeasuring 18.15 grounds, situated at Avinashi Road, Coimbatore

₹ in lakhs

(ii) Maturity profile of term loans	As at March 2015
Term loan from Banks @ 13.50%	
(a) not later than one year	494.05
(b) later than one year and not later than three years	1,481.50
(c) later than three years	168.08

(iii) Finance Lease obligations are secured against leased assets

(iv) Maturity profile of Finance lease obligations	As at March 2015
(a) not later than one year	17.68
(b) later than one year and not later than five years	8.28
(c) later than five years	-

NOTE 5 : DEFERRED TAX LIABILITY

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Related to Fixed Assets	263.58	384.59
Less: Deferred tax impact on transition to Schedule II of the Companies Act 2013	28.54	-
	235.04	384.59

NOTE 6 : OTHER NON-CURRENT LIABILITIES

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Rental Deposit - Unsecured	4.79	6.79
Unaccrued Income realisable after next 12 months	-	7.50
	4.79	14.29

NOTE 7 : SHORT TERM BORRWINGS		
	₹ in lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Loan repayable on Demand		
From Banks (Refer Footnote (i))	107.07	146.88
	107.07	146.88
(i) Secured loan from bank consists of overdraft facilities. These are secured by hypothecation of domestic trade receivables and fixed deposits.		
NOTE 8 : TRADE PAYABLES		
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Trade payables other than Micro, Small and Medium Enterprises	156.59	160.05
	156.59	160.05
NOTE 9 : OTHER CURRENT LIABILITIES		
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Current maturities of Long-term borrowings (Refer Footnote 4(i) and (ii))	494.05	455.20
Current maturities of Long-term Finance Lease - Hire Purchase (Refer Footnote 4(iii) and (iv))	17.68	34.66
Unaccrued Income realisable in next 12 Months	233.61	190.64
Creditors for expenses	159.24	126.68
Duties and Taxes Payable	111.30	95.61
Unclaimed Dividend (Refer Footnote (i) below)	19.10	18.03
	1,034.98	920.82
(i) The amount reflects the position as on 31st March 2015. The actual amount to be transferred to the "Investor education & protection fund" shall be determined and paid to the credit of the Fund on due dates.		
NOTE 10 : SHORT TERM PROVISIONS		
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Provision for employee benefits - Bonus & Gratuity	86.15	47.99
Provision net off against Advance tax and TDS for the assessment year 2015-16	29.15	29.27
Provision for dividend	172.43	166.36
	287.73	243.62

Note 11 : STANDALONE FIXED ASSETS

₹ In lakhs

PARTICULARS	ORIGINAL COST			DEPRECIATION BLOCK								NET BLOCK	
	AS AT 01.04.2014	ADDITIONS	DEDUC- TIONS	AS AT 31.03.2015	UPTO 01.04.2014	On Withdrawal/ Adjustment *	Depreciation charged to P&L (2014- 15)	DEPR. FOR THE YEAR	DEDUC- TIONS	UPTO 31.03.2015	IMPAIR- MENT LOSS FOR THE YEAR	AS AT 31.03.2015	AS AT 31.03.2014
Tangible Assets:													
1. LAND	3,312.41	-	-	3,312.41	-	-	-	-	-	-	-	3,312.41	3,312.41
2. BUILDINGS	1,345.22	-	-	1,345.22	406.23	-	20.38	20.38	-	426.61	-	918.61	938.99
3. FURNITURE & FITTINGS	2,676.24	5.97	-	2,682.21	1,129.34	7.83	251.91	259.74	-	1,389.08	45.97	1,247.16	1,546.90
4. VEHICLES	100.00	-	33.57	66.43	61.85	-	12.34	12.34	24.27	49.92	-	16.51	38.15
5. PLANT & MACHINERY	2,921.09	76.94	-	2,998.03	1,542.07	72.67	185.91	258.58	-	1,800.65	63.24	1,134.14	1,379.02
6. OFFICE EQUIPMENTS	141.34	3.27	-	144.61	106.73	7.46	14.92	22.38	-	129.11	-	15.50	34.61
Sub-Total	10,496.30	86.18	33.57	10,548.91	3,246.22	87.96	485.46	573.42	24.27	3,795.37	109.21	6,644.33	7,250.08
Leased Assets													
7. HIRE VEHICLES	142.68	17.03	-	159.71	37.49	-	19.92	19.92	-	57.41	-	102.30	105.19
Total	10,638.98	103.21	33.57	10,708.62	3,283.71	87.96	505.38	593.34	24.27	3,852.78	109.21	6,746.63	7,355.27
Previous year	9,971.73	694.43	27.18	10,638.98	2,932.45	-	-	360.40	9.21	3,283.71	-	7,355.27	7,039.28

Note: Depreciation includes ₹ 4.57 lakhs on revaluation of assets (Previous Year ₹ 9.84 lakhs).

NOTE 12: NON CURRENT INVESTMENTS

₹ In lakhs

Particulars	Face Value	Holdings As at 31st March 2015	AS AT	
			31.03.2015	31.03.2014
Non - Trade Investments (Valued at cost)				
Investment in quoted Equity Shares				
Oriental Hotels Limited	₹ 1/-	3,510	0.05	0.05
I.T.C. Limited	₹ 1/-	26,880	0.03	0.03
Indian Hotels Co. Ltd.	₹ 1/-	3,432	0.45	0.45
Apollo Hospitals Ltd.	₹ 5/-	4,000	0.30	0.30
Central Bank of India	₹ 10/-	295	0.30	0.30
Investment in Debentures				
Indian Hotels Co. Ltd. (convertible debentures)	₹ 55/-	1,330	0.73	-
			1.87	1.14
Investment in Unquoted Shares of Subsidiary Company				
20000 Elkhill Agrotech P Ltd	₹ 1000/-	20,000	282.22	282.22
			282.22	282.22
Investment in Unquoted Shares of Other Companies				
301000 Clarion Wind Farms Pvt. Ltd.	₹ 10/-	301,000	30.10	30.10
			30.10	30.10
			314.19	313.46
(i) Aggregate amount of Quoted Investments			1.87	1.14
(ii) Market Value of Quoted Investments			148.12	134.76
(iii) Aggregate amount of Unquoted Investments			312.32	312.32

NOTE 13: LONG TERM LOANS AND ADVANCES

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Capital advance		
Unsecured Considered Good	191.93	-
Loans and Advances to Related parties (Refer Footnote (i) below)		
Unsecured Considered Good	82.09	125.80
Loans and Advances to others		
Unsecured Considered Good	62.53	63.08
Security Deposits		
Unsecured Considered Good	270.10	224.77
Advance tax, TDS excess of Provision for Income tax for the period preceding AY 2015-16	76.98	86.25
	683.63	499.90

(i) Name of the Related Party	Relationship	AS AT 31.03.2015	AS AT 31.03.2014
Elkhill Agrotech private Limited	Subsidiary	82.09	125.80
		82.09	125.80

NOTE 14: INVENTORIES

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
(At lower of average cost or market value)		
Food & Beverages	4.89	5.02
Wines & Liquor	8.51	6.36
Crockery & Cutlery	-	17.81
Linen & Housekeeping items	-	13.51
	13.40	42.70

NOTE 15: TRADE RECEIVABLES

Particulars	₹ In lakhs	
	AS AT 31.03.2015	AS AT 31.03.2014
Debts outstanding for a period exceeding 6 months		
Unsecured Considered good	1.02	0.91
Other debts		
Unsecured Considered good	122.15	148.23
	123.17	149.14

NOTE 16: CASH AND BANK BALANCES

Particulars	₹ In lakhs	
	AS AT 31.03.2015	AS AT 31.03.2014
Balance with Banks		
Current Accounts	182.64	116.79
Cash on Hand	40.11	25.16
Other Bank Balances		
Dividend Account	19.11	18.03
Margin Money	3.97	3.97
Deposits with original maturity more than three months	413.29	317.62
	659.12	481.57

NOTE 17: OTHER CURRENT ASSETS

Particulars	₹ In lakhs	
	AS AT 31.03.2015	AS AT 31.03.2014
Prepaid expenses	32.48	44.89
Interest Accrued on Fixed Deposits	9.29	4.53
Miscellaneous expenditure to the extent not written off	-	15.25
	41.77	64.67

NOTE 18: REVENUE FROM OPERATIONS		
	₹ In lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
(i) Rooms and Restaurants		
Rooms	2,429.99	2,300.74
Foods and Beverages	2,431.54	1,872.86
Wines and Liquor	386.20	377.51
	5,247.73	4,551.11
(ii) Banquets and Other services		
Banquet and Other Services	498.57	620.20
Gym Collections	489.65	433.89
Room services	1.79	7.80
Miscellaneous income	1.34	1.41
Transport Collections	0.34	0.63
	991.69	1,063.93
Less: Excise Duty	1.48	1.13
	6,237.94	5,613.91
NOTE 19: OTHER INCOME		
	₹ In lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Interest Income		
Fixed Deposits	31.30	34.92
Electricity Deposits	2.99	2.07
Dividend Income		
From Non- Current Investments	1.87	1.68
Net Gain on Sale of Fixed Assets		
Profit on sale of old Furnitures	-	0.41
Others		
Keyman Insurance Claim	34.34	-
Foreign Exchange Fluctuations	0.59	0.49
	71.09	39.57

NOTE 20: COST OF MATERIALS CONSUMED		
	₹ In lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Foods and Beverages		
Opening Stock	5.02	4.31
Add: Purchases	835.18	751.08
Less: Closing Stock	4.89	5.02
	835.31	750.37
Crockeries and Cutleries		
Opening Stock	17.81	37.95
Add: Purchases	24.22	12.89
Less: Closing Stock	-	17.81
	42.03	33.03
	877.34	783.40
NOTE 21: CHANGE IN INVENTORY OF STOCK IN TRADE		
	₹ In lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Opening Stock	6.36	7.87
Add: Purchase	92.44	79.41
Less: Closing Stock	8.51	6.36
	90.29	80.92
NOTE 22: EMPLOYEE BENEFIT EXPENSE		
	₹ In lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Salary, Wages, Bonus and Allowances	1,324.88	1,181.61
Contribution to provident and other funds	155.63	110.83
Staff Welfare	189.94	173.26
	1,670.45	1,465.70

NOTE 23: FINANCE COST

₹ In lakhs

Particulars	AS AT	AS AT
	31.03.2015	31.03.2014
Interest expenses	315.47	361.23
	315.47	361.23

NOTE 24: DEPRECIATION AND AMORTIZATION EXPENSES

₹ In lakhs

Particulars	AS AT	AS AT
	31.03.2015	31.03.2014
Depreciation on Fixed Assets	505.38	360.47
Less: Transferred to revaluation reserve	4.57	9.84
	500.81	350.63

NOTE 25: OTHER EXPENSES

₹ In lakhs

Particulars	AS AT	AS AT
	31.03.2015	31.03.2014
(a) Administrative Expenses		
(i) Sundry Expenses	94.88	76.04
(ii) Postage and Telephones	48.26	36.82
(iii) Printing & Stationery	29.60	28.16
(iv) Travelling & Conveyance	27.10	23.33
(v) Bank Charges	8.64	5.05
(vi) AGM Expenses	5.69	4.64
(vii) Donation	3.42	5.74
(viii) Newspaper subscription	3.00	1.52
(ix) Sitting Fees	2.50	2.00
(x) Audit Committee	-	0.55
(xi) Remuneration Committee	-	0.05
(b) Power and Fuel	620.32	588.28
(c) Repairs and Maintenance		
(i) Plant and Machinery	107.06	101.52
(ii) Buildings	115.42	86.88

(iii) Others	96.31	70.90
(iv) Vehicles	23.04	22.58
(d) Sales Promotion Expenses	292.82	247.16
(e) Rental Expenses	281.86	227.18
(f) Upkeep and Service Cost	271.39	229.72
(g) Impairment of assets	109.21	-
(h) Professional Charges	104.39	69.71
(i) Rates & Taxes	92.87	115.90
(j) Spa Expenses	56.61	59.18
(k) Insurance	26.13	24.74
(l) Pre Operative and Preliminary Expenses written off	15.25	4.89
(m) CSR Expenses	15.15	-
(n) Payment to Auditors		
(i) As Auditors	3.00	2.47
(ii) For Taxation Matters	3.00	1.12
(iii) For Other Services	-	1.12
(o) Loss on Sale of Assets	1.52	-
(p) Renovation	-	111.69
(q) Bad Debts	-	16.64
	2,458.44	2,165.58

26. Disclosure pursuant to Accounting Standard 11 – “The Effects of changes in Foreign Exchange Rates”:
i) Earnings in Foreign Exchange: (₹ in lakhs)

Particulars	Current Year 2014-15	Previous Year 2013-14
Sale of Rooms/F&B Income	393.90	409.50
	393.90	409.50

ii) Expenditure in Foreign Currency (₹ in lakhs)

Particulars	Current Year 2014-15	Previous Year 2013-14
Membership Fee	1.30	1.16
Imported Machinery & Goods for renovation	108.19	24.14
Travel Agency Commission	23.93	23.11
	133.42	48.41

27. Disclosure pursuant to Accounting Standard 15- “Employee Benefits”

(₹ in lakhs)

Particulars	Current Year 2014-15	Previous Year 2013-14
Company’s contribution to PF	67.97	52.38
ESI	20.17	21.79
Gratuity	64.35	36.47
Company’s contribution to PF for Key Management Personnel viz., Managing Director & Joint Managing Director	0.19	0.19
	152.58	110.83

28. Disclosure pursuant to Accounting Standard 18 “Related Parties disclosure”:

As per Accounting Standard – AS 18 “Related Parties Disclosure” notified by the Companies (Accounting Standards) Rules, the required information are given below:

1) List of Related Parties are as follows

- A) Subsidiary Company : Elkhill Agrotech Pvt Ltd
- B) Key Management Personnel : Mr. A. Ravikumar Reddy, Managing Director
Mrs. A. Nina Reddy, Joint Managing Director

Key Management Personnel :

Key Management Personnel comprise of Managing Director and Joint Managing Director who have the authority and the responsibility for planning and controlling the activities of the Company. The remuneration paid to such director's is ₹ 56.10 Lakhs (Previous year ₹ 49.80 Lakhs)

Details of Transactions with the related parties are as follows ₹ in lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
--- Elkhill Agrotech Pvt Ltd	82.09	125.80
	82.09	125.80

29. Disclosure pursuant to Accounting Standard 20- "Earning per Share"

₹ in lakhs

Particulars	Current Year 2014-15	Previous Year 2013-14
Profit after tax	289.23	(167.39)
Nominal Value of Shares	10	10
No. of Equity Shares	11,928,000	11,928,000
Earnings per share- Basic and Diluted	2.42	(1.40)

30. As per Accounting Standards 21 on "Consolidated Financial Statement", Accounting Standard 23 on "Accounting for investments in Associates in Consolidated Financial Statements" the Company has presented consolidated financial statements separately including that of subsidiary in this annual report.

31. Pre-operative expenses represent the start up cost in setting up the units and have been amortized over a period of 5 years.

32. Renovation expenditure has been treated as deferred revenue expenditure and amortized over a period of three (3) years for the previous years.

33. Micro and Small Enterprises:

- i) There is no interest paid / payable during the year by the Company to the suppliers covered under Micro, Small, Medium Enterprises Development Act, 2006
- ii) The above information takes into account only those suppliers who have responded to the enquiries made by the Company for the purpose.

34. Salaries, wages and other benefits include Managerial Remuneration under section 198 of the Companies Act, 2013, which are as follows:

₹ in lakhs		
Particulars	Current Year 2014-15	Previous Year 2013-14
Salary & Perquisites		
Managing Director : Salary – 5% on net profit	28.05	24.90
Joint Managing Director : Salary – 5% on net profit	28.05	24.90
<p>35. The financial statements for the year ended 31st March, 2015, have been prepared in accordance with the Revised Schedule III of the Companies Act, 2013. Previous year figures have been re- grouped wherever necessary.</p> <p>36. Disclosure in the Annual Report 2014-15 in respect of Income Tax matters</p> <p>Assessment Year 2006-07</p> <p>The Assessment was reopened beyond a period of 4 years from the end of the assessment year which in the opinion of company's tax consultants is not valid in law. The Writ Petition filed by the company in the Madras High Court questioning the validity of the reopening was dismissed along with other appeals though the reasons for reopening the assessment were different from other cases. The Writ filed by the company is pending before the Supreme Court.</p> <p>In the meanwhile, Assessing Officer(AO) completed the assessment demanding Rs.30.96 lakhs. The appeal filed against this is pending before the CIT (A).</p> <p>Assessment Year 2010-11</p> <p>The Commissioner of Income Tax passed an Order under section 263 setting aside the earlier assessment to consider the allowability of renovation expenses and pre-operative expenses aggregating to Rs.143.36 lakhs. The appeal is pending before the Tribunal.</p> <p>Assessment Year 2012-13</p> <p>AO disallowed the expenditure of Rs.63.96 lakhs resulting in a demand of Rs.19.77 lakhs. The appeal is pending before CIT (A).</p> <p>The company has been advised that they have fair chances of winning the appeal and there may not be any demand payable by the company in all these three years.</p> <p>37. The impairment loss is estimated at ₹109.21 lakhs in relation to the assets of Walnut Hotel unit at Hyderabad, since the business is discontinued and the realisable value will be less than the carrying amount. Accordingly, the provision is made in the Profit & Loss Statement.</p> <p>38. The figures have been rounded off to the nearest rupee.</p>		

SAVERA INDUSTRIES LIMITED

Consolidated Financial Statements
2014 - 15

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS.

To
The Members of
Savera Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Savera Industries Limited ("The Company") and its subsidiary M/s. Elkhill Agrotech Private Limited (the company and its subsidiary constitute "the Group") which comprise the consolidated Balance Sheet as at 31st March, 2015, the consolidated statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the company and its subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the respective assets of the Company and its subsidiary and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the company.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the

audit report under the provisions of the Act and the rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation and presentation of the consolidated financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors referred to in the Other Matter below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015 and the consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of a subsidiary, M/s. Elkhill Agrotech Pvt Ltd whose financial statements reflect total assets of ₹54.57 lakhs as at March 31, 2015, total revenues of ₹ 1.74 lakhs and the net cash flows amounting to (₹ 9.75 lakhs) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report

in terms of sub-section(3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and reports of other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, based on the comments in the auditor's report of the company and on the auditors' reports issued in accordance with the Order on subsidiary company incorporated in India, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, 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 of the consolidated financial statements.
 - (b) In our opinion, proper books of accounts as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors of the company as on March 31, 2015, taken on record by the Board of Directors of the Company and the reports of the auditors of its subsidiary company incorporated in India, none of the Directors of the company and its subsidiary, incorporated in India is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements as of March 31,2015.
 - ii) The Group has made provisions in its consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company and for the subsidiary company this shall not apply as the subsidiary company has not declared dividend.

For D.A.Reddy & Co.,
Chartered Accountants
(Firm Regn. No.005719S)

CA.D.Audisesha Reddy, B.Com. FCA.,
Proprietor
Membership No.019352

Place : Chennai
Date : 29th May, 2015

Consolidated Balance Sheet as at 31st March 2015

₹ In lakhs

Particulars	Note	AS AT 31.03.2015	AS AT 31.03.2014
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	1,192.80	1,192.80
(b) Reserves and Surplus	3	3,653.64	3,610.60
		4,846.44	4,803.40
Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,657.86	1,991.42
(b) Deferred Tax Liability	5	235.04	384.59
(c) Other Non- Current Liabilities	6	4.79	14.29
		1,897.69	2,390.30
Current Liabilities			
(a) Short-term Borrowings	7	107.07	146.88
(b) Trade payables	8	156.59	161.56
(c) Other Current Liabilities	9	1,058.87	923.28
(d) Short term provisions	10	287.73	243.62
		1,610.26	1,475.34
TOTAL		8,354.39	8,669.04
ASSETS			
Non- Current Assets			
(a) Fixed assets			
(i) Tangible assets	11	6,770.86	7,385.20
(ii) Intangible assets		20.00	20.00
(b) Goodwill on consolidation		82.23	82.23
(c) Non- Current Investments	12	31.97	31.24
(d) Long-term Loans and advances	13	611.53	410.23
		7,516.59	7,928.90
Current Assets			
(a) Inventories	14	13.40	44.20
(b) Trade Receivables	15	123.46	149.46
(c) Cash and Bank Balances	16	659.17	481.71
(d) Other Current Assets	17	41.77	64.77
		837.80	740.14
TOTAL		8,354.39	8,669.04
Significant Accounting Policies	1		

As per our report attached
For D.A. Reddy & Co.,
Chartered Accountants
(Firm Regn. No.005719 S)

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

CA D Audishesha Reddy, B.Com, F.C.A.
Proprietor (Membership No.019352)

N.S.Mohan
Company Secretary

R.Dayakar Naidu
Chief Financial Officer

Place : Chennai
Date : 29th May, 2015

Consolidated Profit and Loss Statement for the Year Ended 31st March 2015

		₹ In lakhs	
Particulars	Note	AS AT 31.03.2015	AS AT 31.03.2014
INCOME			
Revenue from Operations	18	6241.16	5,650.51
Less: Excise Duty		1.48	1.13
Revenue from Operations (Net)		6239.68	5,649.38
Other Income	19	71.09	47.06
Total Revenue		6,310.77	5,696.44
EXPENSES			
Cost of Materials consumed	20	878.85	791.73
Change in Inventory of Stock-in-trade	21	90.29	80.92
Employee benefit expenses	22	1672.68	1,481.45
Finance Cost	23	315.47	361.23
Depreciation	24	506.51	357.70
Other expenses	25	2460.50	2,177.17
Total Expenses		5,924.30	5,250.20
Profit before tax		386.47	446.24
Tax expense:			
(1) Income Tax		228.00	214.41
(2) Deferred Tax Liability		(121.00)	399.00
		107.00	613.41
Profit after Taxation		279.47	(167.17)
Earnings per equity share:			
Basic and Diluted		2.34	(1.40)
Significant Accounting Policies	1		

As per our report attached
For D.A. Reddy & Co.,
Chartered Accountants
(Firm Regn. No.005719 S)

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

CA D Audishesha Reddy, B.Com, F.C.A.
Proprietor (Membership No.019352)

N.S.Mohan
Company Secretary

R.Dayakar Naidu
Chief Financial Officer

Place : Chennai
Date : 29th May, 2015

Consolidated Cashflow Statement for the Year Ended 31st March, 2015			
₹ In lakhs			
PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014	
A. Cash flow from Operating Activities			
Net profit before tax and extra-ordinary items	386.47	446.24	
Adjustments for			
(a) (Profit)/Loss on sale of fixed assets	1.52	(0.41)	
(b) Impairment Loss	109.21	-	
(c) Bad debts/Creditors written back	-	16.63	
(d) Preliminary and preoperative expenses written off	-	129.48	
(e) Renovation Expenses written off	15.25	-	
(f) Interest Expenses	315.47	361.23	
(g) Dividend/Interest Income	(36.16)	(38.67)	
(h) Depreciation on fixed assets	506.51	357.70	
	911.80	825.96	
Operating profit before working capital changes	1,298.27	1,272.20	
Adjustments for			
(a) (Increase)/Decrease in Other Current Assets	7.75	24.80	
(b) (Increase)/Decrease in Trade Receivables	26.01	31.43	
(c) (Increase)/Decrease in Inventories	30.80	35.35	
(d) (Increase)/Decrease in Short Term Loan Advance	-	0.95	
(e) Increase/(Decrease) in Other Non- Current Liabilities	(53.20)	-	
(f) Increase/(Decrease) in Short Term Provisions	38.15	5.07	
(g) Increase/(Decrease) in Trade Payables	(4.97)	(18.79)	
(h) Increase/(Decrease) in Other Current Liabilities	113.73	158.27	0.26
	1,456.54	1,351.27	
Cash generated from Operations	1,456.54	1,351.27	
Income taxes paid/Refund	218.85	242.90	
Net cash from Operating Activities (A)	1,237.69	1,108.37	
B. Cash flow from Investing Activities			
Purchase of fixed assets	(103.22)	(694.44)	
Sale of fixed assets	7.79	18.37	
Net (Increase)/Decrease in Long Term Advances	(166.87)	48.00	
Net (Increase)/Decrease in Other Cash Balances	(96.75)	185.02	
Dividend/ Interest Income Received	36.15	38.67	
Net (Increase)/Decrease in Non- Current Investments	(0.73)	9.90	
Net cash from Investing Activities (B)	(323.63)	(394.48)	

C. Cash flow from Financing Activities:		
Repayment of borrowings	(351.52)	(181.07)
Dividend paid	(166.36)	(166.36)
Interest expense paid	(315.47)	(361.23)
Net cash used in financial activities (C)	(833.35)	(708.66)
Net increase in cash and cash equivalents (A)+(B)+(C)	80.71	5.23
Cash and cash equivalents at beginning of the period (see note 1)	142.09	136.86
Cash and cash equivalents at end of the period (see note 1)	222.80	142.09
NOTES TO THE STATEMENT:	AS AT 31.03.2015	AS AT 31.03.2014
Cash and Cash Equivalents		
Balance with Scheduled Banks		
- Current Account	182.68	116.91
- Cash on Hand	40.12	25.18
	222.80	142.09
(1) Cash and Cash Equivalents consist of balances with banks. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.		
(2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.		
(3) Previous year's figures have been regrouped wherever necessary to confirm to current year's classification.		
As per our report attached For D.A. Reddy & Co., Chartered Accountants (Firm Regn. No.005719 S)	For and on behalf of the Board	
	A. Ravikumar Reddy Managing Director	A. Nina Reddy Joint Managing Director
CA D Audishesha Reddy, B.Com, F.C.A. Proprietor (Membership No.019352)	N.S.Mohan Company Secretary	R.Dayakar Naidu Chief Financial Officer
Place : Chennai Date : 29th May, 2015		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1:

Significant Accounting Policies

A) Corporate Information :

Savera Industries Limited is incorporated in India in November 1969, and is engaged in the business of Hoteliering. Shares of the Company are listed in Bombay Stock Exchange (BSE) and Madras Stock Exchange (MSE).

The consolidated financial statements relate to its subsidiary Elkhill Agrotech Private Limited(100%).

B) Principles of consolidation

- a) The financial statements of the company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS)21–“ Consolidated Financial Statements”
- b) The difference between the costs of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognized as Good will or Capital reserve as the case may be.
- c) Minority Interest’s share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- d) Minority’s Interest’s share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company’s shareholders.
- e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company’s separate financial statements.

C) Other Significant Accounting Policies

The financial statements are prepared under historical cost convention on accrual basis and comply with the Accounting standards (AS) referred to in Section 133 of the Companies Act, 2013. Significant accounting policies adopted in the presentation of the accounts are as under:

a) Fixed Assets

Fixed Assets are carried at cost less depreciation. Land, Building and Plant & Machinery were revalued on 31.03.1993.

b) Depreciation

Depreciation is provided on straight-line basis, at rates prescribed in Schedule II of the Companies Act, 2013. Depreciation on revalued assets to the extent of revaluation is debited to revaluation reserve.

c) Impairment of Assets

Impairment is ascertained at each balance sheet date in respect of the Company's fixed assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on appropriate discount factor.

d) Inventories

Stocks of food, beverages & Operating supplies inventories are valued at average cost or market value whichever is lower. Crockeries and Cutleries are written off over a period of three years.

e) Investments

Long Term Investments are carried at cost. Provision for decline in the value, other than temporary, has been made wherever necessary. Current Investments are carried at lower of cost, market value or net asset value. Investment in subsidiary company is treated as Long Term Investment, (Considering the nature of business and based on the independent expert opinion, the decline in value of investment is temporary.) However, the decline in the value of investments in subsidiary will depend on continuance or otherwise of business in future.

f) Transactions in Foreign Exchange

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are restated at the exchange rate ruling at the Balance Sheet date.

Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.

g) Employee Benefits

As per the requirements of Accounting Standard 15 “Employee Benefits” (Revised 2005) issued by the Institute of Chartered Accountants of India, the contribution to the Gratuity is determined using the projected unit credit method with actuarial valuation being carried out at each Balance Sheet date. The company has an arrangement with LIC for managing the Gratuity Fund. The demand raised from LIC based on Actuarial Report is paid by the company towards discharge of the gratuity liability.

Regarding Gratuity Fund being maintained with LIC, the details are furnished hereunder.

Opening Balance as on 1-04-2014	₹	1,92,09,326
Add : Contribution to the Fund during the year under review	₹	17,98,784
Add: Gratuity Conversion Charges	₹	7,34,700
Add : Interest to the Fund	₹	9,92,428
Total	₹	<u>2,27,35,238</u>
Less : Disbursements	₹	28,78,730
Less : Finance costs	₹	1,03,789
Balance Fund as on 31-03-2015	₹	<u>1,97,52,719</u>
Actuarial value of accrued gratuity liability as on 31-03-2015	₹	2,61,87,260
The Fund with LIC	₹	<u>1,97,52,720</u>
The Provision for Contribution towards the Fund	₹	64,34,540
Less : Amount already paid	₹	<u>10,00,000</u>
	₹	<u>54,34,540</u>

The said amount of ₹ 54,34,540/- will be paid before the due date for filing the Return of Income.

h) Borrowing Costs

Interest and other borrowing cost on specific borrowings are capitalized.

i) Segment Reporting

The company's only business is Hoteliering and hence disclosure of segment wise information is not applicable under Accounting Standard (AS)-17 “Segment Information notified by the Company's (Accounting Standards) Rules.

There is no Geographical segment to be reported since all the operations are under taken in one geographical area.

j) Taxes on Income:

Deferred Tax is computed in accordance with Accounting Standard 22 (AS-22) “Accounting for Taxes on Income’. Tax expenses are accounted in the same period

to which the revenue and expenses relate. Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances; deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liability is recorded for timing differences, i.e. differences that originate in one accounting period and reversed in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on applicable tax rates. Deferred tax assets / liabilities are reviewed as at each Balance Sheet date.

k) Accounting for Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized in terms of Accounting Standard (AS) 29 – ‘Provisions, Contingent Liabilities and Contingent Assets’ when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

l) Leases

Lease arrangements where the risk and rewards are incidental to ownership of an asset substantially vest with the lessee which are recognized as finance lease.

m) Bonus

Bonus is provided in the books and the payment shall be made before the due date of filing of the Income Tax Return i.e.30.09.2015.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
NOTE 2: SHARE CAPITAL

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
(i) Authorised Share Capital		
1,20,00,000 equity shares of ₹ 10 each (Previous year 1,20,00,000 Equity Shares of ₹ 10 each)	1,200.00	1,200.00
(ii) Issued, Subscribed and Paid up		
1,19,28,000 Equity Shares of ₹ 10/- each (Previous year 1,19,28,000 Equity Shares of ₹ 10/- each)	1,192.80	1,192.80
	1,192.80	1,192.80
(a) Reconciliation of Equity shares		
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	11,928,000	11,928,000
Shares outstanding at the end of the year	11,928,000	11,928,000

Footnotes:

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

(ii) During the year ended March 31, 2015, the amount of per share dividend recognized as distribution to equity shareholder was ₹ 1.20/- (Previous year ₹ 1.20/-)

(b) Shareholder holding more than 5 % of Equity Shares of the company

Name of the shareholder	AS AT 31.03.2015		AS AT 31.03.2014	
	No. of Shares	% of holding	No. of Shares	% of holding
A. Nina Reddy	2,095,812	17.57%	2,095,812	17.57%
A. Ravikumar Reddy	1,603,840	13.45%	1,603,840	13.45%
Lalit Modi	702,280	5.89%	702,280	5.89%
A. Priyamvada	687,600	5.76%	687,600	5.76%

NOTE 3 : RESERVES AND SURPLUS		
	₹ In lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Revaluation Reserve		
As per last Balance Sheet	1,344.00	1,353.84
Less: Depreciation for the year	4.57	9.84
(A)	1,339.43	1,344.00
General Reserve		
Opening Balance	718.55	718.55
Less : Depreciation on transition to schedule II of the Companies Act 2013 on tangible fixed assets with Nil remaining useful life (Net deferred tax) [₹ 87.96 (refer Note II) minus ₹ 28.54 (refer Note 5)]	59.42	-
(B)	659.13	718.55
Surplus/ (Deficit) in the Statement of Profit and Loss		
Opening Balance	1,548.05	1,881.58
Add: Profit for the year	279.47	(167.17)
Less: Transfer to General Reserve	-	-
Less: Proposed dividend	143.14	143.14
Less: Tax on Proposed dividend	29.30	23.22
(C)	1,655.08	1,548.05
TOTAL (A+B+C)	3,653.64	3,610.60
NOTE 4 : LONG TERM BORROWINGS		
	₹ In lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Non- Current portion of:		
Term Loan		
From Banks (Refer Note (i) and (ii) below)	1,649.58	1,977.62
Long- term Finance lease obligations - Hire Purchase (Refer note (iii) and (iv) below)	8.28	13.80
	1,657.86	1,991.42

(i) Secured by First Charge on entire Land & Building, Movable & Immovable Assets of the Company situated at Door No. 146, Dr. Radhakrishnan Road, Chennai – 4. & Property admeasuring 18.15 grounds, situated at Avinashi Road, Coimbatore

₹ in lakhs

(ii) Maturity profile of term loans

Term loan from Banks @ 13.50%

(a) not later than one year

(b) later than one year and not later than three years

(c) later than three years

As at March
2015

494.05

1,481.50

168.08

(iii) Finance Lease obligations are secured against leased assets

(iv) Maturity profile of Finance lease obligations

As at March
2015

ICICI Bank

(a) not later than one year

17.68

(b) later than one year and not later than five years

8.28

(c) later than five years

-

NOTE 5 : DEFERRED TAX LIABILITY

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Deferred Tax Liability	263.58	384.59
Less: Deferred Tax impact on transition to Schedule II of the Companies Act 2013	28.54	-
	235.04	384.59

NOTE 6 : OTHER NON-CURRENT LIABILITIES

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Rental Deposit - Unsecured	4.79	6.79
Unaccrued Income realisable after next 12 months	-	7.50
	4.79	14.29

NOTE 7 : SHORT TERM BORROWINGS

₹ in lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Loan repayable on Demand		
From Banks (Refer Footnote (i))	107.07	146.88
	107.07	146.88

(i) Secured loan from bank consists of overdraft facilities. These are secured by hypothecation of domestic trade receivables and fixed deposits.

NOTE 8 : TRADE PAYABLES

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Trade payables other than Micro, Small and Medium Enterprises	156.59	161.56
	156.59	161.56

NOTE 9 : OTHER CURRENT LIABILITIES

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Current maturities of Long-term borrowings (Refer Footnote 4(i) and (ii))	494.05	455.20
Current maturities of Long-term Finance Lease - Hire Purchase (Refer Footnote 4(iii) and (iv))	17.68	34.66
Unaccrued Income realisable in next 12 Months	233.61	190.64
Unclaimed Dividend (Refer Footnote (i) below)	19.10	18.03
Creditors for expenses	183.12	129.14
Duties and Taxes Payable	111.31	95.61
	1,058.87	923.28

(i) The amount reflects the position as on 31st March 2015. The actual amount to be transferred to the "Investor education & protection fund" shall be determined and paid to the credit of the Fund on due dates.

NOTE 10 : SHORT TERM PROVISIONS

₹ In lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Provision for employee benefits - Bonus & Gratuity	86.15	47.99
Provision net off against Advance tax and TDS for the assessment year 2015-16	29.15	29.27
Provision for dividend	172.43	166.36
	287.73	243.62

Note 11 : CONSOLIDATED FIXED ASSETS

₹ In lakhs

PARTICULARS	ORIGINAL COST			DEPRECIATION BLOCK								NET BLOCK	
	AS AT 01.04.2014	ADDITIONS	DEDUC- TIONS	AS AT 31.03.2015	UPTO 01.04.2014	On Withdrawal/ Adjustment	Depreciation charged to P&L (2014-15)	DEPR. FOR THE YEAR	DEDUC- TIONS	UPTO 31.03.2015	IMPAIR- MENT LOSS FOR THE YEAR	AS AT 31.03.2015	AS AT 31.03.2014
Tangible Assets:													
1. LAND	3,312.41	-	-	3,312.41	-	-	-	-	-	-	-	3,312.41	3,312.41
2. BUILDINGS	1,345.22	-	-	1,345.22	406.23	-	20.38	20.38	-	426.61	-	918.61	938.99
3. FURNITURE & FITTINGS	2,676.38	5.97	-	2,682.35	1,129.46	7.83	251.92	259.75	-	1,389.21	45.97	1,247.17	1,546.92
4. VEHICLES	100.00	-	33.57	66.43	61.85	-	12.34	12.34	24.27	49.92	-	16.51	38.15
5. PLANT & MACHINERY	3,135.21	76.94	-	3,212.15	1,726.41	72.67	191.58	264.25	-	1,990.66	63.24	1,158.25	1,408.80
6. OFFICE EQUIPMENTS	141.75	3.27	-	145.02	107.01	7.46	14.94	22.40	-	129.41	-	15.61	34.74
Sub - Total	10,710.97	86.18	33.57	10,763.58	3,430.96	87.96	491.16	579.12	24.27	3,985.81	109.21	6,668.56	7,280.01
Leased Assets													
7. VEHICLES	142.68	17.03	-	159.71	37.49	-	19.92	19.92	-	57.41	-	102.30	105.19
Sub - Total	142.68	17.03	-	159.71	37.49	-	19.92	19.92	-	57.41	-	102.30	105.19
Total tangible assets	10,853.65	103.21	33.57	10,923.29	3,468.45	87.96	511.08	599.04	24.27	4,043.22	109.21	6,770.86	7,385.20
Intangible Assets:													
1. GOODWILL	102.23	-	-	102.23	-	-	-	-	-	-	-	102.23	102.23
Total assets	10,955.88	103.21	33.57	11,025.52	3,468.45	87.96	511.08	599.04	-	4,043.22	-	6,873.09	7,487.43
Previous Year													

Note: Depreciation includes ₹ 4.57 lakhs on revaluation of assets. (Previous Year ₹ 9.84 lakhs)

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS
NOTE 12: NON CURRENT INVESTMENTS

₹ in lakhs

Particulars	Face Value	Holdings As at 31st March 2015	AS AT	
			31.03.2015	31.03.2014
Non - Trade Investments (Valued at cost)				
Investment in quoted Equity Shares				
Oriental Hotels Limited	₹ 1/-	3,510	0.05	0.05
I.T.C. Limited	₹ 1/-	26,880	0.03	0.03
Indian Hotels Co. Ltd.	₹ 1/-	3,432	0.45	0.45
Apollo Hospitals Ltd.	₹ 5/-	4,000	0.30	0.30
Central Bank of India	₹ 10/-	295	0.30	0.30
Investment in Debentures				
Indian Hotels Co. Ltd. (convertible debentures)	₹ 55/-	1,330	0.73	
			1.87	1.14
Investment in Unquoted Shares of Other Companies				
301000 Clarion Wind Farms Pvt. Ltd.	₹ 10/-	301,000	30.10	30.10
			30.10	30.10
			31.97	31.24
(i) Aggregate amount of Quoted Investments			1.87	1.14
(ii) Market Value of Quoted Investments			148.12	134.76
(iii) Aggregate amount of Unquoted Investments			30.10	30.10

NOTE 13: LONG TERM LOANS AND ADVANCES

₹ in lakhs

Particulars	AS AT	
	31.03.2015	31.03.2014
Loans and Advances to others		
Unsecured Considered Good	62.53	63.09
Security Deposits		
Unsecured Considered Good	280.09	260.89
Capital advance		
Unsecured Considered Good	191.93	-
Advance tax, TDS excess of Provision for Income tax for the period preceding AY 2015-16	76.98	86.25
	611.53	410.23

NOTE 14: INVENTORIES

₹ in lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
(At lower of average cost or market value)		
Food & Beverages	4.89	5.02
Wine & Liquor	8.51	6.36
Crockery & Cutlery	-	17.81
Linen & Housekeeping items	-	13.51
Consumables Stores	-	1.50
	13.40	44.20

NOTE 15: TRADE RECEIVABLES

₹ in lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Debts outstanding for a period exceeding 6 months		
Unsecured Considered good	1.32	1.23
Other debts		
Unsecured Considered good	122.14	148.24
	123.46	149.47

NOTE 16: CASH AND BANK BALANCES

₹ in lakhs

Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Balance with Banks		
Current Account	182.68	116.91
Deposits with original maturity less than three months	-	-
Cash on Hand	40.12	25.18
Other Bank Balances		
Dividend Account	19.11	18.03
Margin Money	3.97	3.97
Deposits with original maturity more than three months	413.29	317.62
	659.17	481.71

NOTE 17: OTHER CURRENT ASSETS		
	₹ in lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Prepaid expenses	32.48	44.99
Interest Accrued on Fixed Deposits	9.29	4.53
Miscellaneous expenditure to the extent not written off	-	15.25
	41.77	64.77
NOTE 18: REVENUE FROM OPERATIONS		
	₹ in lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
(i) Rooms and Restaurants		
Rooms	2,429.99	2,300.74
Foods and Beverages	2,431.54	1,872.86
Wine and Liquor	386.20	377.51
Flowers	1.74	35.47
	5,249.47	4,586.58
(ii) Banquets and Other services		
Banquet and Other Services	498.57	620.20
Gym Collections	489.65	433.89
Room services	1.79	7.80
Miscellaneous income	1.34	1.41
Transport Collections	0.34	0.63
	991.69	1,063.93
Less: Excise Duty	1.48	1.13
	6,239.68	5,649.38
NOTE 19: OTHER INCOME		
	₹ in lakhs	
Particulars	AS AT 31.03.2015	AS AT 31.03.2014
Interest Income		
Fixed Deposits	31.30	34.92
Electricity Deposits	2.99	2.07
Dividend Income		
From Non- Current Investments	1.87	1.68
Net Gain on Sale of Fixed Assets		
Profit on sale of Furnitures	-	0.41
Others		

Miscellaneous Income	34.34	-
Foreign Exchange Fluctuations	0.59	0.49
NAIP Subsidy	-	7.49
	71.09	47.06

NOTE 20: COST OF MATERIALS CONSUMED

₹ in lakhs

Particulars	AS AT	
	31.03.2015	31.03.2014
Foods and Beverages		
Opening Stock	5.02	4.31
Add: Purchases	835.18	751.10
Less: Closing Stock	4.89	5.02
	835.31	750.39
Crockeries and Cutleries		
Opening Stock	17.81	37.95
Add: Purchases	24.22	12.89
Less: Closing Stock	-	17.81
	42.03	33.03
Consumable Stores		
Opening Stock	1.50	2.40
Add: Purchase	0.01	7.43
Less: Closing Stock	-	1.50
	1.51	8.33
	878.85	791.75

NOTE 21: CHANGE IN INVENTORY OF STOCK IN TRADE

₹ in lakhs

Particulars	AS AT	
	31.03.2015	31.03.2014
Opening Stock	6.36	7.87
Add: Purchase	92.44	79.41
Less: Closing Stock	8.51	6.36
	90.29	80.92

NOTE 22: EMPLOYEE BENEFIT EXPENSE

Particulars	₹ in lakhs	
	AS AT 31.03.2015	AS AT 31.03.2014
Salary, Wages, Bonus and Allowances	1,327.11	1,196.62
Contribution to provident and other funds	155.63	110.83
Staff Welfare	189.94	174.00
	1,672.68	1,481.45

NOTE 23: FINANCE COST

Particulars	₹ in lakhs	
	AS AT 31.03.2015	AS AT 31.03.2014
Interest expenses	315.47	361.23
	315.47	361.23

NOTE 24: DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	₹ in lakhs	
	AS AT 31.03.2015	AS AT 31.03.2014
Depreciation on Fixed Assets	511.08	367.54
Less: Transferred to revaluation reserve	4.57	9.84
	506.51	357.70

NOTE 25: OTHER EXPENSES

Particulars	₹ in lakhs	
	AS AT 31.03.2015	AS AT 31.03.2014
(a) Administrative Expenses		
(i) Sundry Expenses	94.89	76.24
(ii) Postage and Telephones	48.37	37.35
(iii) Printing & Stationery	29.65	28.23
(iv) Travelling & Conveyance	27.65	24.84
(v) Bank Charges	8.65	5.05
(vi) AGM Expenses	5.69	4.64
(vii) Donation	3.42	5.74
(viii) Newspaper subscription	3.00	1.52

(ix) Sitting Fees	2.54	2.00
(x) Audit Committee	-	0.55
(xi) Remuneration Committee	-	0.05
(b) Power and Fuel	620.43	589.13
(c) Repairs and Maintenance		-
(i) Buildings	115.42	86.88
(ii) Plant and Machinery	107.06	101.52
(iii) Vehicles	23.04	22.58
(iv) Others	96.31	71.17
(d) Sales Promotion Expenses	292.82	247.66
(e) Rental Expenses	282.40	230.42
(f) Upkeep and Service Cost	271.39	229.72
(g) Impairment of assets	109.21	-
(h) Professional Charges	104.39	72.09
(i) Rates & Taxes	92.95	115.94
(j) Spa Expenses	56.61	59.18
(k) Insurance	26.13	24.73
(l) Pre Operative and Preliminary Expenses written off	15.25	4.89
(m) CSR Expenses	15.15	-
(n) Payment to Auditors		
(i) As Auditors	3.00	3.06
(ii) For Taxation Matters	3.00	1.12
(iii) For Other Services	-	1.12
(o) Loss on Sale of Assets	1.52	-
(p) Crop Insurance	0.51	0.41
(q) Floriculture expenditure	0.05	1.01
(r) Renovation	-	111.69
(s) Bad Debts	-	16.64
	2,460.50	2,177.17

26. Disclosure pursuant to Accounting Standard 11 – “The Effects of changes in Foreign Exchange Rates”:
i) Earnings in Foreign Exchange: (₹ in lakhs)

Particulars	Current Year 2014-15	Previous Year 2013-14
Sale of Rooms/F&B Income	393.90	409.50
	393.90	409.50

ii) Expenditure in Foreign Currency (₹ in lakhs)

Particulars	Current Year 2014-15	Previous Year 2013-14
Membership Fee	1.30	1.16
Imported Machinery & Goods for renovation	108.19	24.14
Travel Agency Commission	23.93	23.11
	133.42	48.41

27. Disclosure pursuant to Section 129 of the Companies Act, 2013 :

The summary of financial information under Section 129 of the Companies Act, 2013 for the financial year ended 31st March, 2015 in regard to subsidiary company, M/s. Elkhill Agrotech (P) Limited, Ooty, Tamilnadu, is as follows :

(₹ in lakhs)

Particulars	Current Year 2014-15	Previous Year 2013-14
Share Capital	200.00	200.00
Reserves and Surplus	(251.39)	(241.63)
Total Assets	54.57	88.12
Total Liabilities	54.57	88.12
Turnover	1.74	42.96
Profit (Loss) before Taxation	(9.75)	0.22
Provision for Taxation	-	-
Profit (Loss) after Taxation	(9.75)	0.22
Proposed Dividend	-	-

28. Disclosure pursuant to Accounting Standard 20 Earning per Share”

(₹ in lakhs)

Particulars	Current Year 2014-15	Previous Year 2013-14
Profit after tax	279.47	(167.17)
Nominal Value of Shares	10	10
No. of Equity Shares	11,928,000	11,928,000
Earnings per share - Basic and Diluted	2.34	(1.40)

29. Pre-operative expenses represent the start up cost in setting up the units and have been amortized over a period of 5 years

30. Renovation expenditure has been treated as deferred revenue expenditure and amortized over a period of three (3) years for the previous years.

31. Micro and Small Enterprises:

- i) There is no interest paid / payable during the year by the Company to the suppliers covered under Micro, Small, Medium Enterprises Development Act, 2006.
- ii) The above information takes into account only those suppliers who have responded to the enquiries made by the Company for the purpose.

32. Disclosure pursuant to Accounting Standard 18 “Related Parties disclosure”:

As per Accounting Standard – AS 18 “Related Parties Disclosure” notified by the Companies (Accounting Standards) Rules, 2006 the required information are given below:

1) List of Related Parties are as follows

- A) Subsidiary Company : Elkhill Agrotech Pvt Ltd
- B) Key Management Personnel : Mr. A. Ravikumar Reddy, Managing Director
Mrs. A. Nina Reddy, Joint Managing Director

Key Management Personnel :

Key Management Personnel comprise of Managing Director and Joint Managing Director who have the authority and the responsibility for planning and controlling the activities of the Company. The remuneration paid to such director's is ₹ 56.10 Lakhs (Previous year ₹ 49.80 Lakhs)

Details of Transactions with the related parties are as follows ₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
--- Elkhill Agrotech Pvt Ltd	82.09	125.80
	82.09	125.80

33. Disclosure in the Annual Report 2014-15 in respect of Income Tax matters**Assessment Year 2006-07**

The Assessment was reopened beyond a period of 4 years from the end of the assessment year which in the opinion of company's tax consultants is not valid in law. The Writ Petition filed by the company in the Madras High Court questioning the validity of the reopening was dismissed along with other appeals though the reasons for reopening the assessment were different from other cases. The Writ filed by the company is pending before the Supreme Court. In the meanwhile, Assessing Officer(AO) completed the assessment demanding Rs.30.96 lakhs. The appeal filed against this is pending before the CIT (A).

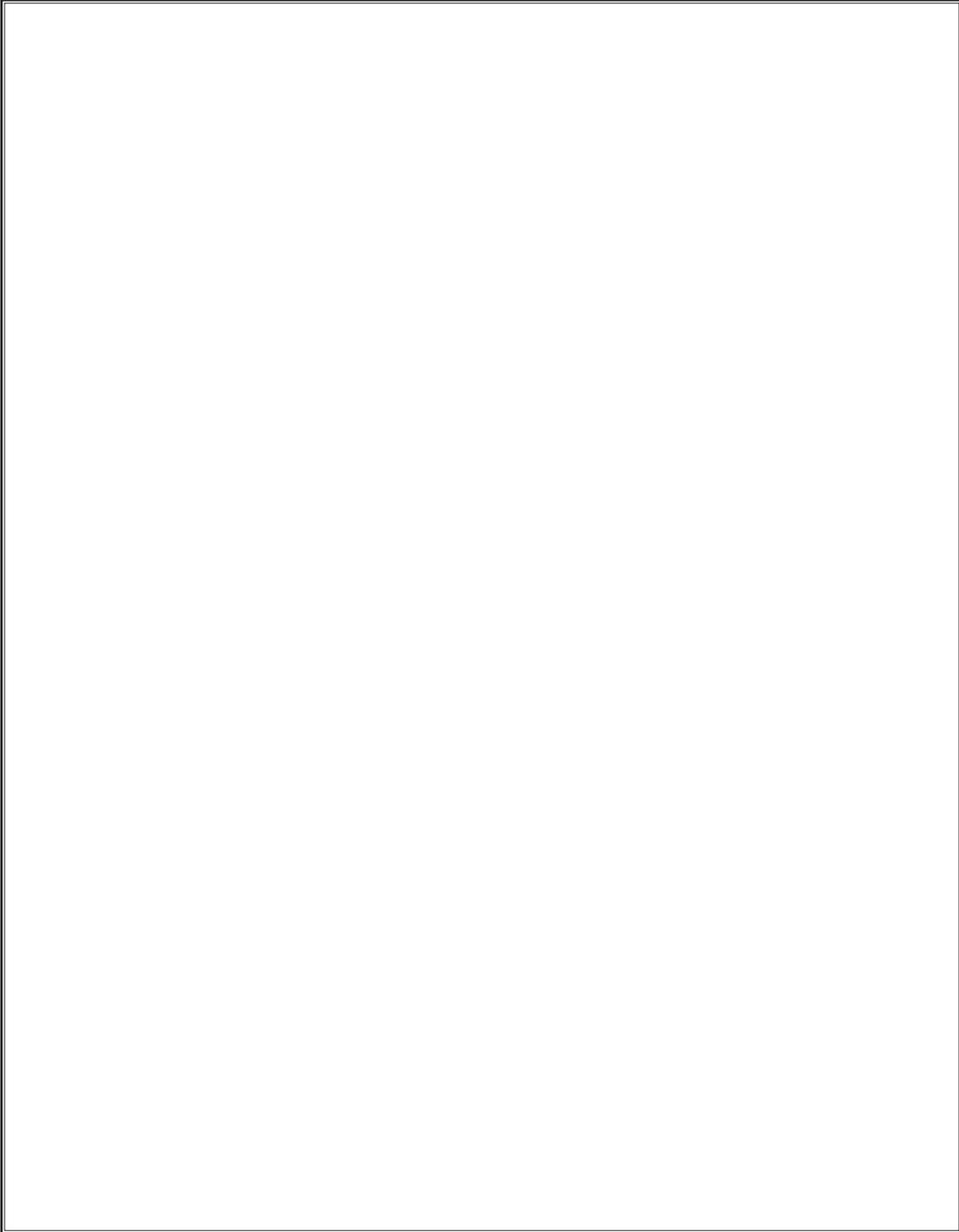
Assessment Year 2010-11

The Commissioner of Income Tax passed an Order under section 263 setting aside the earlier assessment to consider the allowability of renovation expenses and pre-operative expenses aggregating to Rs.143.36 lakhs. The appeal is pending before the Tribunal.

Assessment Year 2012-13

AO disallowed the expenditure of Rs.63.96 lakhs resulting in a demand of Rs.19.77 lakhs. The appeal is pending before CIT (A). The company has been advised that they have fair chances of winning the appeal and there may not be any demand payable by the company in all these three years.

- 34.** The impairment loss is estimated at ₹109.21 lakhs in relation to the assets of Walnut Hotel unit at Hyderabad, since the business is discontinued and the realisable value will be less than the carrying amount. Accordingly, the provision is made in the Profit & Loss Statement.
- 35.** The figures have been rounded off to the nearest rupee.





SAVERA INDUSTRIES LIMITED

Registered Office : New No.146, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004.

CIN L55101TN1969PLC005768

ADMISSION SLIP

46th Annual General Meeting – September 28, 2015

Name of the Shareholder(s) / Proxy

Address

Regd. Folio / Client ID, DP ID

No. of shares held

I hereby record my presence at 46th Annual General Meeting of the Company, to be held on Monday, the 28th September, 2015, at 11.00 a.m. at The Music Academy Mini Auditorium, No.168 T.T.K. Road, Chennai 600 014.

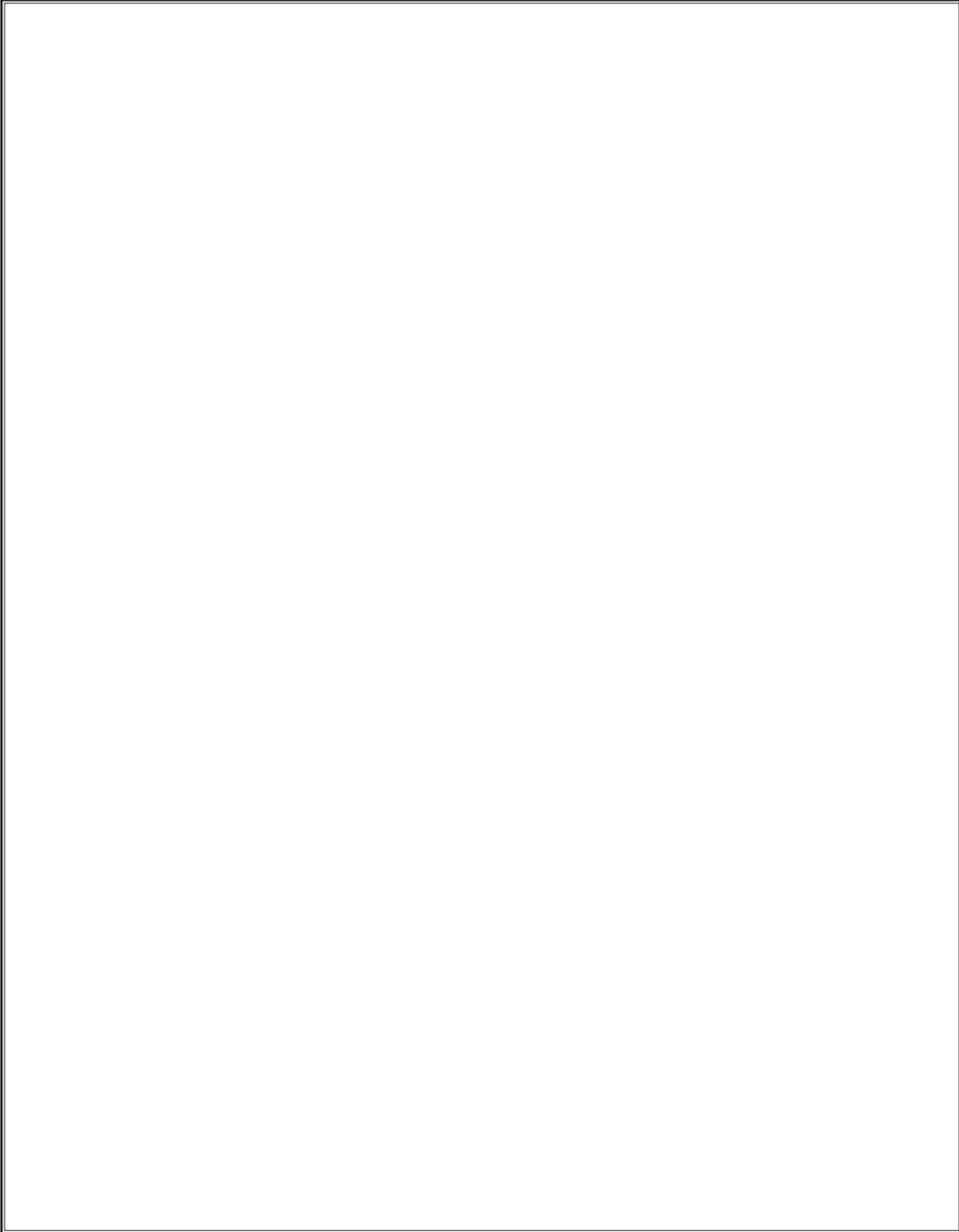
(Member's / Proxy's Name)

(Member's / Proxy's Signature)

Notes :

1. Please fill up this attendance slip and hand it over at the entrance of the meeting hall.
2. Physical copy of the Annual Report 2014-15 along with the Notice, attendance slip and proxy form is being sent to all the members, who have not registered their e-mail id.
3. Members are requested to bring their copy of the Annual Report which was sent in permitted mode to all the members whose e-mail is not registered or who have requested for a hard copy.





Form No.MGT 11

PROXY FORM

(Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules 2014)

46th Annual General Meeting – September 28, 2015

CIN L55101TN1969PLC005768

SAVERA INDUSTRIES LIMITED

Registered Office : New No.146, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004.

Name of the member(s)

Registered address

Email ID

Folio no. / Client ID

--	--	--	--	--	--	--	--	--	--

DP ID

--	--	--	--	--	--	--	--	--	--

I / We, being the member(s) of shares of the above named company, hereby appoint

1) Name : Email ID.....

Address :

..... Signature :

or failing him

1) Name : Email ID.....

Address :

..... Signature :

or failing him

1) Name : Email ID.....

Address :

..... Signature :

or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 46th Annual General Meeting of the Company, to be held on the 28th day of, September, 2015, at 11.00 a.m. at The Music Academy Mini Auditorium, No.168 T.T.K. Road, Chennai 600 014 and at any adjournment thereof in respect of such resolutions as are indicated below :

S. No.	Description	Type of Resolution	Optional*		
			For	Against	Abstain
1	Adoption of Audited Financial Statements for the year ended 31-03-2015 together with the reports of the Directors and Auditors thereon.	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Declaration of Dividend,	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-appointment of Mrs.A.Nina Reddy as a Director	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Ratification of Appointment of Statutory Auditors and fixation of their remuneration.	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this day of 2015.

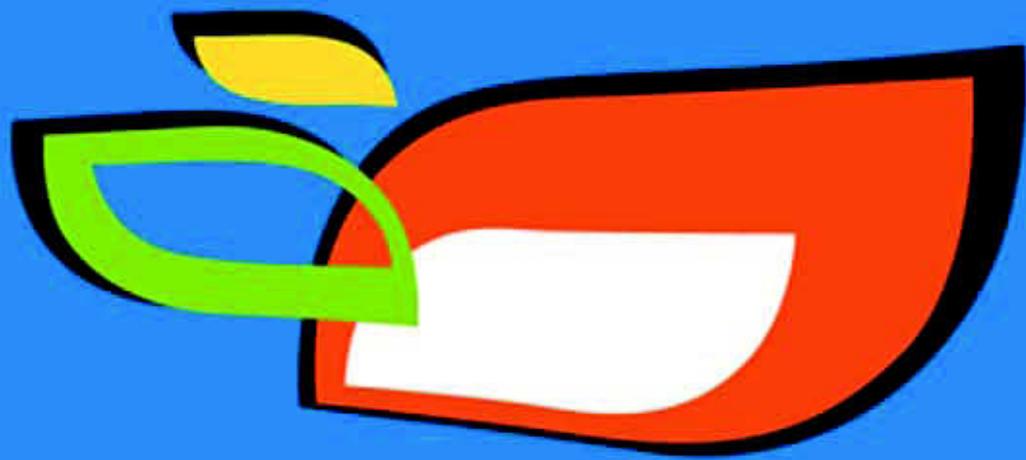
.....
Signature of the Shareholder

.....
Signature of the Proxy holder(s)

Affix Rs.1/-
revenue stamp

Notes :

1. This form of proxy in order to be effective, should be duly completed and deposited at the registered office of the Company at No.146 Dr.Radhakrishnan Road, Chennai 600 004 not less than 48 hours before the commencement of the meeting.
2. Please refer to the notice of the 46th Annual General Meeting for the resolutions and notes.
3. * This is only optional. Please put 'X' in the box in the appropriate column against the resolutions. If you leave the 'For or Against or Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details of members(s) before submission.



THE
SAVERA
OUR BUSINESS IS YOU

Savera Industries Limited
No.146, Dr.Radhakrishnan Salai
Mylapore, Chennai 600 004
www.saverahotel.com