



49th ANNUAL REPORT 2017 - 2018

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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 A. Sudhakar Reddy	Independent Director
Sri B. Ranga Reddy	Independent Director
Sri S. Sridhara Rao	Independent 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
Mail ID : cs@saverahotel.com
Mobile : 72990 11005
- Chief Financial Officer : Mr. D.V.M. Sambasiva Rao

Bankers : Central Bank of India
Egmore Branch
48/49 Montieth Road, Chennai - 600 008.

Statutory Auditors : M/s. S. Venkatram & Co., LLP
Chartered Accountants
218, T T K Road,
Alwarpet, Chennai - 600 018.

Tax Auditors : M/s. D A Reddy & Co.,
Chartered Accountants
'Audi Nivas' No. 8, Kannaiah Street,
T. Nagar, Chennai - 600 017.

Secretarial Auditor : Mr. R. Balasubramaniam
Practicing Company Secretary
'J' Block, Second Street,
Door No.27, Flat No.A2,
Anna Nagar East, Chennai 600 102.

Registrars & 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 : info@saverahotel.com website : www.saverahotel.com

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 49th Annual General Meeting of Saveria Industries Limited will be held on Thursday, the 20th September, 2018 at 3.00 p.m. at Music Academy Mini Auditorium, 168, TTK Road, Chennai 600 014 to transact the following business.

ORDINARY BUSINESS :**1. Adoption of Audited Financial Statements for the year ended 31 / 03 / 2018 together with the reports of the Directors and Auditors thereon.**

To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31st March, 2018 including audited Balance Sheet as at 31st March, 2018 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. Confirmation of payment of interim Dividend and declaration of Final Dividend.

To confirm the payment of Interim Dividend of ₹ 1.20 (Rupee one and paise twenty only) and declare a Final Dividend of ₹ 1.30 (Rupee one and paise thirty only) per equity share for the financial year 2017-18.

3. 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 the following resolution as an 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. S. Venkatram & Co., LLP, Chartered Accountants, (Firm Regn. No. 004656S) as Statutory Auditors of the company for a term of five years i.e. from the conclusion of the 48th Annual General Meeting (AGM) till the conclusion of 53rd Annual General Meeting 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 50th AGM of the company to be held in the year 2019, at such remuneration as may be mutually agreed between the Board of Directors of the company and the Statutory Auditors."

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

Chennai - 600 004
30th May, 2018

N.S. Mohan
Company Secretary

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 14th September, 2018 to 20th September, 2018 (both days inclusive) for the purpose of the 49th Annual General Meeting and determining the entitlement of the shareholders to the final dividend for the financial year 2017-18.
2. The relevant details as required under regulation 26 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 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 final dividend of ₹ 1.30 paise (Rupee one and paise thirty only) per share as recommended by the Board of Directors if declared at the Annual General Meeting will be paid after 20th September, 2018 but before 19th October, 2018
 - (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 13th September, 2018.
 - (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 13th September, 2018.
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 (IEPF). In addition, shares relating to those unpaid dividends will also be transferred to IEPF.
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 due dates for claim by the shareholders.

Financial year	Date of declaration of Dividend	Date of Transfer to IEPF
2010-11	21.09.2011	28.10.2018
2011-12	24.09.2012	30.10.2019
2012-13	26.09.2013	02.11.2020
2013-14	22.09.2014	28.10.2021
2014-15	28.09.2015	02.11.2022
2015-16(interim)	11.03.2016	16.04.2023
2015-16 (Final)	15.09.2016	16.10.2023
2016-17	11.08.2017	10.09.2024
2017-18 (Interim)	14.02.2018	16.03.2025

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 a longer period. 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 2017-18 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 2017-18 is 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 49th Annual General Meeting and the Annual Report for 2017 - 2018 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 Regulation 44 of SEBI (LODR) Regulations 2015, 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 16th September, 2018 (9.00 a.m.) and ends on 19th September, 2018 (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 13th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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 (iv)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Savera Industries Limited on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate.
- 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 13.09.2018.
- 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. Members who have cast their vote by e-voting may also attend the AGM and 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 forty eight hours of 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.
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 (9.30 a.m. to 6.00 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**

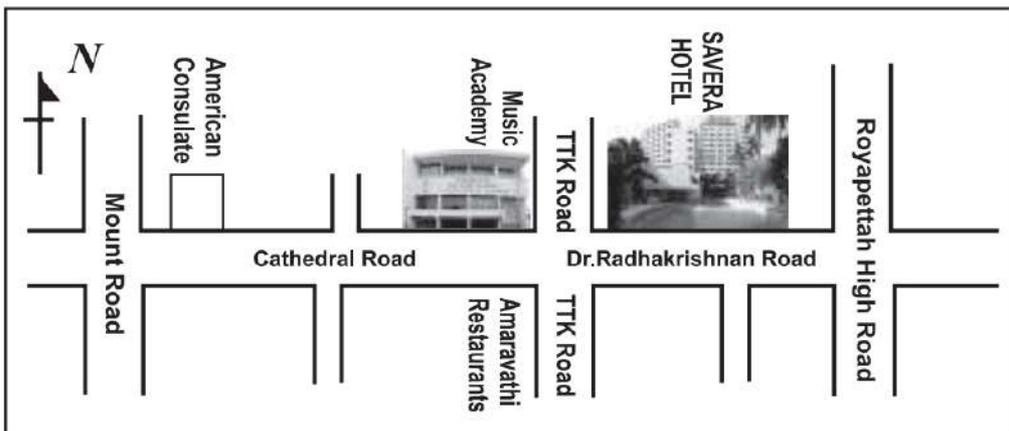
N.S. Mohan
Company Secretary

Chennai
30th May, 2018

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)



DETAILS OF DIRECTOR SEEKING APPOINTMENT/-RE-APPOINTMENT AS REQUIRED UNDER REGULATION 26 (4) OF SEBI (LODR) REGULATIONS, 2015.

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 HK 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 20 years. She is innovative, creative and energetic Director.</p> <p>Mrs. A Nina Reddy is a member of the Corporate Social Responsibility Committee.</p> <p>Mrs. A Nina Reddy is holding 2095812 equity shares in the company</p>	4	<p>1) Amaravathi Restaurants Pvt Ltd.</p> <p>2) Ruchi Agro Products Pvt Ltd.</p> <p>3) Saveria Anthurims Pvt Ltd.</p> <p>4) Shyam Enterprises Pvt Ltd.</p>

DIRECTORS' REPORT

To the members of Savera Industries Ltd.

The Directors have pleasure in presenting the 49th Annual Report of Savera Industries Ltd (the company), along with the audited financial statements under Ind AS for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

	(₹ in lakhs)	
	2017-18	2016-17
Profit / (Loss) before tax for the year	679.93	532.12
Less : Provision for income tax for the year (Including deferred tax liability)	166.53	218.36
Profit after tax	513.40	313.76
Profit brought forward*	2136.22	1865.52
Profit available for appropriation	2649.62	2179.28
Transferred to General Reserve		
Dividend and Dividend Distribution Tax	387.62	43.07
Profit carried forward to next year	2262.00	2136.22

(*Do not include Revaluation Reserve to the extent of ₹ 1334.85 lakhs & other comprehensive income of ₹ 94.32 lakhs)

OPERATING RESULTS

The revenues of the company including other income increased by ₹ 394.62 lakhs representing 5.70% over last year. The occupancy of the main unit i.e. Savera Hotel, Chennai rose to 84.4. % during the year as against 78.2% over the corresponding period last year.

As can be seen above, the profit before tax is at ₹ 679.93 lakhs as compared to ₹ 532.12 lakhs of last year, registering an increase of 27.78%.

STATE OF COMPANY'S AFFAIRS

Total expenditure for the period ended as at 31st March, 2018 amounted to ₹ 6534.41 lakhs increased by ₹ 345.71 lakhs (5.59%) as compared to the previous year. The Profit (EBITDA) before depreciation, finance cost and tax for the year ended 31st March, 2018 amounted to ₹ 1150.48 lakhs as against ₹ 1151.57 lakhs over the corresponding period last year. The tax expense including deferred tax for the year ended 31st March, 2018 amounted to ₹ 166.53 lakhs. The Profit after Tax for the year ended 31st March, 2018 stood at ₹ 513.40 lakhs as against profit of ₹ 313.76 lakhs. No transfer was made to General Reserve during the year under review. The company has adopted Ind-AS for the first time from the financial year 2017-18 and accordingly the financial statements for the year ended 31.03.2018 have been prepared and necessary changes have been given effect to the financial statements of the previous year 2016-17.

DIVIDEND

The Board of Directors of the Company has declared an Interim Dividend of ₹ 1.20 per equity share for the financial year ended 31.03.2018 on 14th February, 2018. Further the Board of Directors of the Company has recommended a final dividend of ₹ 1.30 per equity share for the financial year ended 31.03.2018. The total outflow towards including interim dividend will be ₹ 298.20 lakhs and the tax on dividend works out to ₹ 60.71 lakhs.

DEPOSIT FROM PUBLIC

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 ASSOCIATE COMPANY

The Financial Statement of the company is prepared in accordance with the Ind AS under the provisions of the Companies Act, 2013 and forms part of the Annual Report. The company's financials disclose the assets, liabilities, income, expenses and other details.

There is no subsidiary company and 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 five (5) times during the year under review 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.

The Key Managerial Personnel of the company presently are Mr. A. Ravikumar Reddy, Managing Director, Mr. N. S. Mohan, Company Secretary and Mr. D.V.M. Sambasiva Rao, 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 2017-18.

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 2017-18, 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, 2018 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 and 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.

STATUTORY AUDITORS

In accordance with the provisions of Section 139 and 142 of the Companies Act, 2013, and the rules framed thereunder, M/s. S. Venkatram & Co., LLP, Chartered Accountants, 218 T.T.K. Road, Chennai 600 018 were appointed as statutory auditors of the company for a period of 5 years to hold the office from the conclusion of the 48th Annual General Meeting of the company held on 11.08.2017 till the conclusion of the 53rd Annual General Meeting (AGM) on the remuneration as may be fixed by the Board of Directors of the company.

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. 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. 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 :**

The company has made an investment of ₹ 76010/- comprising 7601 equity shares of the face value of ₹ 10 each in M/s. Clarion Wind Farm Pvt. Ltd. to comply with the terms of Energy Wheeling Agreement entered into with them for the supply of electricity through Wind Mills. Further the company has invested ₹ 92,700/- comprising of 1236 equity shares of face value of Rs.1 each at the premium of ₹ 74 in the Indian Hotels Company Ltd.

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 SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations 2015.

Further all contracts or arrangements with related parties entered into during the financial year ended 31-3-2018 were on an arm's length basis and in the ordinary course of business.

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

RISK MANAGEMENT

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 therein. The company could not spend ₹ 1.27 lakhs, during the year under review and the said amount is carried forward to the financial year 2018-19 and before 31st March, 2019, the unspent amount of ₹ 1.27 lakhs shall be utilized for CSR Expenses. During the year under review the CSR Committee meeting was held on 30.5.2017, 9.8.2017, and 14.2.2018.

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 like last year has been disclosed in the corporate governance report, which forms part of the directors' report.

BOARD EVALUATION

Like last year 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.

While undertaking the Board evaluation, the company also follows the required principles covered under the Guidance note issued by SEBI.

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). The company has listed its shares in Madras Stock Exchange Limited.(MSE) and the said MSE is not in existence as of now. Hence, the listing fees have been paid to Bombay Stock Exchange Ltd only.

CORPORATE GOVERNANCE

In terms of Regulation 34 (2) & (3) of SEBI (LODR) Regulations 2015, 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.

The company is practicing green energy by getting 90% of the power required through the wind energy and 80% of the hot water generated through the solar thermal system. For the eco practices, the company has changed almost 90% of its lighting with LED lights reducing the power consumption by 85% and the heat emission energy becomes very low thereby through the STP, the sewerage and sewage water is treated and the treated water is recirculated for W.C flushing system and cooling tower water.

The company also installed organic waste convertor machine in which the organic wastes are converted in to 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 ₹ 377.55 lakhs for the services rendered to Foreign Tourists (Previous year ₹ 487.04 lakhs). Expenditure in Foreign Currency is ₹ 39.44 lakhs (Previous Year ₹ 42.12 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 2017-18.

- | | | |
|----------------------------------------------------|---|-----|
| a. Number of complaints received during the year | – | NIL |
| b. Number of Complaint disposed of during the year | – | NIL |

EXTRACT OF THE ANNUAL RETURN

As Provided under section 92(3) of the Act, the extract of annual return is given in Annexure 2 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 3 to this report

During the year , in terms of the Union Agreement dated 1.8.2017, the company made a provision towards Earned Leave payable to those employees of the company who have completed 5 years of service for ₹ 148.18 lakhs.

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.

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
30th May, 2018

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 Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length 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 arrangements 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 Contract / arrangements / transactions	Renewal of contract for supply of packaged drinking water to the company.	Renewal of Franchise Contract using the Trade Mark "Malgudi" for the Restaurant of the company.
(c)	Duration of Contract / arrangements / transactions	Contract for a period of 3 years from 5.11.2017 to 4.11.2020.	Franchise Contract for a period of 3 years from 5.11.2017 to 4.11.2020
(d)	Salient terms of the contract / arrangements / transactions including the value, if any.	Supply of packaged drinking water to the company. not exceeding Rs. 45.00 lakhs in value per financial year.	Franchise fee for use of the said Trade mark is 3% on each month sales exclusive of GST but subject to deduction of tax at source.
(e)	Justification for entering into such contracts / arrangements / transactions	Uninterrupted supply and the best quality water 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.
(f)	Date of approval by the Board, if any	18.11.2017	18.11.2017
(g)	Amount paid as advances, if any	NIL	NIL

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

Place : Chennai

Date : 30.05.2018

ANNUAL REPORT ON CSR ACTIVITIES

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. (d) Disaster relief. (e) Promoting health care including preventing health care (f) conservation of natural resources and also the areas mentioned above. 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.

2. The composition of the CSR committee :

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 for the purpose of computation of CSR :

	2016-17	2015-16	(₹ in lakhs) 2014-15
Net profit as per Sec 198	654.85	853.75	503.56
Average net profit	₹ 672.84 lakhs		

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): **₹ 13.41 lakhs**

5. Details of CSR spent during the financial year

- a. Total amount spent for the financial year : **Rs.12.14 lakhs**
- b. Amount unspent : ₹ 1.27 lakhs
- c. Manner in which the amount spent during the financial year.
 - i. Education to the under privileged & skill development
 - ii. Social and Economic Welfare
 - iii. Promotion of Health care
 - iv. Environment sustainability
 - v. Conservation of natural resources.

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,

Unspent amount of ₹ 1.27 lakhs will be carried over to the next financial year 2018-19, during which the unspent amount will be utilized.

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 : 30.05.2018

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

ANNEXURE - 2

Form No. MGT 9
EXTRACT OF ANNUAL RETURN
 (ANNEXURE TO DIRECTORS REPORT)

As on the financial year ended on March 31, 2018
 [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, Dr. Radhakrishnan Road, Chennai 600 004, Tamil Nadu. Tel : 044 28114700 Fax : 044 28113475 Email : info@saverahotel.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 Ltd. '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	49.04%
		56 Food & Beverages service activities	50.96%

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
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NOT APPLICABLE

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)	—	—	—	—	—	—	—	—	—

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	
2) Non- Institutions									
a) Bodies Corp.									
l) Indian	388367	7000	395367	3.31	594443	6100	600543	5.03	1.72
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individual									
i) Individual share-holders	841215	583991	1425206	11.95	1032074	511851	1543925	12.95	1.00
nominal share capital upto ₹ 1 lakh	—	—	—	—	—	—	—	—	—
ii) Individual share-holders holding nominal share capital in excess of ₹ 1 lakh	2048006	16400	2064406	17.31	2222826	16400	2239226	18.77	1.46
c) Others (Specify)									
i) Clearing Member	2889	--	2889	0.02	1704	-	1704	0.01	-0.01
ii) Hindu Undivided Families	761036	--	761036	6.38	195564	-	195564	1.64	-4.74
iii) IEPF	--	--	--	--	59482	-	59482	0.50	0.50
iv) Non Resident Indians	10331	-	10331	0.09	18791	-	18791	0.16	0.08
Sub total B (2)	4051844	607391	4659235	39.06	275541	-	275541	2.31	-4.18
Total public share-holding B=B(1)+B(2)	4051844	607391	4659235	39.06	4124884	534351	4659235	39.06	0.00
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	—	—	—	—	—	—	—	—	—
GRAND TOTAL (A+B+C)	11320609	607391	11928000	100.00	11393649	534951	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.Priyamvadha	687600	5.76	0	687600	5.76	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.	405000	3.39	0	405000	3.39	0	0
9	Ruchi Agro Products Pvt. Ltd.	430740	3.61	0	430740	3.61	0	0
10	Amaravathi Restaurants Pvt. Ltd.	2908	0.03	0	2908	0.03	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

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

Sl. No.	Name of the Share holder	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	LALIT MODI				
	At the beginning of the year 01-Apr-2017	702280	5.8876	702280	5.8876
	Sale 14-Apr-2017	-25491	0.2137	676789	5.6739
	Sale 21-Apr-2017	-609323	5.1083	67466	0.5656
	Sale 28-Apr-2017	-67466	0.5656	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
2	KETAN A SHAH				
	At the beginning of the year 01-Apr-2017	350000	2.9342	350000	2.9342
	Sale 28-Apr-2017	-125000	1.0479	225000	1.8863
	Sale 05-May-2017	-102523	0.8595	122477	1.0268
	Sale 12-May-2017	-90777	0.7610	31700	0.2657
	Sale 09-Jun-2017	-31700	0.2657	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
3	A. RAJASEKHARA REDDY				
	At the beginning of the year 01-Apr-2017	344480	2.8879	344480	2.8879
	At the end of the Year 31-Mar-2018	344480	2.8879	344480	2.8879
4	ZAKI ABBAS NASSER				
	At the beginning of the year 01-Apr-2017	330000	2.7665	330000	2.7665
	Purchase 21-Apr-2017	10000	0.0838	340000	2.8504
	Purchase 21-Jul-2017	10000	0.0838	350000	2.9342
	Purchase 15-Sep-2017	10000	0.0838	360000	3.0181
	Purchase 17-Nov-2017	10000	0.0838	370000	3.1019
	Sale 12-Jan-2018	-10000	0.0838	360000	3.0181
	At the end of the Year 31-Mar-2018	360000	3.0181	360000	3.0181
5	A. CHAITANYA KUMAR REDDY				
	At the beginning of the year 01-Apr-2017	113360	0.9503	113360	0.9503
	At the end of the Year 31-Mar-2018	113360	0.9503	113360	0.9503
6	NISHITHA REDDY				
	At the beginning of the year 01-Apr-2017	113360	0.9503	113360	0.9503
	At the end of the Year 31-Mar-2018	113360	0.9503	113360	0.9503

Sl. No.	Name of the Share holder	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
7	SATHYAMOORTHI DEVARAJULU				
	At the beginning of the year 01-Apr-2017	108639	0.9107	108639	0.9107
	At the end of the Year 31-Mar-2018	108639	0.9107	108639	0.9107
8	JITENDER KUMAR LALWANI				
	At the beginning of the year 01-Apr-2017	104562	0.8766	104562	0.8766
	At the end of the Year 31-Mar-2018	104562	0.8766	104562	0.8766
	HAVING SAME PAN				
8	JITENDER KUMAR LALWANI				
	At the beginning of the year 01-Apr-2017	20642	0.1730	20642	0.1730
	At the end of the Year 31-Mar-2018	20642	0.1730	20642	0.1730
9	LOK PRAKASHAN LTD				
	At the beginning of the year 01-Apr-2017	80576	0.6755	80576	0.6755
	At the end of the Year 31-Mar-2018	80576	0.6755	80576	0.6755
10	TEJASH FINSTOCK PVT LTD				
	At the beginning of the year 01-Apr-2017	63043	0.5285	63043	0.5285
	Sale 09-Jun-2017	-6200	0.0519	56843	0.4765
	Sale 22-Sep-2017	-6843	0.0573	50000	0.4191
	Sale 10-Nov-2017	-3000	0.0251	47000	0.3940
	Sale 17-Nov-2017	-6099	0.0511	40901	0.3428
	Sale 24-Nov-2017	-21654	0.1815	19247	0.1613
	Sale 08-Dec-2017	-3030	0.0254	16217	0.1359
	Sale 22-Dec-2017	-1538	0.0128	14679	0.1230
	Sale 05-Jan-2018	-1225	0.0102	13454	0.1127
	Sale 12-Jan-2018	-11500	0.0964	1954	0.0163
	Sale 16-Mar-2018	-1197	0.0100	757	0.0063
	At the end of the Year 31-Mar-2018	757	0.0063	757	0.0063
	NEW TOP 10 AS ON (31-Mar-2018)				

Sl. No.	Name of the Share holder	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
11	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 28-Apr-2017	105664	0.8858	105664	0.8858
	Purchase 05-May-2017	126300	1.0588	231964	1.9447
	Purchase 19-May-2017	8366	0.0701	240330	2.0148
	Purchase 16-Jun-2017	64563	0.5412	304893	2.5561
	Purchase 23-Jun-2017	20000	0.1676	324893	2.7237
	Purchase 30-Jun-2017	20363	0.1707	345256	2.8945
	Purchase 07-Jul-2017	20314	0.1703	365570	3.0648
	Purchase 14-Jul-2017	13721	0.1150	379291	3.1798
	Sale 01-Sep-2017	-1020	0.0085	378271	3.1712
	Sale 08-Sep-2017	-1000	0.0083	377271	3.1629
	Sale 29-Sep-2017	-39888	0.3344	337383	2.8284
	Sale 06-Oct-2017	-13176	0.1104	324207	2.7180
	Purchase 10-Nov-2017	13900	0.1165	338107	2.8345
	Sale 12-Jan-2018	-24911	0.2088	313196	2.6257
	Sale 19-Jan-2018	-6168	0.0517	307028	2.5740
	Sale 25-Jan-2018	-5302	0.0444	301726	2.5295
	Sale 02-Feb-2018	-1	0.0000	301725	2.5295
	At the end of the Year 31-Mar-2018	301725	2.5295	301725	2.5295
	HAVING SAME PAN				
11	RAJASTHAN GLOBAL SECURITIES PVT LTD				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 23-Jun-2017	23094	0.1936	23094	0.1936
	Purchase 30-Jun-2017	31916	0.2675	55010	0.4611
	Purchase 07-Jul-2017	20000	0.1676	75010	0.6288
	Purchase 14-Jul-2017	7973	0.0668	82983	0.6956
	At the end of the Year 31-Mar-2018	82983	0.6956	82983	0.6956

Sl. No.	Name of the Share holder	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
12	DHEERAJ KUMAR LOHIA				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 28-Apr-2017	50000	0.4191	50000	0.4191
	Purchase 05-May-2017	500	0.0041	50500	0.4233
	Purchase 12-May-2017	11667	0.0978	62167	0.5211
	Purchase 19-May-2017	20000	0.1676	82167	0.6888
	Purchase 09-Jun-2017	580	0.0048	82747	0.6937
	Purchase 16-Jun-2017	5000	0.0419	87747	0.7356
	Purchase 01-Sep-2017	87	0.0007	87834	0.7363
	Purchase 08-Sep-2017	2000	0.0167	89834	0.7531
	Purchase 29-Sep-2017	9948	0.0834	99782	0.8365
	Purchase 06-Oct-2017	1556	0.0130	101338	0.8495
	Purchase 17-Nov-2017	1955	0.0163	103293	0.8659
	Purchase 24-Nov-2017	3000	0.0251	106293	0.8911
	Purchase 08-Dec-2017	2969	0.0248	109262	0.9160
	At the end of the Year 31-Mar-2018	109262	0.9160	109262	0.9160
13	RAJ KUMAR LOHIA				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 28-Apr-2017	12615	0.1057	12615	0.1057
	Purchase 05-May-2017	9501	0.0796	22116	0.1854
	Purchase 12-May-2017	5000	0.0419	27116	0.2273
	Purchase 16-Jun-2017	51335	0.4303	78451	0.6577
	Purchase 30-Jun-2017	5536	0.0464	83987	0.7041
	Purchase 29-Sep-2017	5993	0.0502	89980	0.7543
	Purchase 06-Oct-2017	148	0.0012	90128	0.7556
	At the end of the Year 31-Mar-2018	90128	0.7556	90128	0.7556

(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
	- 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	1603840	13.45	1603840	13.45
2	Mrs. A. Nina Reddy Joint Managing Director				
	- At the beginning of the year	2095812	17.57	2095812	17.57
	- 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	0.00
	- At the end of the year	2095812	17.57	2095812	17.57
3	Mr. A. Tarun Reddy Director				
	- At the beginning of the year	432800	3.63	432800	3.63
	- 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	0.00
	- At the end of the year	432800	3.63	432800	3.63

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
4	Ms. A. Nivruti 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	291820 0 291820	2.45 2.45	291820 0 291820	2.45 2.45
5	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 0.00	580 0 580	0.00 0.00
6	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 0.00	0 0 0	0.00 0.00

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
7	Mr. S. Sridhara Rao 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 0.00 0.00	0 0 0	0.00 0.00 0.00
8	Mr. N.S. Mohan Company Secretary - KMP - 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 0.00 0.00	0 0 0	0.00 0.00 0.00
9	Mr. D.V.M. Sambasiva Rao Chief Financial Officer - KMP - 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	415 0 415	0.00 0.00 0.00	415 0 415	0.00 0.00 0.00

V. INDEBTEDNESS :

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

(Amount in ₹)

	secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal amount	11,32,45,746	19,44,786	—	11,51,90,532
(ii) Int. due but not paid	11,11,109	—	—	11,11,089
(iii) int. accrued but not due	—	—	—	—
Total (i) + (ii) + (iii)	11,43,56,835	19,44,786	—	11,63,01,621
Change in indebtedness during the financial year				
--Addition	41,26,445	—	—	41,26,445
--Reduction	5,42,02,596	9,97,566	—	5,52,00,162
Net Change	5,00,76,151	9,97,566	—	5,10,73,717
Indebtedness at the end of the financial year				
(i) Principal amount	6,31,69,595	9,47,220	—	6,41,16,815
(ii) Int. due but not paid	6,06,445	—	—	6,06,445
(iii) int. accrued but not due	—	—	—	—
Total (i + ii + iii)	6,37,76,040	9,47,220	—	6,47,23,260

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	37,50,000	37,50,000	75,00,000
	(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	Nil	Nil	Nil
	(c) Profits in lieu of Salary under section 17(3) of Income Tax Act, 1961			

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		A. Ravikumar Reddy Managing Director	A. Nina Reddy Joint Managing Director	
2.	Stock option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	- as % of profit	—	—	—
	- others, specify -			
5.	Others please specify (PF & retirement benefits)	21,600	21,600	43,200
	Total (A)	37,71,600	37,71,600	75,43,200
	Ceiling as per the Act	37,74,647	37,74,647	75,49,294

B. Remuneration to other directors.

(₹)

S. No.	Particulars of Remuneration	Name of Directors			Total amount
		A. Sudhakar Reddy	B. Ranga Reddy	S. Sridhara Rao	
1.	Independent Directors Fee for attending Board, Committee meetings	75,000	40,000	70,000	1,85,000
2.	Commission	0	0	0	0
3.	Others, please specify	0	0	0	0
	Total - 1	75,000	40,000	70,000	1,85,000

S. No.	Particulars of Remuneration	A. Tarun Reddy	A Nivruti	Total Amount
1.	Other Non-Executive Directors Fee for attending Board, Committee meetings	60,000	50,000	1,10,000
2.	Commission	0	0	0
3.	Others, please specify	0	0	0
	Total - 2	60,000	50,000	1,10,000
	Total B = (1)+(2)			2,95,000
	Total Managerial Remuneration A + B		78,38,200	
	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.	18,38,225	7,55,900	25,94,125
	(b) Value of Perquisites U/s. 17(2) of the Income Tax Act, 1961	N.A.	35,399	—	35,399
	(c) Profits in lieu of salary under section 17(3) of the 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.	21,600	21,600	43,200
	Total		18,95,224	7,77,500*	26,72,724

* Mr. DVM Sambasiva Rao, appointed as CFO wef 1-07-2017 - Salary paid as CFO ₹ 5,59,800
Mr. I. Sivakumar, CFO retired from services on 30.6.2017- Salary paid as CFO ₹ 2,17,700

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 – 3

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 the finite list of numbers may be found by arranging all the observations from lowest value to higher 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 : 23.51	1 : 23.51

- (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 2017-18 is furnished below :

Name of the person	% increase in remuneration
Mr. A. Ravikumar Reddy	3.42
Mrs. A. Nina Reddy	3.42

The percentage increase in remuneration of the Chief Financial Officer is Nil*. The percentage increase in the remuneration of the Company Secretary is 11.95%.

- (c) The percentage increase in the median remuneration of employees in the financial year : (4.00%)
- (d) The number of permanent employees on the rolls of the company : 504

Note : * Due to the fact that Mr. I. Sivakumar, CFO retired from the services on 30.6.2017 and Mr. DVM Sambasiva Rao was appointed as CFO on 1.7.2017.

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration 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 11.32% as compared to the increase of 3.42% 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.

(f) 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.

(A) No employee had drawn remuneration during the year 2017-18 in excess of ₹ 1,02,00,000/- (₹ 8,50,000 per month) in pursuance of Rule 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

(B) Statement showing the details of top 10 employees of the company in term of remuneration drawn.

TOP 10 EMPLOYEES OF THE COMPANY											
(In ₹)											
i	Name of the Employee	Ravikumar Reddy. A	Nina Reddy .A	Mohan .N.S	Michael Lazarus	Dayakar Naidu .R.	Vivekanandan .K	Mohana krishnan. A. K	Radhish Kumar. B	Sivakumar. B	D Sampath Kumar
ii	Designation	Managing Director	Joint Managing Director	Company Secretary	Vice President	Internal Auditor	GM - Operations	GM - Food - R & D	GM - HR & Admn.	GM-Events & Outdoor Catering	F & B Manager
iii	Remuneration received in ₹	3771600	3771600	1873804	2018181	1813800	1060078	1248178	1089481	1071754	960502
iv	Nature of employment (whether contractual or otherwise)	Contractual	Contractual	Regular	Regular	Regular	Regular	Regular	Regular	Regular	Regular
v	Qualification and experience of the employee	B.E. (Mechanical) 34 years	B.A., DID., DIC.&HK - 20 years	M.Com., MBA., FCS, BGL, PGDFM - 24 years	B. A. - 38 years	B.Com., ACA - 38 years	B. Sc - 37 years	DHMCT - 28 years	B.A, PG D PM, PG D.I.R, BGL, MA - 28 years	M.Com. - 32 years	B.Sc - Hotel and Catering and Management
vi	Date of commencement of employment	28.09.1999	28.10.2003	6.5.2011	1.12.1996	11.11.2015	1.10.2010	1.10.1993	3.11.1993	6.8.1986	14.8.2006
vii	Age of the employee	61	58	54	57	63	54	49	50	56	40
viii	Last employment held by such employee before joining the company	—	—	Tamilnad Mercantile Bank Ltd	Southern Explosives	CFO - Savera Industries Ltd.	Jayam Software	Taj airport catering	US Consulate, Chennai	—	—
ix	Percentage of Equity shares held by the Employee in the company	13.45	17.57	—	—	0.017	—	—	—	—	—
x	Whether any such employee is a relative of any Director or Manager of the company and if so, name of such Director or Manager	Mr.A.Ravikum ar Reddy is the father of Mr.A.Tarun Reddy, Director and brother-in-law of Mrs.A.Nina Reddy	Mrs.A.Nina Reddy is the mother of Ms.A.Nivruti, Director	No	No	No	No	No	No	No	No

Form No.MR.3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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
146 Dr.Radhakrishnan Road,
Mylapore, Chennai 600 004.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAVERA INDUSTRIES LIMITED** [CIN: L55101TN1969PLC005768] (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, 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 March 31, 2018 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 the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and rules made thereunder;
- (iii) The Depositories Act, 1996 and regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct and External Commercial Borrowings; **(Not applicable to the Company during the Audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit period)**
- (iv) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit period)**
- (v) The Securities and Exchange Board of India (Issue and Listing of debt securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
- (vi) 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;
- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)** and
- (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit period).**

I further report that the following are the other laws specifically applicable to the Company:

1. Food Safety and Standards Act, 2006 and the rules made thereunder.
2. Prevention of Food Adulteration Act, 1954.
3. Water Prevention and Control of Pollution Act, 1974.
4. Air Prevention and Control of Pollution Act, 1981.
5. Tamil Nadu Catering Establishment Act, 1958.
6. Contract Labour Act, 1970.

I further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

I have also examined the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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:

- (i) 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.
- (ii) 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 and other business which are not included in the Agenda are considered under any other matters.
- (iii) all the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- (iv) 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, there were no instances of:

- (i) Public/Right/Preferential issue of shares /debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Foreign technical collaborations.
- (iv) Merger/ Amalgamation / Reconstruction, etc.

I further report based on the written representations received from the officials/executives of the Company 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.

Place : Chennai
Date : 21.05.2018

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

ANNEXURE A to the Secretarial Audit Report

To
The Members
Savera Industries Ltd,
146 Dr.Radhakrishnan Road
Mylapore, Chennai 600 004.

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

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial 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 Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We 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 the compliance of laws, rules and regulations and happening of events, etc.
5. The compliances of the 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 viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai
Date : 21.05.2018

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 2017-18.

2. Board of Directors

- a) The composition of the Board is broad based and comprises of Executive, Non-Executive and Independent Directors. Totally there are three independent directors and four promoter directors.

- b) Attendance of Directors at the Board Meeting held during financial year 2017-18 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	5	5	Present
2	Mrs. A. Nina Reddy	5	5	Present
3	Mr. A. Tarun Reddy	5	4	Present
4	Ms. A. Nivruti	5	5	Present
5	Mr. A. Sudhakar Reddy	5	5	Present
6	Mr. B. Ranga Reddy	5	4	Absent
7	Mr. S. Sridhara Rao	5	5	Present

*One Board Meeting on 9.8.2018 for which the necessary quorum was not present

- c) Number of other Board of Directors or Committee in which a director is a 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	5	Nil
2	Mrs. A. Nina Reddy	Promoter - Executive	4	Nil
3	Mr. A. Tarun Reddy	Promoter - Non Executive	3	Nil
4	Ms. A. Nivruti	Promoter - Non Executive	2	Nil
5	Mr. A. Sudhakar Reddy	Independent - Non Executive	—	Nil
6	Mr. B. Ranga Reddy	Independent - Non Executive	1	Nil
7	Mr. S. Sridhara Rao	Independent - Non Executive	—	Nil

- d) The Board of the Company has also the various specialised committees constituted by it. Totally five 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 02.05.2017, 30.05.2017, 16.08.2017, 18.11.2017 and 14.02.2018 during the financial year 2017-18. The Board Meeting scheduled on 9.8.2017 was adjourned to 16.08.2017 for want of quorum.

e) Disclosure of relationships between 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.

f) Number of shares held by the Non Executive Directors.

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

g) The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.

h) 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 view 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.

l) The Board periodically reviews compliance of all laws applicable to the company.

j) The required information is circulated to the Directors, including the non-executive directors who have actively participated in the deliberations of the Board.

k) The company has three 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.

l) Independent Directors :

Independent Directors are not related to any director in any way

3. Audit Committee

The Company's Audit Committee is constituted in line with the regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.S.Sridhara Rao, Chartered Accountant. 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 of statutory auditors for any other services rendered by the statutory auditors.

Reviewing with the 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.
 - o Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 - o Reviewing with the management the statement of uses/application of funds raised through an issue (public, 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 and making appropriate recommendations to the Board to take up steps in this matter.
 - o Reviewing and monitoring auditor's independence and performance and effectiveness of audits process;
 - o Approval or any subsequent modification of transactions of the company with related parties.
 - o Scrutiny of inter-corporate loans and investments.
 - o Valuation of undertakings or assets of the company, wherever it is necessary.
 - o Evaluation of internal financial controls and risk management systems.
 - o Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - o Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - o Discussion with internal auditors of any significant findings and follow up thereon.

- o 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.
- o 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.
- o To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- o To review the functioning of the Whistle Blower Mechanism.
- o Approval of appointment of CFO after assessing the qualifications, experience and background, etc., of the candidate.
- o 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 2017-18 were held on 02.05.2017, 30.05.2017, 16.08.2017, 18.11.2017 and 14.02.2018. The attendance of Members at the Audit Committee meeting held during financial year 2017-18 is furnished hereunder.

S. No.	Name of the members	Category	Number of meetings during the year 2017-18	
			Held	Attended
1	Mr. S. Sridhara Rao* Chairperson*	Independent & Non Executive	5	5
2	Mr. A. Sudhakar Reddy	Independent & Non Executive	5	5
3	Mr.A.Tarun Reddy	Non independ- ent & Non Executive	5	4

*Mr. S. Sridhara Rao was appointed as member of Auditor Committee w.e.f. 1.4.2017.

** The Audit Committee Meeting scheduled on 9.8.2017 was adjourned to 16.08.2017 for want of quorum.

4 & 5 Nomination and Remuneration Committee

In line with the provisions of section 178 of the Companies Act, 2013, the company has the Nomination and Remuneration Committee with the following members.

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. 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 2017-18.

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. 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	₹ 37,71,600	Nil	Nil
2.	Mrs. A. Nina Reddy	JMD - Executive	₹ 37,71,600	Nil	Nil
3.	Mr. A. Tarun Reddy	Non - Executive	Nil	Nil	Rs. 60,000
4.	Ms. A. Nivruti	Non - Executive	Nil	Nil	Rs. 50,000
5.	Mr. A. Sudhakar Reddy	Non - Executive	Nil	Nil	Rs. 75,000
6.	Mr. B. Ranga Reddy	Non - Executive	Nil	Nil	Rs. 40,000
7.	Mr. S. Sridhara Rao	Non - Executive	Nil	Nil	Rs. 70,000

6. Stakeholders Relationship Committee

The company has the 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.

Sl. No.	Name of the member	Category
1	Mr. A. Tarun Reddy	Chairperson
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 solved to the satisfaction of shareholder	Number of complaints pending
2	2	—

(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 31.03.2018. 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 2017-18 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	8
2	Mr. B. Ranga Reddy - Member	10	8
3	Mr. S. Sridhara Rao – Member *	10	6
4	Ms. A. Nivruti – Member *	10	5

Mr. S. Sridhara Rao and Ms. A. Nivruti have been inducted to the committee w.e.f. 16.08.2017.

(b) Reconciliation of Share Capital Audit

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 2017-18. 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.

7. 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
2014-15	The Music Academy, No. 168, T.T.K. Road, Chennai - 600 014.	28.09.2015	11.00 A.M.	Nil
2015-16	The Music Academy, No.168, T.T.K. Road, Chennai - 600 014.	15.09.2016	10.00 A.M.	Nil
2016-17	The Music Academy, No.168, T.T.K. Road, Chennai - 600 014.	11.08.2017	10.15 A.M.	<ul style="list-style-type: none"> ➤ Appointment of Mr. B. Ranga Reddy as an Independent Director for the second term for a period of five years w.e.f. 22.9.2017. ➤ Appointment of Mr. S. Sridhara Rao as an Independent Director for the second term for a period of five years w.e.f. 22.9.2017

The Resolutions of 48th Annual General Meeting held on 11.8.2017 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.

The Chairman of the Audit Committee Mr. S. Sridhara Rao attended the Annual General Meeting held on 11.8.2017.

There was no Postal Ballot process conducted during the year 2017-18. As of now the company has no proposal to pass any special resolution to be conducted through postal ballot.

8. 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 SEBI (LODR) Regulations, 2015.

9. General shareholder information

- a) The 49th Annual General Meeting of the members of the company will be held on the Thursday, the 20th September, 2018 at 3.00 p.m. at The Music Academy, Mini Auditorium, 168, T.T.K. Road, Chennai 600 014.
- b) Financial Calendar for the year 2018-19 (Tentative)

Results for the quarter ended	Tentative date
JUNE 2018	Before Second Week of August, 2018
SEPTEMBER, 2018	Before Second week of November, 2018
DECEMBER, 2018	Before Second week of February, 2019
MARCH, 2019	Before 30th May, 2019

- c) Date of Book Closure – 14.9.2018 to 20.9.2018 (both days inclusive)). The Company will pay the dividend within 30 days from the date of approval by the Shareholders.
- d) Your company's shares are listed / traded in the following stock exchanges:
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhai Towers Dalal Street, Mumbai - 400 001.
The Listing Fees for the financial year 2018-19 have been paid to the Bombay Stock Exchange Ltd.
- e) Stock Code of the Company
Bombay Stock Exchange : 512634
ISIN No. of the company : INE104E01014

- f) Market price data - The highest price traded in Bombay Stock Exchange Limited, Mumbai per share was ₹ 102.00 (10.01.2018) and the lowest price per share was ₹ 57.00 (05.04.2018) during the year.

Month	High Price ₹	Low Price ₹	Close Price ₹	No. of shares	No. of Trades	Total Turnover
Apr-17	75.00	57.00	68.00	936422	1123	61852527
May-17	77.50	60.50	64.40	438462	1072	31269265
Jun-17	75.00	60.65	68.45	479874	1229	33607408
Jul-17	84.00	66.30	70.65	159807	547	11361429
Aug-17	79.95	60.20	66.20	34501	346	2341913
Sep-17	84.75	64.30	66.25	134267	645	9596934
Oct-17	84.80	65.05	70.20	45337	348	3196525
Nov-17	89.90	66.00	81.25	226058	992	17189742
Dec-17	94.00	76.00	83.90	79802	612	6441572
Jan-18	102.00	80.60	88.65	310202	1208	28847392
Feb-18	89.00	70.00	77.50	61170	445	4797954
Mar-18	82.55	67.75	76.40	100848	297	7377041

- g) The securities are not suspended from trading.

h) 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.

i & j) Distribution of share holdings as on 31.03.2018

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	5722	89.74	5801590	4.86
5001 - 10000	294	4.61	2358120	1.98
10001 - 20000	141	2.21	2299230	1.93
20001 - 30000	52	0.82	1332840	1.12
30001 - 40000	25	0.39	899100	0.75
40001 - 50000	20	0.31	944350	0.79
50001 - 100000	48	0.75	3517830	2.95
100001 - above	74	1.17	102126940	85.62
Total	6376	100.00	11,92,80,000	100.00

k) Shareholding Pattern as on 31.03.2018

Category of Shareholders	No. of shareholders	Total No. of shares	No. of shares held in dematerialised form	%
Promoter and Promoter Group	13	7268765	7268765	60.94
FI / Banks	0	0	0	0
Body Corporate	83	600543	594443	5.03
Individual shareholders holding nominal share capital up to Rs.1 lakh	5289	1956718	841215	16.40441
Individual shareholders holding nominal share capital in excess of Rs.1 lakh	19	1826433	2048006	15.31215
Clearing member	7	1704	1704	0.014286
HUF	137	195564	195564	1.639537
NRIs	18	18791	18791	0.157537
Trust	0	0	0	0.00
IEPF	1	59482	59482	0.498675
Total	5567	11928000	11027970	100

l) 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 95.52% of the shareholdings of the Company have already been dematerialised as on 31st March, 2018.

m) UNIT LOCATIONS

SAVERA HOTEL

No.146 Dr. Radhakrishnan Road,
Chennai - 600 004.
Tamil Nadu
Phone : 044 - 28114700

n) 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. Saveria 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: Saveria 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

10. Other Disclosures

- a. There is no material significant related party transactions that may have potential conflict with the interest of the company at large (as per the SEBI (LODR) Regulations, 2015. The policy for related party transactions has been posted on the Company website www.saverahotel.com. The related party transactions were recommended by the Audit Committee and then placed before the Board for its approval. If the threshold limit exceeds, the company shall seek the members' approval.

- b. 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.
- c. 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
- d. Compliances of Mandatory / Non-mandatory Requirements
Mandatory Requirements
The company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under SEBI (LODR) Regulations 2015. The company has not adopted any non mandatory requirements
- e. Policy on Material subsidiary :
Though the company has framed a policy on material subsidiary and posted the same on its website : www.saverahotel.com., presently there is no subsidiary for the company.
- f. Risk Management Committee
The provisions of Risk Management Committee shall not apply to our company. However as per the Companies Act, 2013, the company has policy on Risk Management and is mitigating risks periodically.

11. Non compliance of any requirement of Corporate Governance report – fully complied.

12. Extent to which discretionary requirements are adopted.

- a) The Board : The composition of the Board of Directors, Committees of the Board are in line with the provisions of SEBI (LODR) Regulations 2015, and other applicable laws.
- b) 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.
- c) Modified opinion in audit report.
There is no such modified opinion in the audit report.
- d) Separate posts of Chairperson & Chief Executive Officer.
There is no permanent Chairman for the company. Since Independent Directors' strength is less than 50% of the full Board strength, Independent Director chairs the Board meeting.

e) Reporting of Internal Auditor.

The internal Auditor is directly reporting to the Audit Committee and the Board of Directors.

13. a) Report on Corporate Governance :

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

b) MD / CFO Certification :

As required under regulation 17 (8) of SEBI (LODR) Regulations 2015 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 31-3-2018.

c) 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 31-03-2018. The Annual Report of the company contains a certificate issued by the Managing Director in this report.

d) Demat Suspense account / unclaimed suspense account : NIL

e) Dissemination of information on Company's website :

The company has posted the following information as required under SEBI (LODR) Regulations 2015 on the company's website.

- Terms and conditions of appointment of Independent Directors.
- Composition of various committees of Board of Directors.
- Code of conduct of Board of Directors and Senior Management Personnel.
- Details of establishment of vigil mechanism / Whistle Blower Policy.
- No payment is made to the non executive director, other than sitting fees for attending the Board & Committee meeting.
- Policy on dealing with related party transactions
- Policy for determining 'material' subsidiaries.
- The three Independent Directors of the company 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. Hence no familiarization programmes are required for the Independent Directors and no details posted in the website.

**Declaration by the Managing Director under Regulation 26 (3) of SEBI
(Listing Obligations and Disclosures Requirements) Regulations 2015
regarding adherence to the code of conduct.**

To

The Members of
Savera Industries Limited

Pursuant to Regulation 26 (3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, 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, 2018.

Place : Chennai
Date : 30th May, 2018

A. Ravikumar Reddy
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Savera Industries Limited.

1. We have examined the compliance of conditions of corporate governance by M/s. Savera Industries Limited ("the Company") for the year ended 31st March 2018, as prescribed in regulation 17 to 27, clauses of regulation 46 and paras C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")
2. We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.
4. 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 S. Venkatram & Co. LLP,
Chartered Accountants
(FRN : 004656S/S200095)

S. Sundarraman
Partner
Membership No.201028

Place : Chennai.
Date : 30th May, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENTS

Tourism plays an important role for a developing country like India which is growing. The value-added effect of tourism is increasing. Tourism's sustainability depends upon vast scope by convergence of landscapes with financescapes, technoscapes and mediascapes. Tourism facilitates in generating more foreign exchange in India. This industry employs a large number of people, both skilled and unskilled. Hotel, travel agencies, transport including airlines benefit a lot from this industry. Tourism paves the way for national integration. Further, it promotes cultural activities and the traditional handicrafts sector. The tourist gets an insight into the rich and diverse cultural heritage of India. India is one of the popular tourism destinations in Asia. India offers a wide array of places to see and things to do.

The Indian hospitality industry has emerged as one of the key industries driving the growth of the services sector and, thereby, the Indian economy. At the close of FY17-18, the country saw macroeconomic stability owing to a decline in inflation, fiscal deficit and current account deficit. Going forward, the Union Budget FY18 has identified some major pillars that will support economic growth for the country that includes tax reforms, fiscal discipline, investment in infrastructure, ease of doing business, agriculture and farmer welfare, rural sector, social sector, education and job creation. This is said to have translated into an overall pick up in the economic activities, thereby having a positive impact on the demand for hotels industry in the country. Going forward, CARE expects the industry to register an overall healthy growth in revenue on back of economic growth and consistently growing middle class along with increasing disposable income. There are various other key factors that drive the market, including India's attractiveness as a medical tourism destination; steadily growing Meetings, Incentives, Conferences and Exhibitions (MICE) segment; and, an increasing fondness among millennial to travel.

Further 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 last year, exceeding the 6.9% growth that the global forum has predicted for the South Asian region. India has an excellent opportunity to benefit from visa reforms and infrastructure improvements under the government new avenues," president and chief executive of WTTC, said in an interview, adding that India's projected tourism growth was the highest for any major economy. India continues to be among the world's fastest growing major economies, despite temporary hiccups caused by demonetisation and goods and services tax (GST) implementation. GST implementation may help reduce internal barriers to trade, enhance efficiency, and improve tax compliance over the medium term. The Government of India's continued emphasis on wide-ranging reforms is aimed at improving productivity and incentivising private investments. Going forward, these initiatives will be among the prominent growth enablers for India. Lowering constraints on job creation by liberalising labour market norms, reducing infrastructure bottlenecks and strengthening the educational framework are key enablers to drive India's inclusive growth.

Indian economy though will continue to witness gradual improvement, amid increasing output. Other commodity importing economies could also witness healthy traction in this period.

Global economic growth is likely to be healthy in 2018 and 2019, despite unpredictable headwinds. As the world's second largest economy, China, undergoes transformation from being investment-driven to being driven by private consumption; and from industries to services, its growth could witness slight moderation.

OPPORTUNITIES AND FUTURE OUTLOOK

Opportunities :

Domestic tourist arrivals (DTA) are the tourists within India who travel to different places both for business and leisure purposes. The high growth in the domestic tourist arrivals can be attributed to the, rising disposable income, popularizing weekend culture, the eagerness to spend amongst the youth, government campaigns, introduction of low-cost airline services, increased trade and booming service sector.

Foreign Demand, on the other hand, has remained stable, contributing 20.6% between the Business, Leisure and Tour Groups segments as per Federation of Hotels & Restaurant Associations of India (FHRAI) and HVS South Asia. Going forward, with the rise in spending by domestic travellers, domestic demand is also likely to grow at a healthy pace

Over the next decade ending 2028, investments in the sector are expected to grow at a compounded annual growth rate (CAGR) of 6.7% to USD 85.2 billion. Foreign tourist arrivals as well as the proportion of domestic travellers grew significantly during financial year 2017 – 18. According to the Ministry of Tourism, India's foreign tourist arrivals grew 15.6% over the preceding year to 101.77 lakh tourists.

Rising influx of foreign visitors via the e-visa facility was a key growth enabler. Implementation of a host of measures like extension of e-visa facility to 173 countries from 161 countries earlier, increase in the window for application of e-visa from 30 days to 120 days, increase in duration of stay on e-visa from 30 days to 60 days and allowing of double entry on e-tourist and e-business visa and triple entry on e-medical visa propelled this segment significantly.

These developments reflect the improving prospects and start of the upcycle and will bolster prospects of the Travel and Tourism sector in India. The Company is looking at various revenue enhancement and cost containment measures so that it can take advantage of the upswing, as the business and economy recovers and the demand supply imbalance gets corrected.

Future Outlook :

Online travel booking and hotel selection websites, apps that help travellers plan their entire tour, and similar platforms are gaining prominence among customers. From booking flight tickets to selecting the hotels and planning the entire tour, these platforms deliver benefits like convenience and best deals to customers. A new generation of passionate, millennial travellers and increasing competitive intensity are changing the rules of the industry rapidly. Hotels now design destination-specific experiences to enhance customer delight.

Enhanced use of technologies are acting as the key differentiators for hotels. Hotels are also looking to provide apps that will allow guests to adjust their room lighting, temperature and other features from their smartphones. Most leading hotels are looking to make their rooms tech-savvy to drive customer convenience and experiences.

Over the recent years, the term customer-centricity has assumed a whole new meaning. Hotels are doing everything they can to improve customer experiences and delight their customers. These moves are aimed not just at customer acquisition, but also to achieve higher customer loyalty.

With a positive outlook of the Indian hospitality sector your Company is well poised to make its presence felt by catering to some of the growing requirements of the modern traveler and benefit from the growing prospects of hospitality business in India.

THREATS, RISKS & CONCERNS

Major issues for most of the industries in India are related to multiple windows of clearances, even for the hotel industry. The process of identifying new land parcels as per the requirement for hotels is a tedious task in India. Compared to international standards, where land costs accounts for 15-20% of the total project cost, in India this is often in the range of 40-50%. As a remedy to the problem, hoteliers have started mixed-use development projects comprising of hospitality, commercial, residential and retail components.

Indian hotels face the continual challenge of shortage of trained employees, especially at the manager and supervisor levels. Most of the companies are falling short of skilled employees for their hotels. Major reason for this shortage is absence of organized training and educational institutes for development of skilled employees like in aviation and other service sectors. Retaining the workforce even through training and development in the hotel industry is a tedious task as attrition levels are too high. One of the reasons for this is unattractive wage packages. Though the industry has been growing at a fast pace, hotel management graduates opt to join other sectors like aviation and catering services where they are paid higher.

Performance clause in management contracts is one of the most debated clauses between owners and operators of the hotel. It is most often the only clause that provides a window for an owner to terminate the management contract with the brand. However, unlike in other industries where a client has the choice to reject/ discontinue a product/ service if he/she is dissatisfied with the performance, hotel owners do not enjoy such a privilege and in turn have to pay a hefty termination fee to disengage with the operator.

A significant portion of your Company's revenues are realised from its Indian operations, making it susceptible to domestic, socio-political and economic conditions. Moreover, within India, the operations and earnings are primarily concentrated in South India with key properties located in Chennai. The industry in general has a high operating leverage, which has further increased with increased staff costs and cost of light, power and fuel. However, your Company has been able to earn higher revenues with acceptance of its products and improved RevPAR (revenue per available room) in the markets it operates in.

In spite of the above the success of your company will be dependent upon its ability to compete in areas such as Average Room Rent, superiority of accommodation, brand, premium services, location importance and to a lesser extent, the quality and scope of other amenities. These amenities include food and beverage facilities, along with cost-reduction ability.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your company has in place an adequate internal control system. The internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of

operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations, protecting the assets from unauthorized use of losses. 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	31-03-2018	31-03-2017	% of change
Food and Beverages	3033.07	2898.84	4.63
Rooms	2608.32	2440.38	6.88
Banquets Halls	80.59	55.78	44.48
Spa Collections	154.82	140.12	10.49
Gym Collections	665.39	709.89	(6.27)
Franchise	68.18	27.00	152.52
Other Services	125.77	100.90	24.65
Wine & Liquor	507.53	442.64	14.66
Other Income	68.23	101.72	(32.92)
Overall Income	7311.89	6917.27	5.70
Occupancy (%)	84.4%	78.2%	7.92

Overall income increased by ₹ 394.62 lakhs from ₹ 6917.27 lakhs to ₹ 7311.89 lakhs. Occupancy increased by 7.92% from 78.2% to 84.4%

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Your company sincerely believes that the employees are the vital assets and hence in order to keep its employees motivated and changed, 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

- Appreciation Award (Best Attendance, Best Comments from guest)
- Blood Donation Camp
- Christmas Carol Singing – Kids Carnival
- Common Staff Birthday celebration every month
- Communication Class
- Cooking Competition
- Corporate fun games / Team Building Group Activities
- Dental Camp
- Dessert Competition
- Diabetes camp

- Diwali, Ayudha Pooja, Christmas, Krishna Jayanthi, Vinayaka Chaturthi, Pongal, Ramzan iftar are celebrated with staff
- Eye screening camp
- First Aid Class through St. John Ambulance.
- Food Safety Certificate Programme
- Food Hygiene awareness
- Food Wastage Awareness
- Green Awareness Day and Kitchen Garden Setup
- “Grow Big” Training Programme for Next Level, Conducted by Outside Faculty.
- HSRT Skill Development Programme Under Indian Tourism and IHMCT
- International Chef day
- Life Time achievement award
- Long Service Award
- Managerial Development Programme
- May Day
- Medical check-up for all Women
- Nutrition and Diet Awareness.
- Plating Competition
- Pongal Traditional Games (Paarampariya Vilayattukal)
- Preventive Maintenance Training
- Rally For Rivers
- Safety and Fire Fighting awareness programmes for staff.
- Star Performer of the year
- Sports Day
- Towel folding competition, Quiz Programme
- Woman's day celebration

By giving these schemes and training programmes, the employees become loyal to the company and thereby the employee attrition rate is minimized. The overall attrition rate is 4.51%. 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 96 hours of training for each 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 and 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)

	31ST MARCH									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
INCOME	7311.89	6917.27	6690.98	6309.03	5696.44	5844.69	5371.60	4764.91	3485.6	3976.42
OPERATING & GENERAL EXPENSES	6063.86	5569.25	5418.78	5096.52	4531.29	4667.38	3874.84	3402.84	2535.81	3014.63
INTEREST	110.16	169.87	256.43	315.47	361.23	385.92	322.12	235.79	252.96	375.50
DEPRECIATION	360.39	449.58	442.53	500.81	357.7	310.94	245.36	233.01	197.79	295.32
PROFIT BEFORE TAX	679.93	532.12	573.24	396.23	446.22	480.45	929.28	893.27	499.04	290.97
TAXATION	166.53	218.36	330.15	107.00	613.41	106.30	216.08	312.77	191.55	243.46
PROFIT AFTER TAX	513.43	313.76	243.07	289.23	(167.17)	374.15	713.20	580.5	307.49	47.51
OTHER COMPREHENSIVE INCOME #	-25.48	22.59								
DIVIDEND, DIVIDEND TAX & SURCHARGE	387.62	# 43.07	215.52	172.43	166.36	166.36	166.36	166.91	83.45	69.78
DIVIDEND %	25%	15%	15%	12%	12%	12%	12%	12%	12%	10%
FIXED ASSETS NET	6147.96	6480.6	6636.23	6746.63	7405.2	7096.27	6020.33	6279.98	5609.69	5799.44
CAPITAL	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80	596.40	596.40
*RESERVES (INCLUDING REVALUATION) / OTHER EQUITY	4350.30	4249.98	3928.05	3905.05	3610.6	3953.97	3980.95	3252.61	3653.02	3287.41
DEFERRED TAX LIABILITY	141.61	242.16	225.19	235.04	384.59	(14.41)	85.62	68.41	41.05	39.49
BONUS ISSUE	—	—	—	—	—	—	—	—	1 : 1	—
Earning per Equity Share	4.30	2.63	2.04	2.42	(1.40)	3.14	5.98	4.87	5.16	0.80

As per Ind-AS

*RESERVES Treated as a OTHER EQUITY as per IND-AS W.E.F. 2017-18

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
SAVERA INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of M/s. Savera Industries Limited (the "Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, and the Statement of Changes in Equity for the year then ended, and a summary of the Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended)

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting 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 there under and the Order issued under section 143(11) of the Act.

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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March, 2018 and its **Profit** (financial performance including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet and the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
- e. On the basis of the written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note No. 37B to the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S. Venkatram & Co. LLP**,
Chartered Accountants
(FRN : 004656S/S200095)

S. Sundarraman
Partner
M.No.201028

Place : Chennai
Date : 30th May, 2018

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

(referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the Ind AS financial statements of the Company for the year ended 31st March, 2018)

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we confirm that:

i) In respect of Fixed Assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. There is a regular program of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. With respect to immovable properties of acquired land and buildings that are freehold, according to information and explanations given to us and the records produced to us the title deeds of immovable properties are held in the name of the Company.

ii) In respect of Inventories:

- a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. No material discrepancies were noticed on physical verification.

iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii) of paragraph 3 of CARO 2016 are not applicable to the Company.

iv) The Company has complied with the provisions of sections 185 and 186 of Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities as applicable.

v) The Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause (vi) of paragraph 3 of the CARO 2016 is not applicable to the Company.

vii) In respect of statutory dues:

- a. The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, cess and any other statutory dues with the appropriate authorities during the year.
 - b. No undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Goods and Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable except TDS dues as per TRACES amounting to ₹ 22.73 lakhs (refer note 37(b) to the accounts)
- viii. The Company has not made any default in repayment of loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix. The Company has not raised any monies by way of Initial Public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the CARO 2016 is not applicable to the company.
- x. As per the information given by the Company, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company. Hence, clause (xii) of paragraph 3 of the CARO 2016 is not applicable.
- xiii. The Company has complied with provisions of section 177 and section 188 of the Companies Act, 2013 and disclosed all transaction with related parties in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during year under review. Hence, clause (xiv) of paragraph 3 of the CARO 2016 is not applicable.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not a Non Banking Finance Company, hence the Company is not required to register under section 45-IA of Reserve Bank of India Act, 1934.

For **S. Venkatram & Co. LLP**,
Chartered Accountants
(FRN : 004656S/S200095)

Place : Chennai
Date : 30th May, 2018

S. Sundarraman
Partner
M.No.201028

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

(referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date to the Ind AS financial statements of the Company for the year ended 31st March, 2018)

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

We have audited the internal financial controls over financial reporting of M/s. Savera Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S. Venkatram & Co. LLP**,
Chartered Accountants
(FRN : 004656S/S200095)

S. Sundarraman
Partner
M.No.201028

Place : Chennai
Date : 30th May, 2018

Balance Sheet as at 31st March, 2018

Particulars	Note No.	AS AT 31.03.2018 ₹ In lakhs	AS AT 31.03.2017 ₹ In lakhs	AS AT 01.04.2016 ₹ In lakhs
ASSETS				
1. Non-Current Assets				
(a) Property, Plant & Equipments	1	6,147.96	6,480.60	6,635.62
(b) Capital Work in Progress		—	—	—
(c) Investment Property		—	—	—
(d) Other Intangible Assets	2	0.62	0.62	0.61
(e) Financials Assets				
(i) Investments	3	185.50	196.92	181.16
(ii) Loans		—	—	—
(iii) Other Financial Assets	4	229.05	296.16	338.84
(f) Other Non-Curent Assets				
Sub-Total - A		6,563.13	6,974.30	7,156.23
2. Current Assets				
(a) Inventories	5	30.84	20.39	18.46
(b) Financial Assets				
(i) Investments		—	—	—
(ii) Trade receivables	6	224.89	260.40	201.82
(iii) Cash and Cash Equivalentents	7	373.00	472.05	580.52
(iv) Bank balances (other than above)		—	—	—
(v) Loans	8	41.29	42.19	127.16
(vi) Other Financials Assets	9	21.08	12.39	19.72
(c) Current tax Assets (Net)	10	24.82	—	—
(d) Other Current Assets	11	180.58	139.78	101.39
Sub-Total - B		896.50	947.21	1,049.07
Total Assets (A + B)		7,459.63	7,921.51	8,205.31
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	12	1,192.80	1,192.80	1,192.80
(b) Other equity	13	4,350.30	4,249.98	3,956.69
Sub-Total - A		5,543.10	5,442.78	5,149.49
LIABILITIES				
1. Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	265.54	635.93	1,154.76
(ii) Other Financial Liabilities	15	34.80	35.01	35.01
(b) Provisions		—	—	—
(c) Deferred tax liabilities (net)		141.61	242.16	287.64
(d) Other non-current liabilities		—	—	—
Sub-Total - B		441.95	913.10	1,477.41
2. Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	45.73	142.67	106.87
(ii) Trade payables	17	135.42	138.66	120.40
(iii) Other financials liabilities	18	733.04	827.43	896.04
(b) Other current liabilities	19	341.86	382.36	325.27
(c) Provisions	20	218.54	43.54	75.79
(d) Current tax liabilities (Net)	21	—	30.97	54.04
Sub-Total - C		1,474.58	1,565.63	1,578.41
Total Equity and Liabilities (A + B + C)		7,459.63	7,921.51	8,205.31

As per our attached Report of even date

For S. VENKATRAM & CO. LLP

Chartered Accountants

Firm Regd No. 004656S / S200095

(S. Sundarraman)

Partner (M.No. 201028)

Place : Chennai

Date : 30th May, 2018

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director (DIN : 00145372)N.S. Mohan
Company SecretaryA. Nina Reddy
Joint Managing Director (DIN: 00144797)D V M Sambasiva Rao
Chief Financial Officer

Statement of Profit and Loss Account for the period ended 31st March 2018

Particulars	Note	AS AT 31.03.2018 ₹ in lakhs	AS AT 31.03.2017 ₹ in lakhs
INCOME			
I Revenue from Operations	22	7,243.66	6,815.55
II Other Income	23	68.23	101.72
III Total Income (I + II)		7,311.89	6,917.27
IV EXPENSES			
Cost of Materials Consumed	24	1,197.07	1,105.17
Excise Duty		0.47	1.98
Change in inventory of Stock-in-trade	25	121.89	106.04
Employee Benefit Expenses	26	2,089.69	1,775.79
Finance Cost	27	110.16	169.87
Depreciation	28	360.39	449.58
Other Operating and General expenses	29	2,654.73	2,580.26
Total Expenses (IV)		6,534.41	6,188.70
V Profit / (Loss) before exceptional items and tax (III-IV)		777.48	728.56
VI Exceptional items		(97.55)	(196.44)
VII Profit / (Loss) before tax (V-VI)		679.93	532.12
VIII Tax expense			
(1) Current Tax		267.08	263.84
(2) Deferred Tax		(100.55)	(45.48)
IX Profit / (Loss) for the period (VII-VIII)		513.40	313.76
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss:			
-Remeasurement of defined benefit plans		(24.94)	13.60
(ii) Income tax relating to items that will not be reclassified to profit or loss		8.24	(4.50)
B (i) Items that will not be reclassified to profit or loss:			
-Fair value of financial assets through Other Comprehensive Income		(13.11)	20.16
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.33	(6.67)
XI Total Comprehensive Income for the period (IX + X)		487.93	336.36
XII Earnings per share			
(1) Basic		4.30	2.63
(2) Diluted		4.30	2.63

As per our attached Report of even date
For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No. 004656S / S200095

(S. Sundarraman)
Partner (M.No. 201028)

Place : Chennai
Date : 30th May, 2018

A. Ravikumar Reddy
Managing Director (DIN : 00145372)

N.S. Mohan
Company Secretary

For and on behalf of the Board

A. Nina Reddy
Joint Managing Director (DIN: 00144797)

D V M Sambasiva Rao
Chief Financial Officer

Statement of Cash Flows for the year ended 31.03.2018 and 31.03.2017

Accounting Policy:

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows .

Amendment to Ind AS 7:

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements."

Particulars	Year ended 31.03.2018 ₹ in lakhs	Year ended 31.03.2017 ₹ in lakhs
Cash flow from Operating Activities		
Net profit before tax, exceptional and extra ordinary items (Excluding OCI)	777.48	728.56
Add/Less: Other Comprehensive Income before tax	(38.04)	33.76
Net profit before tax, exceptional and extra ordinary items (Including OCI)	739.44	762.32
<i>Adjustments for</i>		
(Profit)/Loss on sale of fixed assets	(1.99)	(1.04)
Deposits Written Off	(0.21)	-
Gain on Fair Valuation on Deposits	(17.12)	(48.29)
Gain on Fair Valuation of Investments	13.11	(20.16)
Interest Expenses	110.16	169.87
Dividend and Interest Income	(29.27)	(28.07)
Depreciation on fixed assets	360.39	449.58
	435.08	521.90
Operating profit before working capital changes	1,174.51	1,284.22
Adjustments:-		
(Increase)/Decrease in Inventories	(10.44)	(1.94)
(Increase)/Decrease in Trade Receivables	35.51	(58.58)
(Increase)/Decrease in Loans (Current)	0.90	84.97
(Increase)/Decrease in Other financial Assets (Non Current)	67.11	42.69
(Increase)/Decrease in Other Current Assets	(40.80)	(38.38)
(Increase)/Decrease in Non-Current Loans	17.12	48.29
Increase/(Decrease) in Other Financial Liabilities (Current)	43.63	(68.49)
Increase/(Decrease) in Trade Payable (Current)	(3.24)	18.26
Increase/(Decrease) in Other Current Liabilities	(40.50)	57.09
Increase/(Decrease) in Short Term Provisions	175.00	(32.25)
	244.30	51.66
Cash generated from Operations	1,418.81	1,335.88
Income taxes (paid)/Refund	(310.29)	(298.07)
Net cash from Operating Activities (A)	1,108.51	1,037.81

Particulars	Year ended 31.03.2018 ₹ in lakhs	Year ended 31.03.2017 ₹ in lakhs
Cash flow from Investing Activities		
Purchase of Fixed Assets	(95.50)	(494.63)
Sale of Fixed Assets	(27.82)	4.65
(Increase)/Decrease in Other Financial Assets (Current)	(8.69)	7.32
(Increase)/Decrease in Other Bank Balances	98.79	106.69
Dividend/ Interest Income Received	29.27	28.07
Net (Increase)/Decrease in Non-Current Investments	(1.69)	4.40
Net cash used in Investing Activities (B)	(5.63)	(343.50)
Cash flow from Financing Activities:		
Repayment of Borrowings (Net)	(612.72)	(472.85)
Dividend paid	(380.26)	(53.37)
Interest expense paid	(110.16)	(169.87)
Net cash used in financial activities (C)	(1,103.14)	(696.10)
Net increase in cash and cash equivalents (A) + (B) + (C)	(0.26)	(1.79)
Cash and cash equivalents at beginning of the period	226.85	228.64
Cash and cash equivalents at end of the period	226.59	226.85

Cash and Cash Equivalents

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

Particulars	AS ON 31.03.2018	AS ON 31.03.2017	AS ON 1.04.2016
- In Current Account (with Scheduled Banks)	183.98	186.38	170.92
- Cash on Hand	11.46	16.68	23.62
- Other Bank Balances	31.16	23.80	34.10
Total	226.59	226.85	228.64

As per our attached Report of even date
For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No. 004656S / S200095

(S. Sundarraman)
Partner (M.No. 201028)

Place : Chennai
Date : 30th May, 2018

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director (DIN : 00145372)

N.S. Mohan
Company Secretary

A. Nina Reddy
Joint Managing Director (DIN: 00144797)

D V M Sambasiva Rao
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS

Notes forming part of the financial statements for the year ended 31st March 2018

Note : SIGNIFICANT ACCOUNTING POLICIES

A) Corporate Information:

Savera Industries Limited (“the Company”) incorporated in November, 1969, is engaged in the business of Hoteliering. Shares of the Company are listed in Bombay Stock Exchange Ltd (BSE). Though originally the Company’s shares are listed on Madras Stock Exchange Ltd (MSE), the said stock exchange is not in existence at present.

B) Statement of Compliance:

These financial statements of the Company for the year ended 31st March 2018 are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under section 133 of the Companies Act, 2013 read with relevant rules of the Companies (Indian Accounting Standards) Rules with effect from 01st April 2017.

The Company has prepared financial statements upto 31st March 2017 in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP). For the purpose of transition the Company in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2016 as the transition date, the figures of the previous year 31st March 2017 are reworked.

C) Basis of Preparation:

The financial statements have been prepared in accordance with historical cost basis, except for certain financial instruments which are measured at fair values, as explained in the accounting policies.

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Estimates and the underline assumptions are reviewed on ongoing basis. The revision to the accounting estimates if material is recognized in the period in which the estimates are revised.

D) Policies:

a) Inventories

Inventories of the Company comprise of food, beverages & operating supplies. Inventories are valued at lower of cost (calculated on weighted average basis) and net realizable value.

b) Revenue Recognition:

- i. Revenue from operations is recognized upon rendering of services and comprises of (a) sale of rooms; (b) food and beverages; and (c) allied services relating to hotel operations. Revenue is recognized net of rebates and discounts granted to customers and Goods and Service Tax (GST) collected.

- ii. Interest income is accounted using the effective interest method.
- iii. Dividend income is recognized when the right to receive payment of the dividend is established.

c) Property, Plant and Equipment:

- i. Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.
- ii. The costs directly attributable including borrowing cost on qualifying asset are capitalized when the Property, Plant and Equipment are ready for use, as intended by the management.
- iii. Subsequent expenditure relating to Property, Plant and Equipment including major inspection costs, spare parts, standby and servicing equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.
- iv. In accordance with Ind AS 101, the Company has chosen to consider the carrying value for all its Property, Plant and Equipment as their deemed cost as on the date of transition i.e. 01st April 2016.
- v. Depreciation is provided on straight line basis over estimated useful life. The estimated useful life of the assets is as follows:

Building	60 years
Plant and Machinery	10 years
Office Equipment	05 years
Computers	03 years
Furniture and Fixtures	08 years
Vehicles	08 years

d) Intangible Assets:

- i. Intangible assets are initially measured at cost.
- ii. Intangible assets which are separately acquired are recognized at its purchase price (including duties and taxes thereon) after deducting discounts and rebates and cost attributable for preparing the asset for its intended use.
- iii. Intangible assets recognized are amortized over a period of 10 years.

e) Borrowing Costs:

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

f) Impairment of Assets:

As at the end of each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment by considering assets of entire one plant as Cash Generating Unit (CGU). If any such indication exists and if the estimated recoverable amount is found to be less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.

g) Financial Assets and Liabilities:

The Company recognizes all Financial Assets and Liabilities at Fair Value on inception and subsequent measurements are done at amortized cost.

h) Foreign Currency Transaction:

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

i) Segment Reporting:

The company's only business is Hoteliering and hence disclosure of segment wise information is not applicable under Ind AS 108 "Operating Segments". There is no Geographical segment to be reported since all the operations are undertaken in one geographical area.

j) Earnings Per Share:

- i. Earnings Per Share is calculated by dividing the Profit after Tax /Loss for the year attributable to ordinary equity shareholders by the weighted average number of ordinary shares outstanding during the period.
- ii. Diluted Earnings Per Share is calculated by dividing the Profit after Tax/Loss for the period after adjusting dividends, interest and other charges (net of taxes) relating to dilutive potential ordinary shares by the weighted average number of shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

k) Income Taxes:

- i. Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961 (the "Act").
- ii. Deferred Tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax Assets in excess of Deferred Tax Liability are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred Tax Assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

l) Employee Benefits:

- i. The Company's Provident Fund scheme is a defined contribution plan. The contribution paid/payable is recognized during the period in which the employee renders the related service.
- ii. The Company's Employee State Insurance scheme is a defined contribution plan. The contribution paid/payable is recognized during the period in which the employee renders the related service.
- iii. The Company has an arrangement with LIC for managing the Gratuity fund. Gratuity is defined benefit plan and the liability is provided on the basis of actuarial valuation report provided by the LIC in respect of eligible employees. The demand raised by the LIC based on the actuarial report is paid by the Company towards discharge of the liability.

m) Long-term Investment:

- i. In accordance with Ind AS 101, provision relating to first time adoption, the Company has chosen to consider the fair value, with unrealized gain or loss on account of changes in fair value being recognized in Other Comprehensive Income as their deemed cost as at 01st April, 2016.
- ii. Investments are initially recognized at cost. Cost of Investment includes cost of acquisition (including charges such as brokerage, fees and duties).
- iii. Investments are individually measured at fair value and the gain or loss is recognized in Other Comprehensive Income.

n) Leases:

- i. The Company recognizes finance leases as assets and liabilities in the balance sheet at amount equal to the fair value of leased property. Such arrangements are such that the entire risks and rewards incidental to ownership of an asset is transferred whether or not title is transferred.
- ii. Operating lease is recognized as an expense through statement of profit and loss on a straight line basis over the period of lease.

o) Provisions and Contingent Liabilities :

- i. A provision is recognized, when the Company has the present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made.
- ii. Where no reliable estimate can be made or when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources, disclosure is made as Contingent Liability.
- iii. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Statement of Changes in Equity as at 31.03.2018, 31.03.2017 and 01.04.2016
A. Equity Share Capital

Statement of Cash Flows for the year ended 31.03.2018 and 31.03.2017

Balance at 1st April, 2016	Change in Equity Share Capital during the year	Balance at 31st March, 2017	Change in Equity Share Capital during the year	Balance at 31st March, 2018
1,192.80	—	1,192.80	—	1,192.80

B. Other Equity

Particulars	Reserves and Surplus		
	General Reserve	Retained Earnings	Other Comprehensive Income
Balance as at 01st April 2016	659.13	3,200.37	97.19
Profit for the year	—	313.76	—
Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans	—	—	13.60
Income tax on items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans	—	—	(4.50)
Items that will not be reclassified to profit or loss - Fair value of of financial assets through Other Comprehensive Income	—	—	20.16
Income tax on items that will not be reclassified to profit or loss - Fair value of of financial assets through Other Comprehensive Income	—	—	(6.67)
Final Dividend Paid (including Dividend Distribution Tax)	—	(43.07)	—
Balance as at 31st March 2017	659.13	3,471.07	119.79
Profit for the year	—	513.40	—
Items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans	—	—	(24.94)
Income tax on items that will not be reclassified to profit or loss - Remeasurement of defined benefit plans	—	—	8.24
Items that will not be reclassified to profit or loss - Fair value of of financial assets through Other Comprehensive Income	—	—	(13.11)
Income tax on items that will not be reclassified to profit or loss - Fair value of of financial assets through Other Comprehensive Income	—	—	4.33
Final Dividend Paid (including Dividend Distribution Tax)	—	(387.62)	—
Balance as at 31st March 2018	659.13	3,596.85	94.32

 As per our attached Report of even date
 For S. VENKATRAM & CO. LLP
 Chartered Accountants
 Firm Regd No. 004656S / S200095

 A. Ravikumar Reddy
 Managing Director (DIN : 00145372)

For and on behalf of the Board

 A. Nina Reddy
 Joint Managing Director (DIN: 00144797)

 (S. Sundarraman)
 Partner (M.No. 201028)

 N.S. Mohan
 Company Secretary

 D V M Sambasiva Rao
 Chief Financial Officer

 Place : Chennai
 Date : 30th May, 2018

NOTE 1.2 : Property, Plant and Equipment, Intangible Assets cont.

₹ In lakhs

PARTICULARS	Impairment Loss			Net Block		
	As at 01.04.2016	For the Year 31.03.2017	As at 31.03.2017	As at 01.04.2016	As at 31.03.2017	As at 31.03.2018
A. Property, Plant & Equipment						
Land	-	-	-	3,312.41	3,689.80	3,689.80
Buildings	-	-	-	921.09	896.13	871.17
Plant & Machinery	-	95.22	95.22	1,245.83	1,059.81	919.67
Office Equipment	-	0.36	0.36	7.83	8.31	7.00
Furnitures & Fixtures	-	98.91	98.91	1,055.95	733.35	561.61
Vehicles	-	1.95	1.95	92.52	93.21	98.72
Total	-	196.44	196.44	6,635.62	6,480.60	6,147.96
B. Intangible Assets						
Trademarks	-	-	-	-	0.01	0.01
Computer Software	-	-	-	0.61	0.61	0.61
Total	-	-	-	0.61	0.62	0.62
Grand Total	-	196.44	196.44	6,636.23	6,481.22	6,148.58

NOTE 3 : Non - Current Investments

₹ In lakhs

PARTICULARS	31.03.2018			31.03.2017			01.04.2016		
	Face Value	Quantity	Rs. in lakhs	Face Value	Quantity	Rs. in lakhs	Face Value	Quantity	Rs. in lakhs
Non - Trade Investments									
Investment in Quoted Equity Shares (Valued at Fair Value through Other Comprehensive Income)									
Oriental Hotels Limited	1	3,510	1.47	1	3,510	1.25	1	3,510	0.72
I.T.C. Limited	1	40,320	103.02	1	40,320	113.02	1	26,880	88.23
Indian Hotels Co. Ltd.,	1	5,998	7.76	1	4,762	6.04	1	4,762	4.71
Apollo Hospitals Ltd.	5	4,000	42.59	5	4,000	46.61	5	4,000	53.17
Central Bank of India Ltd.,	10	295	0.21	10	295	0.31	10	295	0.22
TOTAL - A			155.04			167.22			147.06
Investment in Unquoted Shares of Other Companies (Valued at cost)									
Clarion Wind Farms Pvt. Ltd.			30.46			29.70			34.10
TOTAL - B			30.46			29.70			34.10
TOTAL - A + B			185.50			196.92			181.16
Particulars	31.03.2018	31.03.2017	01.04.2016						
Aggregate Market Value of Quoted Investments	155.04	167.22	147.06						

NOTE 4 : Other Financial Assets (Non Current)

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Rental Deposits (carried at amortised cost)	104.13	193.73	132.63
Deposits with Banks (refer note 4.1)	124.91	102.43	206.21
Total	229.05	296.16	338.84

4.1. Deposits with Banks maturing more than 12 months from the Balance Sheet date and other Earmarked / Pledged deposits are classified as Other Financial Assets (Non Current)

NOTE 5 : Inventories

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
(Valued at lower of cost and net realisable value)			
Raw Materials			
Food & Beverages	12.02	9.63	5.88
Stock in trade (Goods purchased for resale)			
Wine & Liquor	18.82	10.76	12.58
Total	30.84	20.39	18.46

NOTE 6 : Current Trade receivables

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Unsecured Considered good	234.22	260.40	201.82
Less : Provision for Doubtful debts	9.33	—	—
Total	224.89	260.40	201.82

NOTE 7 : Cash and Cash Equivalents

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Cash and Cash Equivalents			
Current Account	183.98	186.38	170.92
Cash on Hand	11.46	16.68	23.62
Other Bank Balances			
Dividend Account	31.16	23.80	34.10
Deposits with original maturity of more than 3 months	146.40	241.22	347.91
Margin Money	—	3.97	3.97
Total	373.00	472.05	580.52

NOTE 8 : Loans (Current)

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Employee Advances	41.29	42.19	66.88
Advances other than capital advances	—	—	60.28
Total	41.29	42.19	127.16

NOTE 9 : Other Financials Assets (Current)

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Interest Accrued on Fixed Deposits	21.08	12.39	19.67
Others	—	—	0.05
Total	21.08	12.39	19.72

NOTE 10 : Current tax Assets (Net)

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Current Tax Assets (Net)	24.82	—	—
Total	24.82	—	—

NOTE 11 : Other Current Assets

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Advances other than capital advances			
Security Deposit	69.73	74.27	62.30
Prepaid Expenses	48.05	57.15	32.19
Balance with Revenue authorities	44.52	—	—
Advance to suppliers	8.20	6.80	5.18
Public Utility Deposits	1.14	1.56	1.56
Others	8.95	—	0.17
Total	180.58	139.78	101.39

NOTE 12 : Equity share capital

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Authorized Share Capital			
1,20,00,000 equity shares of Rs.10/- each	1,200.00	1,200.00	1,200.00
Issued, Subscribed and paid-up Share capital			
1,19,28,000 Equity Shares of Rs.10/- each fully paid up	1,192.80	1,192.80	1,192.80
TOTAL	1,192.80	1,192.80	1,192.80

NOTE 12.1 : Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	31.03.2018 No.of Shares	31.03.2017 No.of Shares	31.03.2016 No.of Shares
At the beginning of the year	1,19,28,000	1,19,28,000	1,19,28,000
Add: Shares Issued during the year	—	—	—
At the end of the year	1,19,28,000	1,19,28,000	1,19,28,000

NOTE 12.2 : Rights attached to Equity Shareholders:

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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion to their shareholdings.

NOTE 12.3 : Shareholders holding equity shares more than 5 % of total issued Equity Share capital

Name of the Shareholders	31.03.2018			31.03.2017			01.04.2016		
	No. of Shares	% of Holding							
A. Nina Reddy	20,95,812	17.57	20,95,812	17.57	20,95,812	17.57	20,95,812	17.57	
A. Ravikummar Reddy	16,03,840	13.45	16,03,840	13.45	16,03,840	13.45	16,03,840	13.45	
A. Priyamvadhya	6,87,600	5.76	687,600	5.76	6,87,600	5.76	6,87,600	5.76	
Lalit Modi	-	-	702,280	5.89	7,02,280	5.89	7,02,280	5.89	
TOTAL	43,87,252	36.78	50,89,532	42.67	50,89,532	42.67	50,89,532	42.67	

NOTE 13 : Other equity

PARTICULARS	31.03.2018		31.03.2017	
	₹ In lakhs			
(i) Revaluation Reserve				
As per last Balance Sheet	-	-	-	-
Less: Depreciation for the year	-	-	-	-
Closing Balance (A)	-	-	-	-
(ii) General Reserve				
As per last Balance Sheet	659.13	659.13	659.13	659.13
Add: Current Year	-	-	-	-
Closing Balance (A)	659.13	659.13	659.13	659.13
(iii) Retained Earnings (Refer Note 13.1)				
As per last Balance Sheet	3,471.07	3,200.37	3,200.37	3,200.37
Current Year profit	513.40	313.76	313.76	313.76
	3,984.47	3,514.13	3,514.13	3,514.13
Less: Appropriations				
Transfer to General Reserve	-	-	-	-
Dividend (Interim)	143.14	-	-	-
Dividend Distribution Tax (Interim)	29.14	-	-	-
Dividend (Final)	178.92	35.78	35.78	35.78
Dividend Distribution Tax (Final)	36.42	7.29	7.29	7.29
Total Appropriations	387.62	43.07	43.07	43.07
Closing Balance (B)	3,596.85	3,471.07	3,471.07	3,471.07
(iii) Other Comprehensive Income (FVOCI)				
Fair Value through Other Comprehensive Income (FVOCI)				
Opening Balance	119.79	97.19	97.19	97.19
Add: Additions during the year	(25.47)	22.60	22.60	22.60
Less: Deletions during the year	-	-	-	-
Closing Balance (C)	94.32	119.79	119.79	119.79
TOTAL (A) + (B) + (C)	4,350.30	4,249.98	4,249.98	4,249.98

NOTE 13.1 : Opening Balance and Closing Balance of the retained earnings includes revaluation reserve existing prior to 1st April 2016 amounting to Rs. 1,334.85 lakhs. Balance in the said reserve cannot be distributed to the shareholders for declaration of dividend.

NOTE 14 : Borrowings (Non - Current)

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Term Loan			
From Banks	235.43	629.42	1,151.51
Long - term Finance lease obligations - Hire Purchase	30.11	6.51	3.26
Total	265.54	635.93	1,154.76

Security

(i) Term Loans has been secured by First Charge on entire Land & Buildings, Movable & Immovable Assets of the Company situated at D.No 146, Dr Radhakrishnan Road, Chennai - 4

(ii) Finance lease obligations are secured against leased assets

Interest rate on term loan

(i) On term loans from banks, the interest is charged at 11.2% p.a

NOTE 15 : Other Financial Liabilities (Non - Current)

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Rental Deposit	4.70	4.79	4.79
Caution Deposit	30.10	30.22	30.22
Total	34.80	35.01	35.01

NOTE 16 : Borrowings (Current)

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Loan repayable on Demand (refer note 16.1,16.2 & 16.3)	45.73	142.67	106.87
Total	45.73	142.67	106.87

16.1 The amount sanctioned is Rs. 1.50 Crore

16.2 Loans are secured against Trade Receivables, Inventories upto Rs. 75 lakhs and lien on Deposits with Banks amounting to Rs. 75 Lakhs

16.3 Bank charges interest at the rate of 11.20% p.a

NOTE 17 : Trade payables (Current)

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Trade payables other than MSME	135.42	138.66	120.40
Total	135.42	138.66	120.40

NOTE 18 : Other financials liabilities (Current)

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Current maturities of Long-term Term Loans	366.07	514.15	511.87
Current maturities of Long-term Finance Lease Obligations - Hire Purchase	15.63	12.93	5.03
Creditors for expenses	201.01	199.89	250.94
Unclaimed dividend	31.16	23.80	34.10
Dues to Employees	119.17	76.66	94.10
Total	733.04	827.43	896.04

NOTE 19 : Other current liabilities

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Unaccrued Income realisable in next 12 months	203.83	203.58	136.60
Duties and Taxes Payable	65.53	117.33	114.86
Advance from customers	72.50	61.44	73.81
Total	341.86	382.36	325.27

NOTE 20 : Provisions (Current)

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Provision for Employee benefits	218.54	43.54	75.79
Total	218.54	43.54	75.79

NOTE 21 : Current tax liabilities (Net)

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs	01.04.2016 ₹ In lakhs
Current Tax Liabilities (Net)	—	30.97	54.04
Total	—	30.97	54.04

NOTE 22 : Revenue from Operations

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs
Sale of Services:		
Foods and Beverages	3,033.07	2,898.84
Rooms	2,608.32	2,440.38
Banquets Halls	80.59	55.78
Spa Collections	154.82	140.12
Gym Collections	665.39	709.89
Franchise	68.18	27.00
Other Services	125.77	100.90
Sale of Goods:		
Wine and Liquor	507.53	442.64
TOTAL	7,243.66	6,815.55

NOTE 23 : Other Income

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs
Interest Income		
Interest Income	27.10	25.76
Dividend Income		
Dividend from Investments	2.17	2.31
Other Non Operating Income		
Profit on sale of Vehicles (net)	1.99	1.04
Foreign Exchange Fluctuations	0.42	0.93
Gain on Fair Value Adjustment	17.12	48.29
Miscellaneous Income	18.43	23.40
Insurance Claims	1.00	—
TOTAL	68.23	101.72

NOTE 24 : Cost of Materials Consumed

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs
<i>Foods and Beverages</i>		
Opening Stock	9.63	42.33
Add: Purchases of Food and Beverages	1,171.65	1,047.15
	1,181.28	1,089.48
Less: Closing Stock	12.02	9.63
Cost of Food and Beverages consumed (A)	1,169.26	1,079.85
Purchase of Crockery and Cutlery (B)	27.81	25.32
TOTAL - (A) + (B)	1,197.07	1,105.17

NOTE 25 : Change in inventory of Stock-in-trade

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs
<i>Wine and Liquor</i>		
Opening Stock	10.76	12.58
Add: Purchases	129.96	104.22
Less: Closing Stock	18.82	10.76
TOTAL	121.89	106.04

NOTE 26 : Employee Benefit Expenses

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs
Salary, Wages, Bonus and Allowances	1,721.23	1,451.78
Contribution to provident and other funds	181.95	135.18
Staff Welfare Expenses	186.52	188.83
TOTAL	2,089.69	1,775.79

NOTE 27 : Finance Cost

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs
Interest expense	110.16	169.87
TOTAL	110.16	169.87

NOTE 28 : Depreciation

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs
Depreciation and Amortization	360.39	449.58
TOTAL	360.39	449.58

NOTE 29 : Other Operating and General expenses

Particulars	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs
<i>Operating Expenses</i>		
Power and Fuel	507.17	540.24
Upkeep and Service Cost	278.70	231.26
Banquet Expenses	93.15	93.43
Repairs and Maintenance		
Plant and Machinery	163.51	151.11
Buildings	70.98	104.94
Others	71.55	115.35
Vehicles	29.03	22.61
Security Services	72.52	86.29
Spa Expenses	73.96	70.27
Royalty	23.98	18.51
<i>General Expenses</i>		
Sales Promotion expenses	462.32	333.40
Rental Expenses	238.45	329.37
Rates & Taxes	157.03	76.85
Professional Charges	143.69	155.43
Printing and stationery	42.25	34.45
Postage and Telephone	40.11	29.28
Insurance	25.85	28.01
Travel expenses	52.10	23.90
Bank Charges	13.37	7.84
CSR Expenses	12.14	12.96
Subscription	10.77	8.62
Bad Debts	10.75	1.28
Donation	8.03	4.09
Audit Fees		
Statutory Audit	6.05	3.00
Tax Audit	3.75	3.00
Directors Sitting Fees	2.95	3.51
Sundry Expenses	40.58	91.26
TOTAL	2,654.73	2,580.26

NOTE 30 : NOTES ON FIRST-TIME ADOPTION OF IND AS

The financial statements of the Company for the year ended 31st March 2018, together with comparatives for the year ended 31st March 2017 have been prepared in accordance with Ind AS notified till date. In preparing these financial statements, the opening balance sheet as on 01st April 2016 (being the date of transition) has been prepared. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with April 1, 2016 as the transition date and Generally Accepted Accounting Principles (GAAP) as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting principles set out in notes have been applied in preparing the Financial Statements for the year ended 31st March 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet and Statement of Profit and Loss, is set out in clause (i) and (ii). Exemptions on the first-time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in clause 1(vi).

The following reconciliation provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:

1. Equity as at April 1st, 2016 and March 31st, 2017
2. Net Profit for the year ended March 31st, 2017

(i) Reconciliation of Equity from IGAAP to Ind AS is stated as under: ₹ In lakhs

Particulars	1st April 2016	31st March 2017
Equity Share capital as per IGAAP	1,192.80	1,192.80
Other Equity as per IGAAP	3,928.05	4,161.14
Total Equity as per IGAAP	5,120.85	5,353.94
Ind AS Adjustments:		
1. Reversal of Proposed Dividend	43.07	—
2. (Provision)/Reversal of Gratuity	(15.85)	25.85
3. Deferred Tax Liability on temporary differences accounted under Ind AS	(62.45)	(60.93)
4. Fair Value Adjustment	55.45	123.90
5. Prior Period Adjustment	8.42	—
Equity Share capital as per Ind AS	1,192.80	1,192.80
Other Equity as per Ind AS	3,956.69	4,249.98
Total Equity as per Ind AS	5,149.49	5,442.78

(ii) Reconciliation of Net Profit for the year ended 31st March, 2017 ₹ In lakhs

Particulars	31st March 2017
Profit after Tax as per IGAAP	237.69
Ind AS Adjustments:	
1. Reversal of Provision for Gratuity as per Ind AS	41.70
2. Depreciation on revalued assets adjusted to Revaluation Reserve being reversed	(4.57)
3. Prior Period Items	(8.42)
4. Deferred Tax effect on Ind AS adjustments	1.52
5. Fair Value adjustment on Deposits	48.29
6. Gain on Net defined benefit transferred to OCI	(13.60)
7. Tax effect on Gain on Net defined benefit transferred to OCI	4.50
8. Tax effect on Gain on Fair Valuation of Investments transferred to OCI	6.66
Total Adjustments	76.08
Profit after tax as per Ind AS	313.77
Remeasurement of defined benefit plans through OCI	13.60
Fair value of financial assets through OCI	20.16
Income tax relating to items that will not be reclassified to profit or loss	(11.17)
Other Comprehensive Income/ (Loss)	22.59
Total Comprehensive Income as per Ind AS	336.36

(iii) Reconciliation of Balance Sheet as at 01st April, 2016: ₹ In lakhs

Particulars	IGAAP	Ind AS Regrouping	Ind AS Adjustments	As per Ind AS
ASSETS				
Non-Current Assets				
a) Property, Plant & Equipment	6,635.62			6,635.62
b) Other Intangible Assets	0.61			0.61
c) Financial Assets				
- Investments	35.97		145.19	181.16
- Loans (Utility Deposits)	314.14	(314.14)		0
- Other Financial Assets		428.57	(89.73)	338.84
Current Assets				
a) Inventories	18.46			18.46
b) Financial Assets				
- Trade Receivables	201.82			201.82
- Cash and Cash Equivalents	786.73	(206.21)		580.52
- Loans	127.16			127.16
- Other Financial Assets	-	19.72		19.72
c) Other Current Assets	57.04	44.31		101.40
Total	8,177.55	(27.70)	55.46	8,205.31

₹ In lakhs				
Particulars	IGAAP	Ind AS Regrouping	Ind AS Adjustments	As per Ind AS
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	1,192.80			1,192.80
b) Other Equity	3,928.03		28.66	3,956.69
Liabilities				
Non Current Liabilities				
a) Financial Liabilities				
- Borrowings	1,154.76			1,154.76
- Other Financial Liabilities		35.01		35.01
b) Deferred Tax Liabilities	225.20		62.44	287.64
c) Other Non Current Liabilities	35.01	(35.01)		
Current Liabilities				
a) Financial Liabilities				
- Borrowings	—	106.87	—	106.87
- Trade Payables	120.40			120.40
- Other Financial Liabilities	—	896.04		896.04
b) Other Current Liabilities	1,328.18	(1,002.91)		325.27
c) Provisions	193.17	(90.17)	(27.22)	75.78
d) Current Tax Liabilities (Net)		62.47	(8.42)	54.05
Total	8,177.55	(27.70)	55.46	8,205.31
(iv) Reconciliation of Balance Sheet as at 31st March, 2017:				
₹ In lakhs				
Particulars	IGAAP	Ind AS Regrouping	Ind AS Adjustments	As per Ind AS
ASSETS				
Non-Current Assets				
a) Property, Plant & Equipment	6480.60			6480.60
b) Other Intangible Assets	0.62			0.62
c) Financial Assets				
- Investments	31.57		165.36	196.93
- Loans (Utility Deposits)	311.00	(311.00)		—
- Other Financial Assets		337.60	(41.44)	296.16
Current Assets				
a) Inventories	20.39			20.39
b) Financial Assets				
- Trade Receivables	260.40			260.40
- Cash and Cash Equivalents	574.48	(102.43)		472.05
- Loans	42.19			42.19
- Other Financial Assets		12.39		12.39
c) Other Current Assets	76.34	63.44		139.78
Total	7,797.59	—	123.92	7,921.51

₹ In lakhs				
Particulars	IGAAP	Ind AS Regrouping	Ind AS Adjustments	As per Ind AS
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	1,192.80			1,192.80
b) Other Equity	4,161.14		88.84	4,249.98
Liabilities				
Non Current Liabilities				
a) Financial Liabilities				
- Borrowings	635.93			635.93
- Other Financial Liabilities		35.01		35.01
b) Deferred Tax Liabilities	181.23		60.93	242.16
c) Other Non Current Liabilities	35.01	(35.01)		
Current Liabilities				
a) Financial Liabilities				
- Borrowings		142.67		142.67
- Trade Payables	138.66			138.66
- Other Financial Liabilities		827.43		827.43
b) Other Current Liabilities	1,352.46	(970.10)		382.36
c) Provisions	100.36	(30.97)	(25.85)	43.54
d) Current Tax Liabilities (Net)		30.97		30.97
Total	7,797.59	—	123.92	7,921.51
(v) There were no significant reconciliation between cash flows prepared under IGAAP and those prepared under Ind AS.				
(vi) Exemption availed on first time adoption of Ind AS 101 as at transition date:				
1. As per para D7AA of Ind AS 101, Property, Plant and Equipments and Intangible assets were carried in the statement of financial position prepared in accordance with previous GAAP on 31st March, 2016. The Company has elected to regard such carrying values as deemed cost at the date of transition.				
2. As per para D19B of Ind AS 101, Investment in equity instruments can be measured at fair value through other comprehensive income. The Company has elected to fair value through other comprehensive income its equity instruments.				
(vii) Notes to Clause 1(i):				
1. Reversal of Proposed Dividend:				
Under IGAAP, the proposed dividend was recognized as liability for the period to which it relates. Under Ind AS, dividend is recognized in the period in which obligation to pay is established. Accordingly, the proposed dividend liability recognized in the year 2015-16 amounting to Rs. 43.07 lakhs (including dividend distribution tax) has been reversed and the same recognized as				

an apportionment to in Other Equity of the year 2016-17 i.e. the year in which the obligation to pay was established.

2. Prior Period Adjustments:

Under IGAAP, the prior period errors and omissions were rectified prospectively by giving effect to the statement of profit and loss and by separately disclosing the nature and amount as prior period item, whereas Ind AS 8 requires retrospective adjustment of material prior period errors by restating the comparative amounts for periods presented. Accordingly, the Company has reversed the excess provision created prior to 01st April 2016 on account of income tax amounting to ₹ 8.42 lakhs by adjusting respective assets, liabilities and equity as on 01st April 2016.

3. Fair Value Adjustments of Equity Instruments:

As per IGAAP, long-term investments are usually carried at cost, however if there is decline in the value of the investments (other than temporary) such decline is recognized and carrying amount of the investments is reduced to that extent. Under Ind AS 109, the equity instruments are measured at fair value through Other Comprehensive Income. Accordingly, the gain on fair valuation of equity instruments on 01st April 2016 amounting to ₹ 145.19 lakhs and ₹ 20.16 lakhs as on 31st March 2017 is recognized under Other Comprehensive Income of Other Equity. The tax effect on the net gain recognized in OCI, amounting to ₹ 6.66 lakhs is considered as charge to OCI.

4. Fair Value Adjustment of Deposits:

As per IGAAP, the rental deposits were carried at historical cost until the completion of tenure and were adjusted for any credit losses at the time of receipt. As per Ind AS 109, deposits being classified as financial assets are to be initially recognized at fair value by discounting the cash flows over the expected life using effective interest rate and are subsequently measured at amortized cost. Accordingly, Fair value loss as on 01st April 2016 amounting to ₹ 89.73 lakhs is adjusted to respective assets, liabilities and equity as on 01st April 2016 and Fair value Gain on account of amortization as on 31st March 2017 amounting to ₹ 48.29 lakhs is recognized in Statement of Profit and Loss.

5. Deferred Tax effect on temporary differences under Ind AS:

Under IGAAP deferred tax was accounted using income approach, which focuses on timing differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focus on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS has resulted in an additional deferred tax liability of ₹ 62.45 lakhs as on 01st April 2016 and reversal of deferred tax liability of ₹ 1.52 lakhs as on 31st March 2017.

6. Gain/Loss on Net Defined Benefit Liability/Asset:

As per IGAAP, gains and losses on remeasurement of net defined benefit liability/asset are recognized in the Statement of Profit and Loss, whereas under Ind AS the same has been recognized in Other Comprehensive Income by accumulating in a separate component of equity. Accumulated loss (excluding tax) on remeasurement of net defined benefit liability amounting to ₹ 13.60 lakhs as on 31st March 2017 have been transferred to a separate component of Equity. The tax effect on the net gain recognized in OCI, amounting to ₹ 4.50 lakhs is considered as charge to OCI.

7. Gratuity Expense:

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. Accordingly, the effect of such changes in assumptions as on 01st April 2016 resulted in additional provision of ₹ 15.85 lakhs and reversal of excess provision as on 31st March 2017 ₹ 25.85 lakhs.

8. Depreciation on Revalued Asset:

An amount equivalent to depreciation on revalued portion of an asset is transferred from revaluation reserve under IGAAP. Under Ind AS since the company has opted the option of deemed cost on the date of transition i.e. as on 01st April 2016, the depreciation on revalued portion is to be charged to Statement of Profit and Loss. Consequently, an amount of ₹ 4.57 lakhs being depreciation on the revalued portion is charged to Statement of Profit and Loss.

(viii) Others:

Under IGAAP, actuarial gains and losses related to the defined benefit schemes for Gratuity and liabilities towards employee leave encashment were recognised in the statement of profit or loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of the net defined benefit liability / asset which is recognised in the Other Comprehensive Income (OCI). Consequently, the tax effect of the same has also been recognised in OCI instead of statement of profit or loss.

NOTE 31 : Financial Instruments :**i. Financial Risk Management:**

The Board takes the 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 the 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.

The Financial Risks in a Business Entity can be classified as Market Risk, Credit Risk and Liquidity Risk. The status of these Risks at the Company is as brought out hereunder:

a) Market Risk :

Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

b) Credit Risk :

Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables. The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions. There are no significant concentrations of credit risk within the company.

c) Liquidity Risk :

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date 31.03.2018.*

₹ In lakhs

Particulars	Carrying value	Less than 1 year	More than 1 year upto 3 years	Beyond 3 years	Total
Borrowings	311.27	45.73	223.40	42.14	311.27
Trade Payables	135.42	135.42	0.00	0.00	135.42
Other Financial Liabilities	767.84	737.74	30.10		767.84
Total	1,214.53	918.89	253.50	42.14	1,214.53

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date 31.03.2017.*

₹ In lakhs

Particulars	Carrying value	Less than 1 year	More than 1 year upto 3 years	Beyond 3 years	Total
Borrowings	778.60	142.67	390.83	245.10	778.60
Trade Payables	138.66	138.66	0.00	0.00	138.66
Other Financial Liabilities	862.44	832.22	0.00	30.22	862.44
Total	1,779.70	1,113.54	390.83	275.32	1,779.70

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date 01.04.2016.*

₹ In lakhs

Particulars	Carrying value	Less than 1 year	More than 1 year upto 3 years	Beyond 3 years	Total
Borrowings	1,261.64	106.87	1,013.01	141.76	1,261.64
Trade Payables	120.40	120.40	0.00	0.00	120.40
Other Financial Liabilities	931.04	900.82	0.00	30.22	931.04
Total	2,313.08	1,128.09	1,013.01	171.98	2,313.08

* The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The table includes both interest and principal cash flows.

ii. Fair Values Hierarchy

A. Financial assets and Financial liabilities measured at fair value in the statement of financial position are categorized into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 - Quoted Prices (unadjusted) in active markets for financial instruments

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial assets and liabilities measured at fair value - recurring fair value measurements ₹ In lakhs

As at 31st March 2018	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments at FVTOCI				
Equity Instruments				
Quoted	155.04			155.04
Unquoted			30.46	30.46
Total financial assets	155.04	0.00	30.46	185.50

Financial assets and liabilities measured at fair value - recurring fair value measurements ₹ In lakhs

As at 31st March 2017	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments at FVTOCI				
Equity Instruments				
Quoted	167.22			167.22
Unquoted			29.70	29.70
Total financial assets	167.22	0.00	29.70	196.92

Financial assets and liabilities measured at fair value - recurring fair value measurements ₹ In lakhs

As at 1st April 2016	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments at FVTOCI				
Equity Instruments				
Quoted	147.06			147.06
Unquoted			34.10	34.10
Total financial assets	147.06	0.00	34.10	181.16

B. Valuation Techniques:

a. The Carrying value of financial assets and liabilities with maturities less than 12 months are considered to be representative of their fair value.

b. Fair value of fixed interest rate financial assets and liabilities carried at amortised cost is determined by discounting the cash flows using a discounting rate equivalent to market rate applicable to similar assets and liabilities as at the balance sheet date.

C. There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

iii. **The carrying value and fair value of Financial instruments by each category as at 31st March, 2018 were as follows.**

₹ In lakhs

S.No.	Particulars	Financial assets/ liabilities at amortised costs	Financial assets / liabilities at FVTPL	Financial assets / liabilities at FVTOCI	Total Carrying Value	Total Fair Value
A. Financial assets						
(i)	Investments	30.46		155.04	185.50	185.50
(ii)	Loans	41.29			41.29	41.29
(iii)	Other financial Assets	250.13			250.13	250.13
(iv)	Trade Receivables	224.89			224.89	224.89
(v)	Cash & cash equivalents	373.00			373.00	373.00
	Total financial assets	919.76	—	155.04	1,074.81	1,074.81
B. Financial liabilities						
(i)	Trade Payables	135.42			135.42	135.42
(ii)	Other financial Liabilities	767.84			767.84	767.84
(iii)	Borrowings	311.27			311.27	311.27
	Total financial liabilities	1,214.53	—	—	1,214.53	1,214.53

The carrying value and fair value of Financial instruments by each category as at 31st March, 2017 were as follows:

₹ In lakhs

S.No.	Particulars	Financial assets/ liabilities at amortised costs	Financial assets / liabilities at FVTPL	Financial assets / liabilities at FVTOCI	Total Carrying Value	Total Fair Value
A. Financial assets						
(i)	Investments	29.70	—	167.22	196.92	196.92
(ii)	Loans	42.19	—	—	42.19	42.19
(iii)	Other financial Assets	308.55	—	—	308.55	308.55
(iv)	Trade Receivables	260.40	—	—	260.40	260.40
(v)	Cash & cash equivalents	472.05	—	—	472.05	472.05
	Total financial assets	1,112.89	—	167.22	1,280.12	1,280.12
B. Financial liabilities						
(i)	Trade Payables	138.66	—	—	138.66	138.66
(ii)	Other financial Liabilities	862.44	—	—	862.44	862.44
(iii)	Borrowings	778.60	—	—	778.60	778.60
	Total financial liabilities	1,779.70	—	—	1,779.70	1,779.70

The carrying value and fair value of Financial Instruments by each category as at 1st April, 2016 were as follows :

₹ In lakhs						
S.No.	Particulars	Financial assets/ liabilities at amortised costs	Financial assets / liabilities at FVTPL	Financial assets / liabilities at FVTOCI	Total Carrying Value	Total Fair Value
A. Financial assets						
(i)	Investments	34.10	—	147.06	181.16	181.16
(ii)	Loans	127.16	—	—	127.16	127.16
(iii)	Other financial Assets	358.56	—	—	358.56	358.56
(iv)	Trade Receivables	201.82	—	—	201.82	201.82
(v)	Cash & cash equivalents	580.52	—	—	580.52	580.52
Total financial assets		1,302.16	—	147.06	1,449.22	1,449.22
B. Financial liabilities						
(i)	Trade Payables	120.40	—	—	120.40	120.40
(ii)	Other financial Liabilities	931.04	—	—	931.04	931.04
(iii)	Borrowings	1,261.64	—	—	1,261.64	1,261.64
Total financial liabilities		2,313.08	—	—	2,313.08	2,313.08

iv. Capital Management:

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of Balance Sheet.

Management assesses the Company's capital management in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Dividends		₹ In lakhs
Particulars		AS AT 31.03.2018
(a)	The amount of dividend proposed and not recognized at the end of the reporting period to be distributed to Equity share holders	155.06
(b)	The corresponding amount of dividend distribution tax for the amount of proposed dividend	31.57

The Company declared Final Dividend of ₹ 215.34 lakhs (including Dividend Distribution Tax) and ₹ 43.07 lakhs (including Dividend Distribution Tax) for the year ended 31st March, 2017 and 2016 respectively. The Company has on 14th February, 2018 declared an Interim Dividend of ₹ 172.28 lakhs (including Dividend Distribution Tax) which has been considered in the accounts for the year ended 31st March, 2018.

NOTE 32 : Employee Benefits :

The disclosure required by Indian Accounting Standard 19, "Employee Benefits" is as follows:

The Company's obligation towards Gratuity being Defined Benefit Plans have been actuarially valued, the details of which as on 31st March 2018, 31st March 2017 and 01st April 2016 are given below:

I. GRATUITY:**A. Expense recognized in the statement of Profit and Loss: (₹ in lakhs)**

Period	From 01.04.2017 to 31.03.2018	From 01.04.2016 to 31.03.2017	As on 01.04.2016
Interest cost	22.86	22.14	
Current service cost	32.31	28.24	
Past Service Cost	5.19	0.00	
Expected return on plan asset	(21.69)	(19.83)	
Expenses to be recognized in P&L	38.67	30.55	0

B. Amount recognized for the current period in the statement of Other Comprehensive Income [OCI] on account of Gratuity (₹ in lakhs)

Period	From 01.04.2017 to 31.03.2018	From 01.04.2016 to 31.03.2017	As on 01.04.2016
Actuarial (gain) / loss - obligation	23.91	(12.15)	
Actuarial (gain) / loss - plan assets	1.03	(1.45)	
Total Actuarial (gain) / loss	24.94	(13.60)	0

C. Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets (₹ in lakhs)

Period	From 01.04.2017 to 31.03.2018	From 01.04.2016 to 31.03.2017	As on 01.04.2016
Present value of the obligation at the end of the period	343.78	294.95	295.22
Fair Value of Plan Asset at the end of the Period	327.43	279.81	264.43
Liability / (Asset) recognized	16.36	15.14	30.79

Table showing changes in the Present Value of Obligations: (₹ in lakhs)

Period	From 01.04.2017 to 31.03.2018	From 01.04.2016 to 31.03.2017	As on 01.04.2016
Present value of the obligation at the beginning of the period	294.95	295.22	295.22
Interest cost	22.86	22.14	0.00
Current service cost	32.31	28.24	
Past Service Cost	5.19	0.00	
Benefits paid (if any)	(35.43)	(38.50)	
Actuarial (gain)/loss	23.91	(12.15)	
Present value of the obligation at the end of the period	343.78	294.95	295.22

Table showing changes in the Fair Value of Planned Assets: (₹ in lakhs)

Period	From 01.04.2017 to 31.03.2018	From 01.04.2016 to 31.03.2017	As on 01.04.2016
Fair value of plan assets at the beginning of the period	279.81	264.43	264.43
Expected return on plan assets	21.69	19.83	
Contributions	62.39	32.60	
Benefits paid	(35.43)	(38.50)	
Actuarial gain/(loss) on plan assets	(1.03)	1.45	
Fair Value of Plan Asset at the end of the Period	327.43	279.81	264.43

D. The amount to be recognized in the Balance Sheet: (₹ in lakhs)

Period	As on 31.03.2018	As on 31.03.2017	As on 01.04.2016
Present value of the obligation at the end of the period	343.78	294.95	295.22
Fair value of plan assets at end of period	327.43	279.81	264.43
Net liability/(asset) recognized in Balance Sheet	16.36	15.14	30.79
Funded Status	(16.36)	(15.14)	(30.79)

(₹ in lakhs)

Movements in the liability recognized in the Balance Sheet	As on 31.03.2018	As on 31.03.2017	As on 01.04.2016
Opening net liability adjusted for effect of balance sheet limit	15.14	30.79	
Amount recognised in Profit and Loss	38.67	30.55	
Amount recognised in OCI	24.94	(13.60)	
Contribution paid	62.39	32.60	
Closing net liability	16.36	15.14	30.79

E. The assumptions employed for the calculations are tabulated: (₹ in lakhs)

Particulars	As on 31.03.2018	As on 31.03.2017	As on 01.04.2016
Discount rate	7.75 % per annum	7.50 % per annum	7.50 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum	5.00 % per annum
Mortality	IALM 2006-08	IALM 2006-08	IALM 2006-08
Expected rate of return	7.75% per annum	7.50% per annum	7.50% per annum
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.	5.00% p.a.

ii. EARNED LEAVE

During the year, in terms of the long term Union agreement dated 01.08.2017, the Company made a provision towards Earned Leave payable to those employees of the company who have completed 5 years of service for Rs. 148.18 lakhs.

NOTE 33 : Micro and small enterprises :

A. (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. (₹ in lakhs)

Particulars	31.03.2018	31.03.2017	01.04.2016
Principal Amount remaining unpaid to any supplier as on			
Trade Creditor	—	—	—
Capital creditor	—	—	—
Interest on above	—	—	—
The amount of principal paid beyond the appointed date	—	—	—
The amount of Interest paid beyond the appointed Date	—	—	—
Amount of Interest due and payable on delayed payments	—	—	—
Amount of interest accrued and due	—	—	—
Total Outstanding dues of Micro Enterprises and Small Enterprises	—	—	—

B. Balances of some of the Trade Receivables, Other Assets, Trade and Other Payables are subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made. However, management does not expect to have any material financial impact of such pending confirmation/reconciliation.

NOTE 34 : Disclosure pursuant to Ind AS 12 “Income Taxes” :

i. Break-up of Deferred Tax Liabilities and Assets are given below :

For the year ended 31st March, 2018 (₹ in lakhs)

Particulars	Opening balance as on 01.04.2017	Additions / (reversals) in Income statement	Additions / (reversals) recognized in Equity	Closing Balance as on 31.03.2018
Deferred Tax Liability				
<i>On Temporary Differences</i>				
- Depreciation	242.16	(100.55)	—	141.61
Total	242.16	(100.55)	—	141.61
Deferred Tax Asset	—	—	—	—
Net Deferred Tax Liability / (Asset)	242.16	(100.55)	—	141.61

For the year ended 31st March, 2017 (₹ in lakhs)

Particulars	Opening balance as on 01.04.2016	Additions / (reversals) in Income statement	Additions / (reversals) recognized in Equity	Closing Balance as on 31.03.2017
Deferred Tax Liability				
<i>On Temporary Differences</i>				
- Depreciation	287.64	(45.48)	—	242.16
Total	287.64	(45.48)	—	242.16
Deferred Tax Asset	—	—	—	—
Net Deferred Tax Liability / (Asset)	287.64	(45.48)	—	242.16

ii. Reconciliation between the average effective tax rate and the applicable tax rate is as follows:

A reconciliation of the income tax provision to the amount computed by applying the statutory (₹ in lakhs)

Particulars	31st March 2018	31st March 2017
Profit before taxes	641.89	565.88
Enacted Tax Rates	33.063%	33.063%
Expected Tax Expense/(Benefit)	212.23	187.10
Effect of:		
Deductible Expenses / Non-Taxable Income for tax purpose:		
Profit on sale of asset	(0.66)	(0.34)
Fair value on Investments	4.33	(6.67)
Fair value on deposits	(5.66)	(15.97)
Non-Deductible Expenses for tax purpose:		
Donations	2.66	1.35
Loss on Sale of Assets considered u/s. 32	10.75	—
CSR Expenses as per section 37(1)	4.01	4.29
Impairment		64.95
Others:		
On account of depreciation	26.87	45.82
Provision on gratuity reversal not considered	—	(13.79)
Others:	(0.03)	8.25
Tax Expense*	254.50	275.00

* Tax expense is including tax effect on the components of Other Comprehensive Income

NOTE 35 : Disclosure pursuant to Ind AS 33 - "Earnings Per Share" :

Earnings per share has been computed as under	31.03.2018 ₹ In lakhs	31.03.2017 ₹ In lakhs
Profit / (Loss) before Taxation as per Profit & Loss Account	679.93	532.12
Tax Expense	166.53	218.36
Profit / (Loss) after Taxation as per Profit & Loss Account (A)	513.40	313.76
Number of Ordinary Shares outstanding Shares fully paid-up (Equity Shares of Rs. 10/- each) (B) (in number)	1,19,28,000	1,19,28,000
Earnings Per Share - Basic and Diluted (Face value of Rs. 10/- per share) (A/B)	4.30	2.63

NOTE 36 : Disclosure Pursuant to Indian Accounting Standards 24 - Related Party Disclosures :

Name of the related Party	Nature of the Relationship
Mr. A. Ravikumar Reddy	Key Managerial Personnel* - Managing Director
Mrs. A. Nina Reddy	Key Managerial Personnel - Joint Managing Director
Mr. A. Tarun Reddy	Key Managerial Personnel - Director
Ms. A. Nivruti	Key Managerial Personnel - Director

Name of the related Party	Nature of the Relationship
Mr. S. Sridhara Rao	Key Managerial Personnel - Director
Mr. A. Sudhakar Reddy	Key Managerial Personnel - Director
Mr. B. Ranga Reddy	Key Managerial Personnel - Director
Mr. N.S. Mohan	Key Managerial Personnel * - Company Secretary
Mr. D.V.M. Sambasiva Rao (from 1st July 2017)	Key Managerial Personnel * - Chief Financial Officer
Mr. I. Sivakumar (retired on 30th June 2017)	Key Managerial Personnel * - Chief Financial Officer

* As per Section 203 of the Companies Act, 2013 the following are Key Managerial Persons:

- i) Mr. A. Ravikumar Reddy - Managing Director
- ii) Mr. N S Mohan - Company Secretary
- iii) Mr. D V M Sambasiva Rao - Chief Financial Officer

In respect of the following entities Mr. A. Ravikumar Reddy, Mrs. A. Nina Reddy, Mr. A. Tarun Reddy, Ms. A. Nivruti exercise significant influence:

- i) Amaravathi Restaurants Pvt. Ltd.
- ii) Shyam Hotels and Restaurants
- iii) Ruchi Agro Products Pvt. Ltd.
- iv) Shyam Enterprises Pvt. Ltd.
- v) Saveria Anthuriums Pvt. Ltd.
- vi) Amaravathi Entreprises (Chennai)
- vii) Shyam Investments

ii. The Table showing transactions with Key Managerial Personnel and entity over which they exercise significant influence for the year ended 31.03.2018 (₹ in lakhs)

Particulars	Key Managerial Personnel	Entity over which Key Managerial Personnel exercises significant Influence
Purchase of Goods	—	44.43
Services received	—	3.50
Royalty on Franchise	—	31.42
Balance in Trade Payable at the end of the year	—	8.21
Balance in Other Current Liabilities at the end of the year	—	—
Sitting Fees	2.95	—
Remuneration	100.61	—

iii. The Table showing transactions with Key Managerial Personnel and entity over which they exercise significant influence for the year ended 31.03.2017 (₹ in lakhs)

Particulars	Key Managerial Personnel	Entity over which Key Managerial Personnel exercises significant Influence
Purchase of Goods/Services received	—	32.12
Purchase of Fixed Assets	108.23	245.62
Royalty on Franchise	—	19.85
Balance in Trade Payable at the end of the year	—	13.11
Balance in Other Current Liabilities at the end of the year	8.34	—
Sitting Fees	3.51	—
Remuneration	98.17	—

- iv. Salaries, Wages and Other benefits include Managerial Remuneration under section 198 of the Companies Act, 2013, which are as follows : (₹ in lakhs)

Particulars	Managing Director	Joint Managing Director
Salaries and Perquisites (5 % on Net Profit)		
As on 31.03.2018	37.50	37.50
As on 31.03.2017	36.25	36.25
As on 01.04.2016	47.50	47.50

NOTE 37 : Other Significant Disclosures

- i. **Disclosure pursuant to Ind AS 37, " Provisions, Contingent Liabilities and Contingent Assets "**

A. **Provision :**

Wherever any liability has been recognized by the company, the necessary provisions were made in the books of accounts.

B. **Contingent Liabilities :**

The contingent liabilities are those which are not recognized as liability.

Income Tax :

For the assessment year 2006-07, the income tax assessment of the company was reopened against which the company filed a petition in the Supreme Court. The Supreme Court has directed the Madras High Court to dispose off the case on merits. In the meanwhile, in the reassessment of the company no further tax is due. Hence there would not be any further liability on the company on this ground.

The amount of TDS demands as per TRACES is ₹ 22.73 lakhs. The Company is in the process addressing the errors for necessary rectification.

Charges Payable to TANGEDCO :

The company has entered into an Energy Wheeling Agreement on 15th December 2014 with M/s. Clarion Wind Farm Private Limited (CWFPL) to draw power approximately 3,50,000 units per month @ ₹ 5.90 per unit. Tamil Nadu Generating & Distributing Corporation Limited (TANGEDCO) issued a show-cause notice directing the company to furnish documents to substantiate the company's claim that the power drawn under the Energy Wheeling Agreement is under "captive consumer status" and the "captive generator status" to CWFPL failing which a cross subsidy surcharge would be levied on the company amounting to ₹ 216.06 lakhs for the years 2014-15, 2015-16 and 2016-17.

The company has responded to the show cause notice and submitted the necessary documents to prove its captive consumer status and also requested CWFPL to submit the necessary documents as required by the TANGEDCO to prove the Captive Generator Status. The company has also obtained an undertaking from CWFPL vide their letter dated 26th April 2018 that the CWFPL would bear cross subsidy surcharge, if any imposed by the TANGEDCO on the company, if the Captive Generator Plant norms are not complied with due to the default by CWFPL. In view of the undertaking by CWFPL there will not be any contingent liability on our company, since such contingent liability will be borne by captive generator i.e. CWFPL.

- ii. **Commitments** (₹ in lakhs)

Particulars	31.03.2018	31.03.2017	01.04.2016
Estimated amount of contracts remaining to be executed and not provided for			
(i) On Capital Account	—	—	—
(ii) Other than (i) above	—	—	—
Total	—	—	—

iii. CSR Activities	(₹ in lakhs)		
	Particulars	31.03.2018	31.03.2017
Gross amount to be spent on CSR activities	13.41	12.01	8.91
Amount spent during the year on CSR activities -			
Education	10.22	9.53	2.55
Environmental Sustainability	0.55	0.93	—
Welfare for Deaf and blind	0.87	2.20	—
Social security	0.50	—	1.50
Flood relief	—	0.30	4.42
Healthcare	—	—	0.50
	12.14	12.96	8.97
Amount unspent	1.27	0.00	0.00

iv. Exceptional Items

Exceptional items represents Rs.97.55 lakhs, being loss on closure of Saveria Purple, Bangalore ₹ 65.04 lakhs and Food Buddy Outdoor Catering Division, Chennai - ₹ 32.51 lakhs during the year ended 31st March, 2018.

v. Segment Reporting

The company's only business is Hotelliering and hence disclosure of segment wise information is not applicable under Ind AS 108 "Operating Segments". There is no Geographical segment to be reported since all the operations are undertaken in one geographical area.

vi. Figures are rounded off to nearest rupee.

vii. Previous year figures have been rearranged or regrouped wherever necessary.

As per our attached Report of even date

For S. VENKATRAM & CO. LLP

Chartered Accountants

Firm Regd No. 004656S / S200095

(S. Sundarraman)

Partner (M.No. 201028)

Place : Chennai

Date : 30th May, 2018

For and on behalf of the Board

A. Ravikumar Reddy

Managing Director

(DIN : 00145372)

N.S. Mohan

Company Secretary

A. Nina Reddy

Joint Managing Director

(DIN: 00144797)

D V M Sambasiva Rao

Chief Financial Officer

FOR THE ATTENTION OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

We draw your attention to the circular issued by Securities and Exchange Board of India (SEBI) No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20/04/2018. SEBI, in point no. 12 (ii) of the Annexure to its circular had directed all the listed companies to send a communication to all its shareholders through their Registrars and Transfer agents (RTA), who are holding shares in physical form and obtain copy of the PAN of all the holders and Bank account details of the first / sole shareholder of the company.

These guidelines are issued by SEBI to streamline and strengthen the procedures and processes with regard to handling and maintenance of records, transfer of securities and payment of dividend/interest/redemption by the RTAs, Issuer Companies and Bankers to Issue.

We had already sent individual communications to all our shareholders holding shares in physical form requesting them to submit the PAN and Bank mandate details.

This may kindly be treated as first reminder

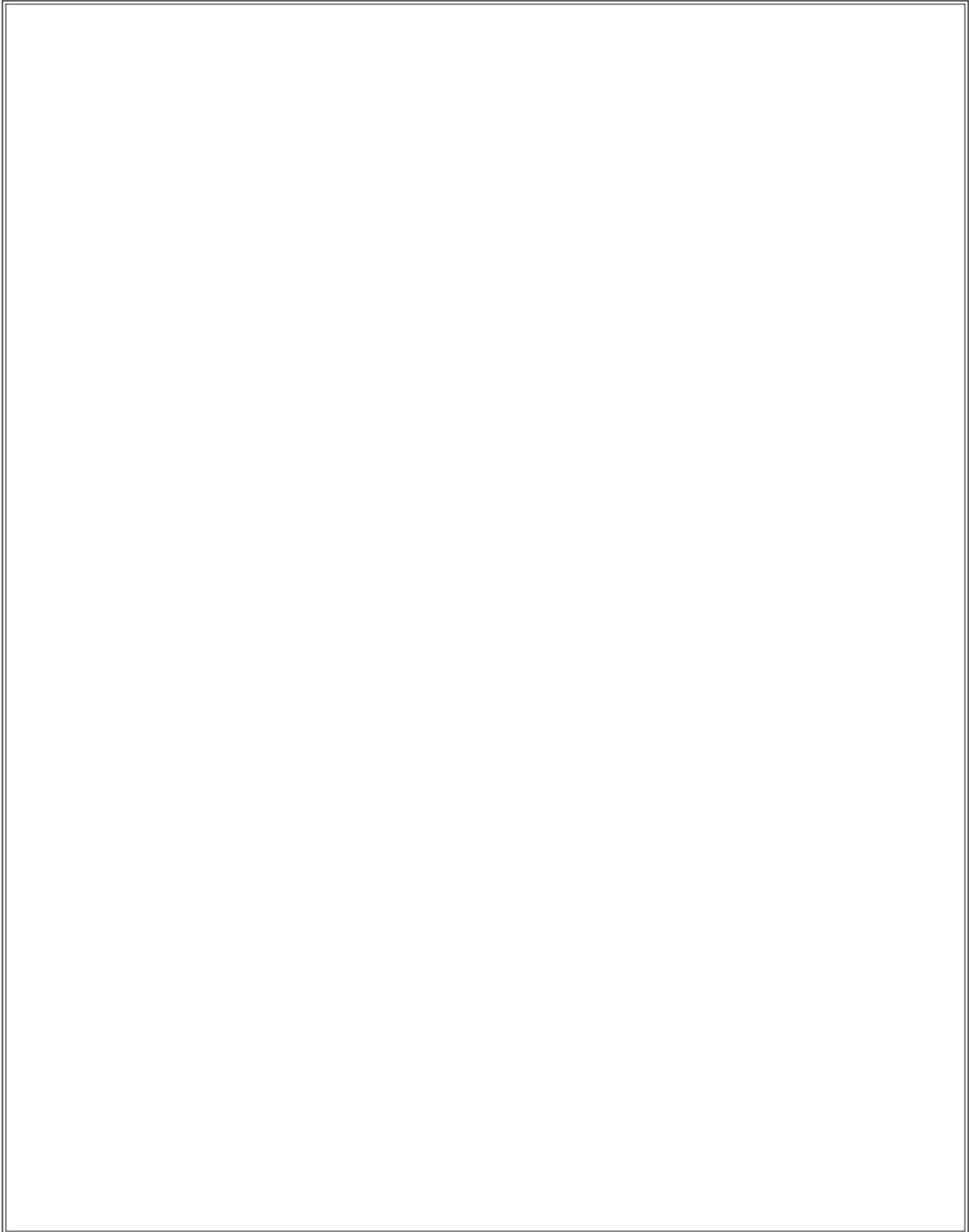
To enable us to update the PAN and Bank account details, we request you to kindly submit the following documents within 21 days:

- **Copy of self-attested PAN card of the shareholders including joint holders, if any in the format attached**
- **Bank a/c details of the first/sole shareholder, as per the Bank Mandate format attached**
- **Original cancelled cheque leaf with the name of the first/sole shareholder printed on it or copy of bank passbook showing name & account details of the account holder attested by the bank manager**

On receipt of the above documents, we will update the same in our records.

Kindly note that In case of dividend declaration by the company, all dividends including past unpaid dividends, if any, will be directly credited to the bank account furnished by you. It is not out of place to mention here that under section 124 (6) of the Companies Act 2013, if dividends remain unpaid / unclaimed for a period of seven consecutive years then the underlying shares are also liable to be transferred to the a/c of IEPF authority.

We also request you to kindly arrange to send us the first/sole shareholders email Id for sending future communications as per the format attached.



PAN MANDATE FORM

NAME OF THE COMPANY	FOLIO NO.									

First /Sole Shareholder Name		PAN1																	
First Jt. Holder Name		PAN2																	
Second Jt. Holder Name		PAN3																	
Third Jt. Holder Name		PAN4																	

(SELF-ATTESTED COPIES OF PAN CARD ENCLOSED HEREWITH)

.....

NACH MANDATE FORM

Name of the Bank																			
Branch Name & Address																			
Bank A/c Type (SB A/c / Current A/c)																			
Bank A/c No.																			
Bankers MICR ECS code No																			
Bankers IFSC Code																			

(ORINGAL CANCELLED CHEQUE LEAF WITH THE NAME OF SHAREHOLDER PRINTED ATTACHED HEREWITH)

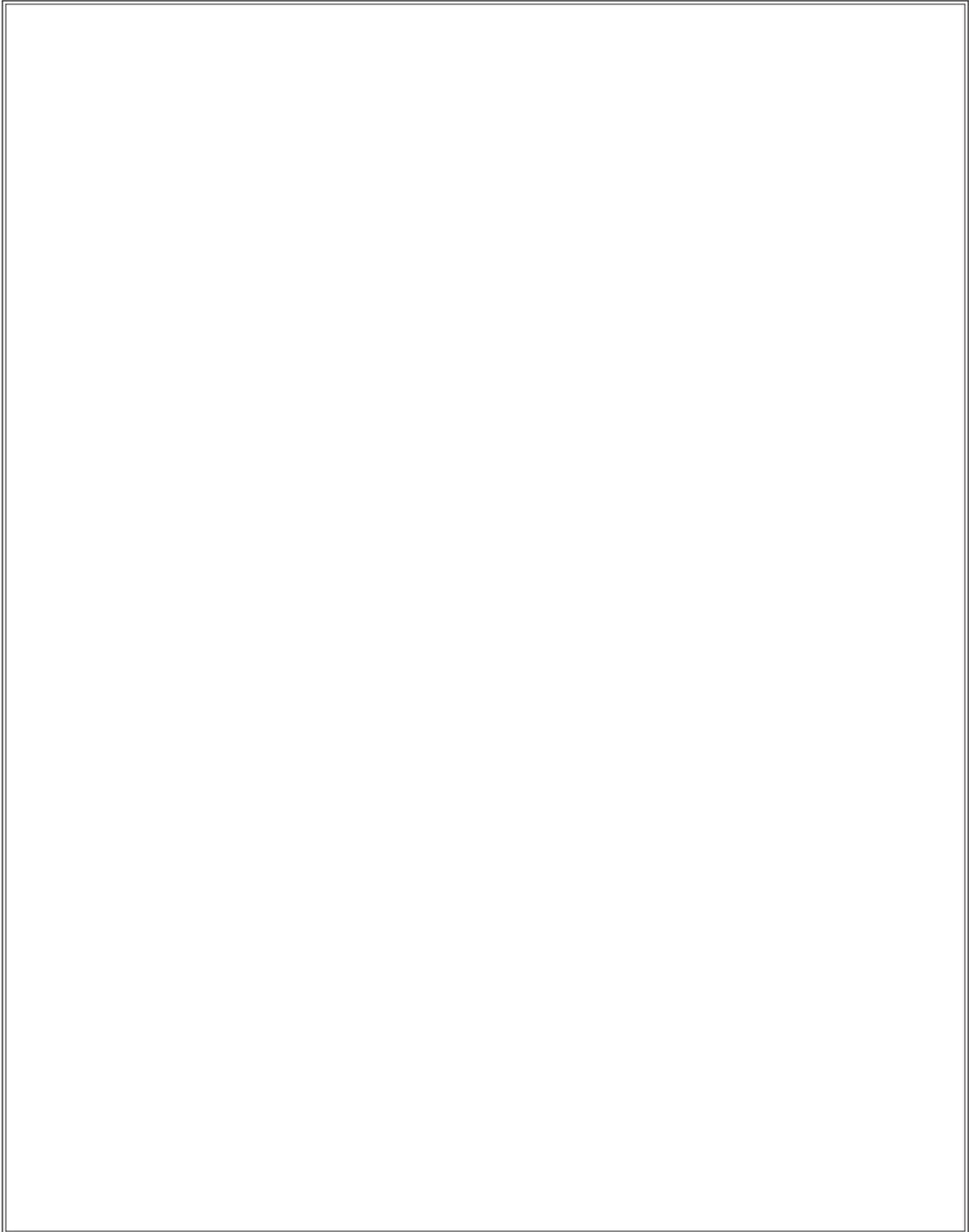
EMAIL REGISTRATION FORM

Email ID																			
Telephone No. / Mobile No.																			

I hereby

- a. state that the particulars of PAN and Bank account details are correct and complete/
- b. authorise the Company/RTA to credit my dividend on the shares held by me directly to my above bank account mentioned herein above.
- c. convey my consent to receive all communications, Annual Report / Notice of the Meetings and from the company through Email rather than hard copy

SIGNATURE OF THE FIRST/SOLE SHAREHOLDER :





SAVERA INDUSTRIES LIMITED
REGD. OFFICE : 146 DR.RADHAKRISHNAN ROAD, CHENNAI 600 004
CIN L55101TN1969PLC005768

ADMISSION SLIP

49th Annual General Meeting – September 20, 2018

Name of the Shareholder(s) / Proxy

Address

Regd. Folio / Client ID, DP ID

No. of shares held

I hereby record my presence at 49th Annual General Meeting of the Company, to be held on Thursday, the 20th September, 2018, at 3.00 p.m. at The Music Academy Mini Auditorium, No.168 T.T.K. Road, Chennai - 600 014.

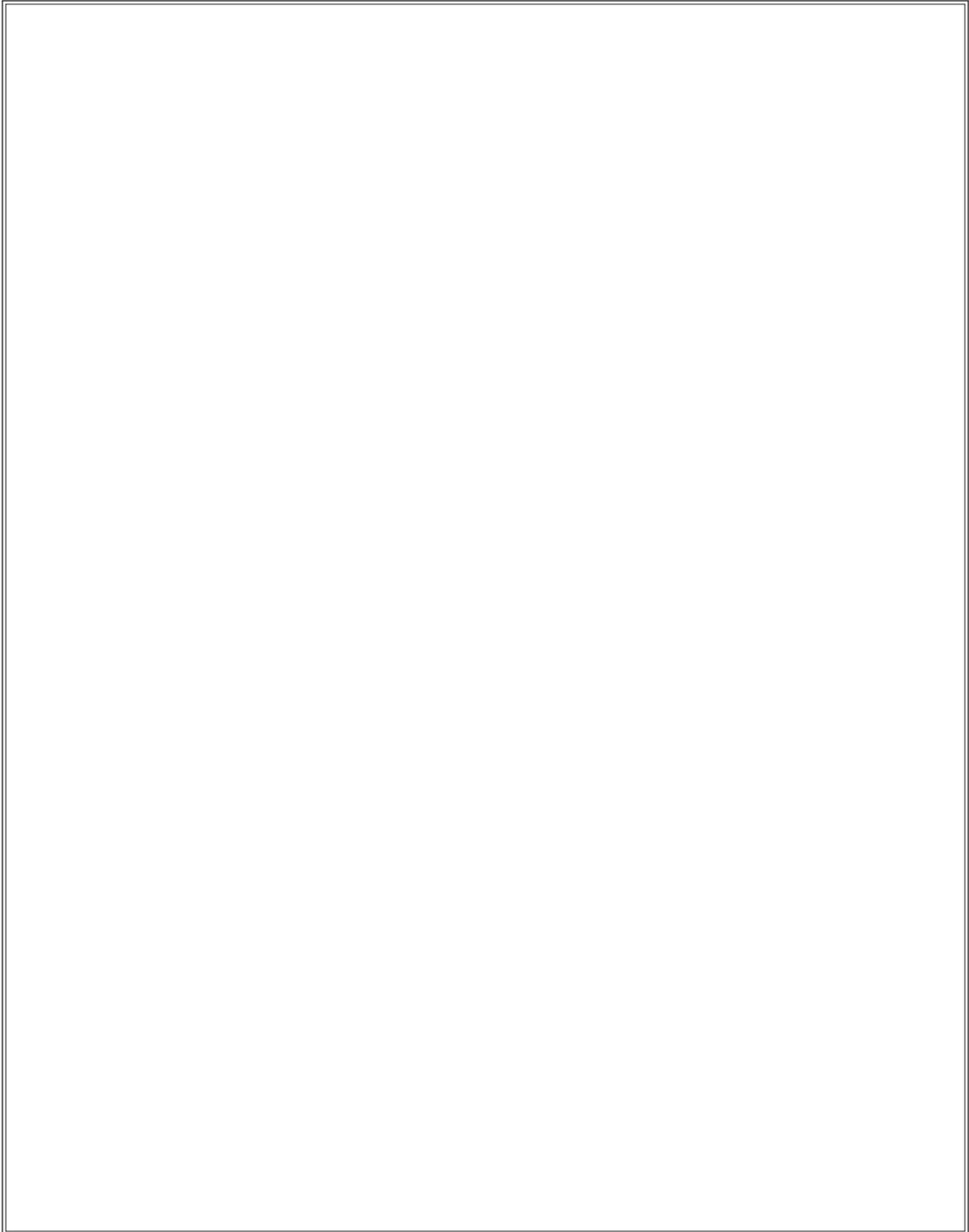


Signature of the member / Proxy

.....
Note :

- i. Please fill up this attendance slip and hand it over at the entrance of the meeting hall.
- ii. Physical copy of the Annual Report 2017-18 along with the Notice, attendance slip and proxy form is being sent to all the members, who have not registered their email ID.
- iii. Members are requested to bring their copy of the Annual Report which were sent in permitted mode to all the members whose e-mail is not registered or have requested for a hard copy.





SAVERA INDUSTRIES LIMITED

REGD. OFFICE : 146 DR.R ADHAKRISHNAN ROAD, CHENNAI - 600 004.
CIN L55101TN1969PLC005768

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)

49th Annual General Meeting – September 20, 2018

Name of the member(s)	<input type="text"/>																				
Registered address	<input type="text"/>																				
	<input type="text"/>																				
	<input type="text"/>																				
Email ID	<input type="text"/>																				
Folio no. / Client ID	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				
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I / We, being the member(s) of shares of the above named company, hereby appoint

1) Name : Email ID

Address :

..... Signature :

or failing him

2) Name : Email ID

Address :

..... Signature :

or failing him

3) 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 49th Annual General Meeting of the Company, to be held on the 20th day of September, 2018, at 3.00 p.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
ORDINARY BUSINESS					
1	Adoption of Audited Financial Statements for the year ended 31 / 03 / 2018 together with the reports of the Directors and Auditors thereon	Ordinary			
2	Confirmation of payment of interim dividend and declaration of final dividend	Ordinary			
3	Re-appointment of Mrs.A.Nina Reddy as a Director.	Ordinary			
4	Ratification of appointment of Statutory Auditors and fixation of their remuneration.	Ordinary			

Signed this day of 2018.

.....
Signature of the shareholder

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

Affix Re.1/-
revenue stamp

Notes :

- 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.**
- Please refer to the notice of the 49th Annual General Meeting for the resolutions and notes.
- * This is only optional. Please put a '**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.
- Please complete all details of member(s) before submission.



Savera Industries Limited

No.146, Dr.Radhakrishnan Road,
Mylapore, Chennai - 600 004.

www.saverahotel.com