

50TH ANNUAL REPORT

2018-2019



THE
SAVERA
OUR BUSINESS IS YOU

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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
Smt A. Nivruti Reddy	Director
Sri A. Sudhakar 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

Financial Summary Highlights for the last 10 years.

(₹ in lakhs)

	31ST MARCH									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
INCOME	7258.42	7311.89	6917.27	6690.98	6309.03	5696.44	5844.69	5371.60	4764.91	3485.6
OPERATING & GENERAL EXPENSES	5933.45	6063.86	5569.25	5418.78	5096.52	4531.29	4667.38	3874.84	3402.84	2535.81
INTEREST	51.12	110.16	169.87	256.43	315.47	361.23	385.92	322.12	235.79	252.96
DEPRECIATION	347.44	360.39	449.58	442.53	500.81	357.7	310.94	245.36	233.01	197.79
PROFIT BEFORE TAX	926.41	679.93	532.12	573.24	396.23	446.22	480.45	929.28	893.27	499.04
TAXATION	298.20	166.53	218.36	330.15	107.00	613.41	106.30	216.08	312.77	191.55
PROFIT AFTER TAX	628.21	513.43	313.76	243.07	289.23	(167.17)	374.15	713.20	580.5	307.49
OTHER COMPREHENSIVE INCOME #	27.41	-25.48	22.59							
DIVIDEND, DIVIDEND TAX & SURCHARGE	172.56	387.62	# 43.07	215.52	172.43	166.36	166.36	166.36	166.91	83.45
DIVIDEND %	12%	25%	15%	15%	12%	12%	12%	12%	12%	12%
FIXED ASSETS NET	5911.75	6147.96	6480.6	6636.23	6746.63	7405.2	7096.27	6020.33	6279.98	5609.69
CAPITAL	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80	596.40
*RESERVES (INCLUDING REVALUATION) / OTHER EQUITY	4675.19	4350.30	4249.98	3928.05	3905.05	3610.6	3953.97	3980.95	3252.61	3653.02
DEFERRED TAX LIABILITY	93.78	141.61	242.16	225.19	235.04	384.59	(14.41)	85.62	68.41	41.05
BONUS ISSUE	-	-	-	-	-	-	-	-	-	1 : 1
Earning per Equity Share	5.27	4.30	2.63	2.04	2.42	(1.40)	3.14	5.98	4.87	5.16

As per Ind-AS

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

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 & Phone	:	cs@saverahotel.com / 044 - 2811 4700
Chief Financial Officer	:	Mr. D.V.M. Sambasiva Rao
Bankers	:	Central Bank of India Mid Corporate Branch 48/49 Montieth Road, Chennai - 8
Statutory Auditors	:	M/s. S.Venkatram & Co., LLP Chartered Accountants 218 T T K Road Alwarpet, Chennai 600 018
Secretarial Auditor	:	Mr.R.Balasubramaniam, Practicing Company Secretary 'J' Block, Second Street, Door No.27, Flat No.A2, Anna Nagar West, 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 50th Annual General Meeting of Savera Industries Limited will be held on Thursday, the 5th September, 2019 at 3.15 P.M. at MusicAcademy 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 31/03/2019 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, 2019 including audited Balance Sheet as at 31st March, 2019 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 Rs.1.00 (Rupee one only) and declare a Final Dividend of Rs.0.20 paise. (Paise twenty only) per equity share for the financial year 2018-19.

3. Appointment of Mr.A.Tarun Reddy, as a Director.

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

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

To consider and if thought fit to pass without modification 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/S200095) 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 51st AGM of the company to be held in the year 2020, at such remuneration as may be mutually agreed between the Board of Directors of the company and the Statutory Auditors.

SPECIAL BUSINESS

5 Reappointment of Mr.A.Sudhakar Reddy as an Independent Director.

To consider and if thought fit, to pass without modification (s) the following resolution as a Special Resolution.

“RESOLVED that pursuant to the provisions of section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.A.Sudhakar Reddy (Holding DIN 01898228) who was appointed as an Independent Director for the first term in the 45th Annual General Meeting of the company held on 22nd September, 2014, be and is hereby re-appointed as an Independent Director of the Company for the second term to hold office for a period of five years from 22nd September 2019 to 21st September, 2024, not liable to retire by rotation.

By Order of the Board
For Savera Industries Limited

Chennai – 600 004
29th May, 2019

N.S.Mohan
Company Secretary

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 30th August, 2019 to 5th September, 2019 (both days inclusive) for the purpose of the 50th Annual General Meeting and determining the entitlement of the shareholders to the final dividend for the financial year 2018-19.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting is annexed hereto.
3. 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.
4. 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.

5. The final dividend of Rs.0.20 paise (Paise twenty only) per share as recommended by the Board of Directors if declared at the Annual General Meeting will be paid after 5th September, 2019 but before 4th October, 2019.
 - (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 29th August, 2019.
 - (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 29th August, 2019.
6. 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.
7. 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.
8. Pursuant to provisions of section 124 of the Companies Act, 2013 (Section 205A(5) of the erstwhile Companies Act, 1956) dividend which remain unpaid/unclaimed for a period of 7 years from the date of transfer of the same to the company's unpaid dividend account will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The following are the details of the dividends paid by the company and the respective dues dates for claim by the shareholders.

Financial year	Date of declaration of Dividend	Date of transfer to IEPF
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
2017-18 (Final)	20.09.2018	23.10.2025
2018-19 (Interim)	13.02.2019	16.03.2026

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.

9. 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.
10. 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.
11. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(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 2018-19 is being sent in the permitted mode.
12. 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.

13. Members may also note that the Notice of the 50th Annual General Meeting and the Annual Report for 2018-2019 will also be available on the Company's website: www.saverahotel.com for their download.
14. 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.
15. 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.

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 31.08.2019 at 9.00 A.M. and ends on 4.09.2019 at 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 29.08.2019 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 Company Name viz 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 Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

16. Other instructions

- a. The voting rights of the shareholders shall be in proportion to their share of the paid up equity share capital of the company as on the cut off date 29th August, 2019.
 - b. Mr. R. Balasubramaniam, Practicing 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 .
29th May, 2019

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

EXPLANATORY STATEMENT

Section 102 of the Companies Act, 2013 relating to item No.5

Item No.5 :

Mr.A.Sudhakar Reddy aged 66 years, holds a Graduate. He joined the Board of the company on 6th June, 2008. He has been associating with the Hotel Industry for more than two and half decades. He is having rich experience in hoteliering business. Mr.A.Sudhakar Reddy is a member of the Audit Committee, Stakeholder Relationship Committee, CSR Committee and Share Transfer Committee. Mr.A.Sudhakar Reddy is Chairman of Nomination and Remuneration Committee.

He is not holding any other directorship in any other company.

Mr.A.Sudhakar Reddy, has been an Independent Director as non-executive Director under the listing agreement on the Board of the company since 6th June 2008. With the enactment of the Companies Act, 2013 ("Act") he was appointed as an Independent Director of the company by the members in the 45th Annual General Meeting of the company held on 22.9.2014 to hold office for the first term for a period of 5 years from 22.9.2014 to 21.9.2019. The Board of Directors of the company, after review, is of the opinion that Mr.A.Sudhakar Reddy fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be re-appointed as an Independent Director for the second term pursuant to the provisions of Section 149 of the Act and also SEBI (LODR) Regulations, 2015.

The company has received from Mr.A.Sudhakar Reddy (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014, (ii) intimation in FORM DIR-8 in terms of companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 read with regulation 25 (8) of SEBI (LODR) Regulations, 2015.

The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mr.A.Sudhakar Reddy as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Mr.A.Sudhakar Reddy as an Independent Director for the second term as indicated in the resolution pursuant to the provisions of section 149 read with schedule IV of the Act for approval by shareholders of the company for a period of 5 years from 22nd September 2019 to 21st September, 2024 not liable to retire by rotation. A copy of the draft letter for the re-appointment of Mr.A.Sudhakar Reddy as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

Mr.A.Sudhakar Reddy is holding 580 equity shares in the company.

Except Mr.A.Sudhakar Reddy, being an appointee, none of the Directors and Key Managerial personnel of the company and their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.5.

The Board recommends the Special Resolution as set out in the Notice for approval of the members.

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

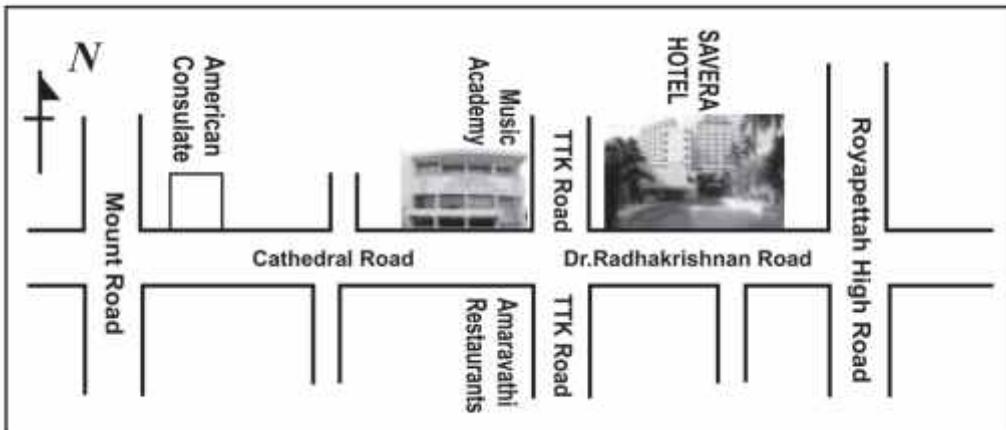
Chennai .
29th May, 2019

N.S.Mohan
Company Secretary

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

ROUTE MAP TO AGM VENUE - MUSIC ACADEMY

(in compliance with the Secretarial Standard 2 of ICSI)



**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
Mr.A.Tarun Reddy	<p>Mr.A.Tarun Reddy, B.Tech (Industrial Bio-Tech), PGDHM (S.H.M.S, Switzerland) is an Engineer and has good experience in hotel industry for more than 12 years. He is a dynamic and innovative person. He is on our Board since Jan. 2004.</p> <p>Sri.A.Tarun Reddy, is a member of the Audit Committee, Nomination and Remuneration Committee and the Chairman of the Stakeholders Relationship Committee.</p> <p>Sri.A.Tarun Reddy is holding 4,32,800 equity shares in the company</p>	2	<p>Amaravathi Restaurants Pvt Ltd</p> <p>Ruchi Agro Products Pvt Ltd.</p>
Mr.A.Sudhakar Reddy	<p>Mr.A.Sudhakar Reddy, ia a Graduate and having rich experience in hoteliering business for more than 2 and half decades. He is on the board since June, 2008.</p> <p>Sri.A.Sudhakar Reddy is a member of Audit Committee, Stakeholders Relationship Committee, CSR Committee, Share Transfer Committee and Nomination and Remuneration Committee.</p> <p>Sri A.Sudhakar Reddy is holding 580 equity shares of the Company.</p>	Nil	Nil

DIRECTORS' REPORT

To the members of Savera Industries Ltd,

The Directors have pleasure in presenting the 50th Annual Report of Savera Industries Ltd (the company), along with the audited financial statements under Ind AS for the financial year ended 31st March, 2019.

PARTICULARS	CURRENT FINANCIAL YEAR 2018-19	PREVIOUS FINANCIAL YEAR 2017-18
Revenue From Operations	7187.15	7243.34
Other income	71.27	62.35
Profit/Loss before Depreciation, Finance Costs, *Exceptional Items and Tax Expenses	1324.97	1248.03
Less : Depreciation / Amortisation / Impairment	347.44	360.39
Profit / loss before Finance Costs, Exceptional items and Tax Expenses	977.53	887.64
Less : Finance Costs	51.12	110.16
Profit / Loss before Exceptional items and Tax Expenses	926.41	777.48
Add : (less) Exceptional Items	-	-97.55
Profit / Loss before Tax Expenses	926.41	679.93
Less : Tax Expenses (Current & Deferred)	298.20	166.53
Profit / Loss for the year (1)	628.21	513.40
Total Comprehensive Income / Loss (2)	27.41	(25.47)
Total (1 + 2)	655.62	487.93
Balance of Profit / Loss for earlier years	3596.85	3471.07
Less : Transfer to Reserve	40.87	-
Less : Dividend paid on Equity Shares	274.34	322.06
Less : Dividend Distribution Tax	56.39	65.56
Balance Carried Forward	3853.46	3596.85

HOTEL INDUSTRY AND ECONOMIC FACTORS THAT IMPACTED THE GROWTH OF THE BUSINESS DURING THE YEAR UNDER REVIEW

As in the earlier years, the Tourism & Hospitality Industry is continuously emerging as the key drivers of our Indian Economy, as the tourism in India has significant potential on account of its rich cultural and historical heritage. Tourism is the large generator and significant source of foreign exchange of the country and also employment. India's rising middle class and increasing disposable income in the hands of the middle class supports the growth of the hotel industry. The increasing pressure of international chains are

attracting foreign tourists to India. The Government of India has also realised the potential of tourism industry for the growth of Indian Tourism. The Government of India is working to achieve 1% share in the world's international tourism arrivals by 2020 and 2% share by 2025. The Government of India is also planning for development of tourist circuits under Swadesh Darshan. In this direction, several projects were sanctioned under Swadesh Darshan scheme. The Tourism Industry is also looking forward to the expansion of e-visa scheme which is expected to double the tourism inflow into India from the neighbouring countries. The low-cost health care facility available in India is also one of the reasons for foreign travellers to come to India, which is normally called as Medical Tourism.

STATE OF COMPANY'S AFFAIRS

During the year under review, the company strived to achieve and maintain the turn over of Rs.71.87 crores which is nearly equal to last years. On account of decrease in financial costs, other expenses and closure of loss making units, the company achieved Profit before Taxes to the tune of Rs.9.26 crores as against the Rs.6.80 crores of previous year. In view of the increasing presence of Online Travel Agents (OTA) the profits will be under stress, as the company is unable to increase the ARR due to competitive rates in the future years. A sum of Rs.40.87 lakhs was transferred to the General Reserve during the year under review. The company has adopted Ind-AS for the first time from the financial year 2017-18

DIVIDEND

The Board of Directors of the Company has declared an Interim Dividend of Rs.1.00 (10%) per equity share for the financial year ended 31.03.2019 on 13th February, 2019. Further the Board of Directors of the Company has recommended a final dividend of Rs.0.20 paise per equity share (2%) for the financial year ended 31.03.2019. The total outflow towards dividend including interim dividend will be Rs.143.14 lakhs and the tax on dividend works out to Rs.29.42 lakhs.

INVESTOR EDUCATION & PROTECTION FUND

During the year under review unclaimed dividend of Rs.2,84,186/- and 6401 number of shares were transferred to the Investor Education and Protection Fund.

Mr.N.S.Mohan, Company Secretary of the company and in his absence Mr.A.C.Murali, is appointed as Nodal Officer as per the provisions of IEPF and the above details are available in the official website of the company i.e. www.saverahotel.com.

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 four (4) times during the year under review and the meeting dates are on 30.5.2018, 14.8.2018, 13.11.2018 and 13.02.2019.

During the year under review, Mr.B.Ranga Reddy, Independent Director resigned from the office of Director w.e.f. 13.2.2019 due to his advancing age i.e. 77. The Board recorded its appreciation for the services rendered to the Company by Mr.B.Ranga Reddy.

The Audit Committee was constituted by the company with three members. The audit committee consists of two Independent Directors and one Non Executive and non Independent Director. Mr.S.Sridhara Rao, is the Chairman of the committee and Mr.A.Sudhakar Reddy and Mr.A.Tarun Reddy are the members of Audit Committee. The Committee met four times during the year under review on 30.5.2018, 14.8.2018, 13.11.2018 and 13.02.2019.

Pursuant to the provisions of the Companies Act, 2013, Mr.A.Tarun Reddy, Director retires by rotation and is eligible for reappointment. The Board recommends his appointment and accordingly resolution seeking approval of the members for his appointment has been included in the notice of the forthcoming Annual General Meeting of the company along with his 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.

Mr.D.V.M.Sambasiva Rao will be retiring as Chief Financial Officer on 31.7.2019. In his place, the Board approved appointment of Mr.CH. Mahesh Kumar as Chief Financial Officer w.e.f. 1.8.2019 by promotion from the existing position of Accounts 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 2018-19.

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 2018-19, 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, 2019 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.

VIGIL MECHANISM

The company had established Vigil Mechanism for its Directors & employees to report their genuine concerns or grievances.

SECRETARIAL STANDARDS

The company has complied with Secretarial Standards I & II issued by ICSI.

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 there under, M/s. S.Venkatram & Co., LLP, Chartered Accountants, 218 TTK 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. However, the Ministry of Corporate Affairs ordered inspection under the provisions of the Companies Act, and a detailed reply was given to the Ministry.

INDEPENDENT DIRECTORS DECLARATION

Mr. A. Sudhakar 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.

There is no loan, guarantee and investment made by the company under section 186 of the Companies Act, 2013 during the financial year 2018 - 19.

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 31-3-2019 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 During the year under review. The CSR Committee meeting was held on 30.5.2018, 14.8.2018, 13.11.2018 and 13.2.2019.

NOMINATION AND REMUNERATION POLICY

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

BOARD EVALUATION

The performance evaluation of the Board, its Committees and individual directors was done and the same was based on questionnaire and feedback from all the Directors.

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 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 followed 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). and the listing fees have been paid.

CORPORATE GOVERNANCE

In terms of Regulation 34 (2) & (3) of SEBI (LODR) Regulations 2015, a report on Corporate Governance, the Practicing Company Secretary 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 90% of the hot water generated through the solar thermal system and induction heater by minimizing the operation of diesel fired hot water boiler.

For the eco practices, the company has changed almost 95% 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 flushing system and cooling tower water.

The company also installed organic waste convertor machine in which the organic wastes are converted into composite manure

The company also installed rain water harvesting system for collecting the rain water.

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. The Core Network Being upgraded to Fiber-optic to serve the Increasing demand and improve the Response Time. Management software is integrated to every aspect of Hotel management for Security and Higher Efficiency

Earnings in convertible foreign exchange for the year amounted to Rs.422.78 lakhs for the services rendered to Foreign Tourists (Previous year Rs.377.55 lakhs). Expenditure in Foreign Currency is Rs.44.68 lakhs (Previous Year Rs.39.44 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 2018-19.

Number of complaint received during the year – NIL

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

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
29th May, 2019

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
Joint Managing Director

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 Materials 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	M/s. Amaravathi Restaurants Pvt Ltd. - 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	The company took the various brands owned by the Amaravathi Restaurants Pvt Ltd on Franchise basis as a Master Franchisee to use the trade marks for its own use and also will look for the suitable franchisee for the franchise of such brands-	The company took the various brands owned by the Amaravathi Restaurants Pvt Ltd on Franchise basis as a Master Franchisee to use the trade marks for its own use and also will look for the suitable franchisee for the franchise of such brands-
(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	Duration 10 years and renewable as may be decided by M/s. Amaravathi Restaurants Pvt Ltd.	Duration 10 years and renewable as may be decided by M/s. Amaravathi Restaurants Pvt Ltd.

(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 akhs in value per financial year	Franchisee 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	Clause 2 and 4 in the said Master Franchise Agreement amended as follows : Revised Clause 2 : in case of own use by the Master Franchisee, the Master Franchisee has to pay to the Owner a Royalty of 3% on turn over without taxes with a holiday period of one year from the date of commencement of its own new unit & without any one time lumpsum franchise fee w.e.f. 1.6.2018. Revised Clause 4 The Royalty collected from the Franchisee shall be appropriated and retained by the Master Franchisee themselves without sharing with the Brand Owner for a period of one year from 1.3.2019 and the same shall be reviewed/renewed after one year. One time Franchise Fee shall be shared between the Master Franchisee and the Brand Owner in the ratio of 50:50.	The company plans to expand its business by way of entering into production, sale of sweets, savouries, pickles, podis etc., under the brand name of 'Amaravathi Home Foods' and the Royalty of 3% not to be paid until the division makes profit. However the company is yet to enter into a Contract.	Clause 2 and 4 in the said Master Franchise Agreement amended as follows : Revised Clause 2 : in case of own use by the Master Franchisee, the Master Franchisee has to pay to the Owner a Royalty of 3% on turn over without taxes and franchise fee with effect from 1st June, 2018. Revised Clause 4 The Royalty collected from the Franchisee by the Master Franchisee shall be appropriated and retained by the Master Franchisee themselves without sharing with the Brand Owner for a period of one year from 1.3.2018 and the same shall be reviewed/renewed after one year. One time Franchise Fee shall be shared between the Master Franchisee and the Brand Owner in the ratio of 50:50.	The Brand Owner at the request of the Master Franchisee, agreed to waive the Royalty for the period as stated above.	13.02.2019	NIL	A.Nina Reddy Joint Managing Director
(e)	Justification for entering into such contracts / arrangements / transactions	Uninterrupted supply of the best quality water at a competitive rate prevailing in the market	In Restaurants Business the brand equity image is one of the main factors, which attract the public with pre-determined assumption of taste and service.	The Brand Owner at the request of the Master Franchisee, agreed to waive the Royalty for the period as stated above.	Amaravathi Home Foods is one of the brands mentioned in the Master Franchise agreement. The market survey reveals that the similar business houses are flourishing in the domestic & export markets. The brand name of Amaravathi is already popular in Restaurants division & well known in southern parts of India.	The Brand Owner at the request of the Master Franchisee, agreed to waive the Royalty for the period as stated above.	The Brand Owner at the request of the Master Franchisee, agreed to waive the Royalty for the period as stated above.	14.08.2018	NIL	A.Ravikumar Reddy Managing Director
(f)	Date of approval by the Board if any	18.11.2017	18.11.2017	30.5.2018	14.08.2018	The Brand Owner at the request of the Master Franchisee, agreed to waive the Royalty for the period as stated above.	The Brand Owner at the request of the Master Franchisee, agreed to waive the Royalty for the period as stated above.	13.02.2019	NIL	A.Nina Reddy Joint Managing Director
(g)	Amount paid as advances, if any	NIL	NIL	NIL	NIL	The Brand Owner at the request of the Master Franchisee, agreed to waive the Royalty for the period as stated above.	The Brand Owner at the request of the Master Franchisee, agreed to waive the Royalty for the period as stated above.	13.02.2019	NIL	A.Nina Reddy Joint Managing Director

Place : Chennai
Date : 29.05.2019

ANNEXURE – 1**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. 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). Besides, the company undertakes activities in the area

- a) Relating to eradicating hunger, poverty and malnutrition (promoting health care including preventive health care) and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga.
- e) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.
- f) Measures for the benefit of armed forces veterans, war widows and their dependents.
- g) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- h) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes and other backward classes, minorities and women.
- i) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

- j) Rural development projects.
- k) Slum area development.”

2. The composition of the CSR committee :

Mr. A. Ravikumar Redy, Managing Director
Mrs. A. Nina Reddy, Joint Managing Director
Mr. A.Sudhakar Reddy Independent director

3. Average Net profit of the company for last three financial years for the purpose of computation of CSR : (Rs in lakhs)

	2017-18	2016-17	2015-16
Net profit as per Sec 198	775.30	654.85	853.75

Average net profit Rs. 761.30 lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) : **Rs15.23 lakhs**

5. Details of CSR spent during the financial year

- a. Total amount spent for the financial year : **Rs.22.77 lakhs**
- b. Amount unspent : NIL
- c. Manner in which the amount spent during the financial year.

- i. Education to the under privileged & skill development
- ii. Cyclone & Flood Relief
- iii. Environment sustainability & 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.

- i. There was no unspent money for the financial year 2018-19
- ii. The unspent amount of Rs. 1.27 lakhs for the financial year 2017-18 has been spent in the financial year 2018-19

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 : 29.05.2019

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
Joint Managing Director

Form No. MGT 9
EXTRACT OF ANNUAL RETURN

(ANNEXURE TO DIRECTORS REPORT)

As on the financial year ended on March 31, 2019

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

1	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 Limited 'Subramaniam Building' No.1, Club House Road, Chennai 600 002 Tel :044 28460390 Fax :044 28460129 Email : cameo@cameoindia.com			
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY. All the business activities contributing 10% or more of the total turnover of the company shall be stated :				
	S.No	Name and Description of main products/services	NIC Code of the product / service	% to total turnover of the company	
	1	Hoteliering	55 Accommodation & Food Service 56 Food & Beverages service activities	52.69% 47.31%	
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
	NOT APPLICABLE				

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

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/Fl	-	-	-	-	-	-	-	-	-
(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/Fl	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
sub total A (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoters	7268765	0	7268765	60.94	7268765	0	7268765	60.94	0.00
A = A (1) + A(2)									
B. PUBLIC									
SHAREHOLDING									
1) Institutions									
(a) Mutual funds	-	-	-	-	-	-	-	-	-
(b) Banks/FIs	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt.(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs.	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub total B (1)	-	-	-	-	-	-	-	-	-

2) Non- Institutions									
a) Bodies Corp.									
i) Indian	594443	6100	600543	5.03	609455	6100	615555	5.16	0.13
ii) Overseas	-	-	-	-					
b) Individual									
i) Individual share holders holding nominal share capital upto Rs.1 lakh	1032074	511851	1543925	12.95	996997	473249	1470246	12.33	-0.62
ii) Individual share holders holding nominal share capital in excess of.1 lakh	2222826	16400	2239226	18.77	2259047	16400	2275447	19.08	0.30
c) Others (Specify)									
i) Clearing Member	1704	-	1704	0.01	962	-	962	0.01	-0.01
ii) Hindu Undivided Families	195564	-	195564	1.64	0	-	0	0	-1.64
iii) IEPF	59482	-	59482	0.50	65783	-	65783	0.55	0.05
iv) Non Resident Indians	18791	-	18791	0.16	18919	-	18919	0.16	0.00
Resident HUF	-	-	-	-	212323	-	212323	1.78	1.78
Sub total B (2)	275541	-	275541	2.31	297987	-	297987	2.50	0.19
Total public share- holding B=B(1)+B(2)	4124884	534351	4659235	39.06	4163486	495749	4659235	39.06	0.00
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	-	-	-	-					-
GRAND TOTAL (A+B+C)	11393649	534351	11928000	100.00	11432251	495749	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 share holding 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	A.Vanshika	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' share holding.

S. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
1	At the beginning of the year	7268765	60.94	7268765	60.94
2	Data 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	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	302619	2.5370	302619	2.5370
	Sale 31-Mar-2018	-894	0.0074	301725	2.5295
	Purchase 24-Aug-2018	1543	0.0129	303268	2.5424
	Sale 28-Sep-2018	-649	0.0054	302619	2.5370
	Purchase 01-Feb-2019	51392	0.4308	354011	2.9678
	Sale 08-Feb-2019	-67	0.0005	353944	2.9673
	At the end of the Year 31-Mar-2019	353944	2.9673	353944	2.9673
	HAVING SAME PAN				
1	RAJASTHAN GLOBAL SECURITIES PVT LTD				
	At the beginning of the year 01-Apr-2018	82983	0.6956	82983	0.6956
	Sale 01-Feb-2019	-82983	0.6956	0	0.0000
	At the end of the Year 31-Mar-2019	0	0.0000	0	0.0000
2	ZAKI ABBAS NASSER				
	At the beginning of the year 01-Apr-2018	345000	2.8923	345000	2.8923
	Purchase 31-Mar-2018	15000	0.1257	360000	3.0181
	Purchase 22-Jun-2018	10000	0.0838	370000	3.1019
	Sale 24-Aug-2018	-10000	0.0838	360000	3.0181
	Sale 21-Dec-2018	-15000	0.1257	345000	2.8923
	At the end of the Year 31-Mar-2019	345000	2.8923	345000	2.8923
3	A.RAJASEKHARA REDDY				
	At the beginning of the year 01-Apr-2018	344480	2.8879	344480	2.8879
	At the end of the Year 31-Mar-2019	344480	2.8879	344480	2.8879

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
4	KETAN A SHAH				
	At the beginning of the year 01-Apr-2018	91000	0.7629	91000	0.7629
	Sale 31-Mar-2018	-91000	0.7629	0	0.0000
	Purchase 08-Jun-2018	1393	0.0116	1393	0.0116
	Purchase 15-Jun-2018	1657	0.0138	3050	0.0255
	Purchase 22-Jun-2018	8994	0.0754	12044	0.1009
	Purchase 29-Jun-2018	2454	0.0205	14498	0.1215
	Purchase 06-Jul-2018	6127	0.0513	20625	0.1729
	Purchase 13-Jul-2018	1017	0.0085	21642	0.1814
	Purchase 20-Jul-2018	5453	0.0457	27095	0.2271
	Purchase 27-Jul-2018	6393	0.0535	33488	0.2807
	Purchase 03-Aug-2018	3910	0.0327	37398	0.3135
	Purchase 10-Aug-2018	486	0.0040	37884	0.3176
	Purchase 17-Aug-2018	616	0.0051	38500	0.3227
	Purchase 24-Aug-2018	32050	0.2686	70550	0.5914
	Purchase 31-Aug-2018	450	0.0037	71000	0.5952
	Purchase 07-Sep-2018	1981	0.0166	72981	0.6118
	Purchase 13-Sep-2018	2019	0.0169	75000	0.6287
	Purchase 21-Sep-2018	20	0.0001	75020	0.6289
	Purchase 28-Sep-2018	1980	0.0165	77000	0.6455
	Purchase 05-Oct-2018	332	0.0027	77332	0.6483
	Purchase 12-Oct-2018	1183	0.0099	78515	0.6582
	Sale 19-Oct-2018	-15	0.0001	78500	0.6581
	Purchase 26-Oct-2018	3000	0.0251	81500	0.6832
	Purchase 02-Nov-2018	6548	0.0548	88048	0.7381
	Purchase 09-Nov-2018	1485	0.0124	89533	0.7506
	Purchase 16-Nov-2018	2467	0.0206	92000	0.7712
	Sale 07-Dec-2018	-1000	0.0083	91000	0.7629
	Purchase 01-Feb-2019	49064	0.4113	140064	1.1742
	Purchase 08-Feb-2019	1936	0.0162	142000	1.1904
	Purchase 15-Feb-2019	2000	0.0167	144000	1.2072
	At the end of the Year 31-Mar-2019	144000	1.2072	144000	1.2072

SI. 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
5	A.CHAITANYA KUMAR REDDY				
	At the beginning of the year 01-Apr-2018	113360	0.9503	113360	0.9503
	At the end of the Year 31-Mar-2019	113360	0.9503	113360	0.9503
6	NISHITHA REDDY				
	At the beginning of the year 01-Apr-2018	113360	0.9503	113360	0.9503
	At the end of the Year 31-Mar-2019	113360	0.9503	113360	0.9503
7	DHEERAJ KUMAR LOHIA				
	At the beginning of the year 01-Apr-2018	109262	0.9160	109262	0.9160
	At the end of the Year 31-Mar-2019	109262	0.9160	109262	0.9160
8	SATHYAMOORTHY DEVARAJULU				
	At the beginning of the year 01-Apr-2018	108639	0.9107	108639	0.9107
	At the end of the Year 31-Mar-2019	108639	0.9107	108639	0.9107
9	JITENDER KUMAR LALWANI				
	At the beginning of the year 01-Apr-2018	104562	0.8766	104562	0.8766
	At the end of the Year 31-Mar-2019	104562	0.8766	104562	0.8766
	HAVING SAME PAN				
9	JITENDRA KUMAR LALWANI				
	At the beginning of the year 01-Apr-2018	20642	0.1730	20642	0.1730
	At the end of the Year 31-Mar-2019	20642	0.1730	20642	0.1730
10	RAJ KUMAR LOHIA				
	At the beginning of the year 01-Apr-2018	90128	0.7556	90128	0.7556
	At the end of the Year 31-Mar-2019	90128	0.7556	90128	0.7556
	NEW TOP 10 AS ON (31-Mar-2019)				

(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 -- 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	1603840 0 1603840	13.45 0 13.45	1603840 0 1603840	13.45 0 13.45
2	MRS.A.NINA REDDY, Joint Managing Director --At the Beginning of the year -- Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc) --At the end of the year	2095812 0 2095812	17.57 0 17.57	2095812 0 2095812	17.57 0 17.57
3	MR.A.TARUN REDDY, Director --At the Beginning of the year -- Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc) --At the end of the year	432800 0 432800	3.63 0 3.63	432800 0 432800	3.63 0 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	MRS.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 0 2.45	291820 0 291820	2.45 0 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 0 0	580 0 580	0 0 0
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 0 0	0 0 0	0 0 0

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 0 0	0 0 0	0 0 0
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 0 0	0 0 0	0 0 0
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 0 0	415 0 415	0 0 0

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	6,31,69,594	9,47,220	—	6,41,16,815
(ii) Int. due but not paid	6,06,455	—	—	6,06,445
(iii) int. accrued but not due	—	—	—	—
Total (i) + (ii) + (iii)	6,37,76,039	9,47,220	—	6,47,23,260
Change in indebtedness during the financial year				
--Addition	25,00,000	—	—	25,00,000
--Reduction	3,70,36,945	8,37,105	—	3,78,74,050
Net Change	3,45,36,945	8,37,105	—	3,53,74,050
Indebtedness at the end of the financial year				
(i) Principal amount	2,86,32,649	1,10,116	—	2,87,42,765
(ii) Int. due but not paid	2,34,113	—	—	2,34,113
(iii) int. accrued but not due	—	—	—	—
Total (i + ii + iii)	2,88,66,762	1,10,116	—	2,89,76,878

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	52,00,000	55,00,000	1,07.00,000
	(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	Nil	Nil	Nil

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	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify -	Nil	Nil	Nil
5.	Others please specify (PF & retirement benefits)	Nil	Nil	Nil
	Total (A)	52,00,000	55,00,000	1,07,00,000
	Ceiling as per the Act	52,34,720	55,91,197	1,08,25,917

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	60,000	40,000	60,000	1,60,000
2.	Commission	0	0	0	0
3.	Others, please specify	0	0	0	0
	Total - 1	60,000	40,000	60,000	1,60,000
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	40,000	1,00,000	
2.	Commission	0	0	0	
3.	Others, please specify	0	0	0	
	Total - 2	60,000	40,000	1,00,000	
	Total B = (1)+(2)			2,60,000	
	Total Managerial Remuneration A + B			1,09,60,000	
	Overall Ceiling as per the Act,			1,10,85,917	

• Mr.B.Ranga Reddy resigned w.e.f. 13.2.2019

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.	19,29,982	7,58,800	26,88,782
	(b) Value of Perquisites U/s. 17(2) of the Income Tax Act, 1961	N.A.	32,200	88,500	1,20,700
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A.			
2.	Stock option	N.A.	Nil	Nil	Nil
3.	Sweat Equity	N.A.	Nil	Nil	Nil
4.	Commission	N.A.			
	- as % of profit	N.A.	Nil	Nil	Nil
	- others, specify	N.A.			
5.	Others please specify - P.F.	N.A.	21,600	21,600	43,200
	Total		19,83,782	8,68,900	28,52,682

VII	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	There were no penalties / punishment / compounding of offences against company, directors, and other officers in default during the year under review.
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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 :31.73	1 :33.56

- (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 2018-19 is furnished below :

Name of the person	% increase in remuneration
Mr. A. Ravikumar Reddy	38.02
Mrs. A. Nina Reddy	45.97

The percentage increase in remuneration of the Chief Financial Officer is 11.76%.
The percentage increase in the remuneration of the Company Secretary is 4.67 %.

- (c) The percentage increase in the median remuneration of employees in the financial year : 2.28%
- (d) The number of permanent employees on the rolls of the company : 596

- (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 29.10% as compared to the increase of 38.02% to the Managing Director and 45.97% to 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 2018-19 in excess of Rs.1,02,00,000/- (Rs.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	Nina Reddy. A	Ravikumar Reddy. A	Michael Lazarus	Mohan. N. S	Dayakar Naidu. R	Mohana krishnan. A.K	Radhish Kumar. B	Viveka nandan. K	Sivakumar. B	D.Sampath Kumar
ii	Designation	Joint Managing Director	Managing Director	Vice President	Company Secretary	Internal Auditor	GM - Food - R & D	GM-HR & Admn	GM - Operations	GM-Events & Outdoor Catering	F & B Manager
iii	Remuneration received in ₹	5505400	5205400	2042756	1983782	1855600	1450548	1306622	1273067	1087042	976473
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.A., DID., DIC.&HK - 21 years	B.E. (Mechanical) 35 years	B. A - 39 years	M.Com., MBA., FCS, BGL, PGDFM - 25 years	B.Com., ACA - 39 years	DHMCT - 29 years	B.A., PG D PM, PG D I.R, BGL, MA - 29 years	B. Sc - 38 years	M. Com - 33 years	B.Sc - Hotel and Catering Management
vi	Date of commencement of employment	28.10.2003	28.09.1999	01.12.1996	06.05.2011	11.11.2015	01.10.1993	03.11.1993	01.10.2010	06.08.1986	14.08.2006
vii	Age of the employee	59	62	58	55	64	50	51	55	57	42
viii	Last employment held by such employees before joining the company	-	-	Southern Explosives	Tamilnad Mercantile Bank Ltd	CFO - Savera Industries Ltd.	Taj airport catering	US Consulate, Chennai	Jayam Software	-	-
ix	Percentage of Equity shares held by the Employee in the company	17.57	13.45	-	-	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	Mrs.A.Nina Reddy is the mother of Ms.A.Nivruti, Director	Mr.A.Ravikumar Reddy is the father of Mr.A.Tarun Reddy, Director and brother-in-law of Mrs.A.Nina Reddy	No	No	No	No	No	No	No	No

Form No.MR.3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 forevaluating 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, 2019 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, 2019 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 madethere under to the extent of Foreign Direct Investment, Overseas Direct and External Commercial Borrowings, if any.
- (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, 2018 **(Not applicable to the Company during the Audit period).**
- (ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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.

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 an Inspection under Section 206(5) of the Companies Act, 2013 was carried on by the Ministry of Corporate Affairs and the Company had replied to the queries raised by the inspecting officer.

I further report that during the audit period, the Company had obtained approval of members by way of Postal Ballot for

- (i) Re-appointment of Mrs. A Nina Reddy as Joint Managing Director and fixation of remuneration; and
- (ii) Re-appointment of Mr. A Ravikumar Reddy as Managing Director and fixation of remuneration

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:17.05.2019

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 are 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:17.05.2019

R. Balasubramaniam
Practicing 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 confirm 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 2018-19.

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 two independent directors and four promoter directors.

- b. Attendance of Directors at the Board Meeting held during financial year 2018-19 and last AGM is given below.

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

- ❖ Mr.B.Ranga Reddy resigned from the Board w.e.f. 13.2.2019

- c. Number of other Board of Directors or Committee in which a director is a member or Chairperson.

Sl. No.	Name of the Director	Other Companies Directorship	Other Companies Committees membership	Name of the Listed Entities where the person is a Director	Category in Savera Industries Ltd
1	Mr.A.Ravikumar Reddy	5	Nil	Savera Industries Limited	Executive
2	Mrs.A.Nina Reddy	4	NIL	Savera Industries Limited	Executive
3	Mr.A.Tarun Reddy	3	Nil	Savera Industries Limited	Non Executive
4	Mrs.A.Nivruti	2	NIL	Savera Industries Limited	Non Executive
5	Mr.A.Sudhakar Reddy	-	-	Savera Industries Limited	Independent – Non Executive
6	Mr.S.Sridhara Rao	-	-	Savera Industries Limited	Independent – Non Executive
7	Mr.B.Ranga Reddy*	1	-	Savera Industries Limited	Independent – Non Executive

- * Mr.B.Ranga Reddy resigned w.e.f. 13.2.2019

- d. The Board of the Company has also the various specialised committees constituted by it. Totally four meetings of the Board were held and the gap between two meetings did not exceed one hundred twenty days. The date on which the said meetings were held on 30.05.2018, 14.08.2018, 13.11.2018 and 13.02.2019 during the financial year 2018-19.

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
Mrs. A. Nivruti	291820
Mr. A. Sudhakar Reddy	580
Mr. B. Ranga Reddy*	Nil
Mr. S. Sridhara Rao	Nil

*Mr.B.Ranga Reddy resigned w.e.f. 13.2.2019

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.

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

j. Chart setting out The Skills / Expertise / Competence of the Board of Directors.

S.No	Name of Directors	The Skills / Expertise / Competence
1	Mr.A.Ravikumar Reddy	Sri.A.Ravikumar Reddy is a qualified Engineer with an experience of 35 years in hotel industry. He is the present Managing Director of the company. He is aged about 59 years. He devoted himself in the day today affairs of the management of the company.
2	Mrs.A.Nina Reddy	Mrs.A.Nina Reddy possesses BA., DID., DCI & HK and particularly specialization in Interior Decoration and House Keeping. She is the present Joint Managing Director of the Company and devoted herself in the day today affairs of the management of the company.
3	Mr.A.Sudhakar Reddy	Mr.A.Sudhakar Reddy, ia a Graduate and having rich experience in hoteliering business for more than two and half decades.
4	Mr.S.Sridhara Rao	Mr.S.Sridhara Rao is an eminent Chartered Accountant and he is in practice for more than two decades.

5	Mr.A.Tarun Reddy	Mr.A.Tarun Reddy is a B.Tech (Industrial Bio-Tech), PGDHM (S.H.M.S, Switzerland) is an Engineer and has good experience in hotel industry for more than 12 years. He is a dynamic and innovative person
6	Mrs.A.Nivruti	Mrs A. Nivruti is a BSc Management (Hons) Graduate from Warwick Univeristy, London, UK and has a rich exposure in hotel industry for more than 12 years. She is a creative and energetic executive.

k. Confirmation :

The company confirms that in the opinion of the Board, the independent Directors fulfill the conditions specified in these regulations and are independent of the management.

l. Detailed reason for resignation of Independent Director Mr.B.Ranga Reddy.

Mr.B.Ranga Reddy, Independent Director of the Company submitted his resignation in view of his advancing age. His resignation was accepted by the Board at its meeting held on 13.2.2019. He also confirmed that there is no material reason other than what is said above.

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

n. The company has two independent directors as at 31.3.2019. 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

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

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc., of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee meetings held on 30.05.2018, 14.08.2018, 13.11.2018 and 13.02.2019 during the financial year 2018-19. The attendance of Members at the Audit Committee meeting held during financial year 2018-19 is furnished hereunder.

S. No.	Name of the members	Category	Number of meetings **during the year 2018-19	
			Held	Attended
1	Mr.S.Sridhara Rao Chairperson	Independent & Non Executive	4	4
2	Mr.A.Sudhakar Reddy	Independent & Non Executive	4	4
3	Mr.A.Tarun Reddy	Non independent & Non Executive	4	4

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, whose attendance also furnished.

S.No.	Name of the members	Category	No. of meeting held	Meeting attended
1	Mr. B.Ranga Reddy – Chairman*	Independent & Non Executive	1	1
2	Mr.A.Sudhakar Reddy**	Independent & Non Executive	1	1
3	Mr.A.Tarun Reddy	Non Independent & Non Executive	1	1
4	Mr.S.Sridhara Rao***	Independent & Non Executive	N.A.	N.A.

* Mr.B.Ranga Reddy resigned from the Board w.e.f. 13.2.2019

** Mr.A.Sudhakar Reddy was designated as the Chairman of the committee w.e.f. 13.2.2019

*** Mr.S.Sridhara Rao was inducted into the Committee w.e.f. 13.2.2019

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,

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

S. No.	Name of the Directors	Category of Director	Salary Per annum	Bonus Stock Option, Pension Retirement Benefits etc	Sittings Fees for Board / Committee Meeting
1.	Mr. A. Ravikumar Reddy	MD - Executive	Rs. 52,00,000	Nil	Nil
2.	Ms. A. Nina Reddy	JMD - Executive	Rs. 55,00,000	Nil	Nil

3.	Mr. A. Tarun Reddy	Non - Executive	Nil	Nil	Rs.60,000
4.	Smt. A. Nivruti	Non - Executive	Nil	Nil	Rs.40,000
5.	Mr. A. Sudhakar Reddy	Non - Executive	Nil	Nil	Rs.60,000
6.	Mr. B. Ranga Reddy	Non - Executive	Nil	Nil	Rs.40,000
7.	Mr. S. Sridhara Rao	Non - Executive	Nil	Nil	Rs.60,000

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.

SI. 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	Smt. 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
1	1	0

(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 31.03.2019. 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 2018- 19 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	15	15
2	Mr. B. Ranga Reddy – Member*	15	11
3	Mr.S.Sridhara Rao – Member *	15	11
4	Smt.A.Nivruti –Member *	15	11
5	Mr.A.Sudhakar Reddy**	15	4

* Mr.S.Sridhara Rao, Mr.B.Ranga Reddy and Ms.A.Nivruti resigned from the committee w.e.f. 13.02.2019

** Mr.A.Sudhakar Reddy has been inducted into Committee w.e.f. 13.2.2019..

(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 2018-19. 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
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.	1) 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. 2) 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
2017-18	The Music Academy, No.168, T.T.K. Road, Chennai - 600 014.	20.09.2018	03.00 PM	Nil

The Resolutions of 49th Annual General Meeting held on 20.09.2018 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 20.9.2018.

8. Details of Postal Ballot Process conducted during the year 2018-19

During the year under review, the Company has conducted "Postal Ballot" under Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014 on the resolutions in respect of reappointment and fixation of remuneration to Managing Director and Joint Managing Director pursuant to the provisions of Section 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013. Sri.R.Balasubramaniam, Practicing Company Secretary was the scrutinizer for conducting the postal ballot in a fair and transparent manner. He submitted his report to the Managing Director on 09.01.2019 and the results were announced by the Managing Director Mr.A.Ravikumar Reddy on 09.01.2019. The shareholders approved the above resolutions with the requisite majority. The Results are as follows :

Resolution 1: (Special)		Re-appointment of Mrs. A Nina Reddy as Joint Managing Director and fixation of remuneration					
		E-voting		Postal ballot forms		Total	
		Nos.	No of shares	Nos.	No of shares	Nos.	No of shares
1.	Total votes cast.	25	72,71,572	158	35,091	183	73,06,663
2.	Less Invalid votes	0	0	0	0	0	0
3.	Net valid votes	25	72,71,572	158	35,091	183	73,06,663
4.	Votes favoring the resolution.	23	72,71,570	97	34,599	120	73,06,169
5.	Votes against the resolution.	2	2	61	492	63	494

% of votes in favor of the resolution: 99.9932%

% of votes against the resolution: 0.0068%

Resolution 1: (Special)		Re-appointment of Mr. A Ravikumar Reddy as Managing Director and fixation of remuneration					
		E-voting		Postal ballot forms		Total	
		Nos.	No of shares	Nos.	No of shares	Nos.	No of shares
1.	Total votes cast.	25	72,71,572	158	35,091	183	73,06,663
2.	Less Invalid votes	0	0	0	0	0	0
3.	Net valid votes	25	72,71,572	158	35,091	183	73,06,663
4.	Votes favoring the resolution.	23	72,71,570	97	34,599	120	73,06,169
5.	Votes against the resolution.	2	2	61	492	63	494

% of votes in favor of the resolution: 99.9932%

% of votes against the resolution: 0.0068%

As of now there is no proposal to pass Special Resolution through Postal Ballot.

Procedure of Postal Ballot

Procedure to be Followed for Conducting Business Through Postal Ballot

- a. To send a notice to all the shareholders, along with a draft resolution explaining the reasons therefor and requesting them to send their assent or dissent in writing on a postal ballot because postal ballot means voting by post or through electronic means within a period of thirty days from the date of dispatch of the notice.
- b. The notice shall be sent either (a) by Registered Post or speed post, or (b) through electronic means like registered e-mail id or (c) through courier service for facilitating the communication of the assent or dissent of the shareholder to the resolution within the said period of thirty days.
- c. An advertisement shall be published at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, about having dispatched the ballot papers and specifying therein, inter alia, the following matters, namely:-
 - i. a statement to the effect that the business is to be transacted by postal ballot which includes voting by electronic means;

- ii. the date of completion of dispatch of notices;
 - iii. the date of commencement of voting;
 - iv. the date of end of voting;
 - v. the statement that any postal ballot received from the member beyond the said date will not be valid and voting whether by post or by electronic means shall not be allowed beyond the said date;
 - vi. a statement to the effect that members, who have not received postal ballot forms may apply to the company and obtain a duplicate thereof; and
 - vii. contact details of the person responsible to address the grievances connected with the voting by postal ballot including voting by electronic means.
- d. The notice of the postal ballot shall also be placed on the website of the company forthwith after the notice is sent to the members and such notice shall remain on such website till the last date for receipt of the postal ballots from the members.
- e. The Board of directors shall appoint one scrutinizer, who is not in employment of the company and who, in the opinion of the Board can conduct the postal ballot voting process in a fair and transparent manner.
- f. The scrutinizer shall be willing to be appointed and be available for the purpose of ascertaining the requisite majority.
- g. Postal ballot received back from the shareholders shall be kept in the safe custody of the scrutinizer and after the receipt of assent or dissent of the shareholder in writing on a postal ballot, no person shall deface or destroy the ballot paper or declare the identity of the shareholder.
- h. The scrutinizer shall submit his report as soon as possible after the last date of receipt of postal ballots but not later than seven days thereof;
- i. The scrutinizer shall maintain a register either manually or electronically to record their assent or dissent received, mentioning the particulars of name, address, folio number or client ID of the shareholder, number of shares held by them, nominal value of such shares, whether the shares have differential voting rights, if any, details of postal ballots which are received in defaced or mutilated form and postal ballot forms which are invalid.
- j. The postal ballot and all other papers relating to postal ballot including voting by electronic means, shall be under the safe custody of the scrutinizer till the chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall return the ballot papers and other related papers or register to the company who shall preserve such ballot papers and other related papers or register safely.
- k. The assent or dissent received after thirty days from the date of issue of notice shall be treated as if reply from the member has not been received.

- l) The results shall be declared by placing it, along with the scrutinizer's report, on the website of the company.

9. 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.

10. General shareholder information

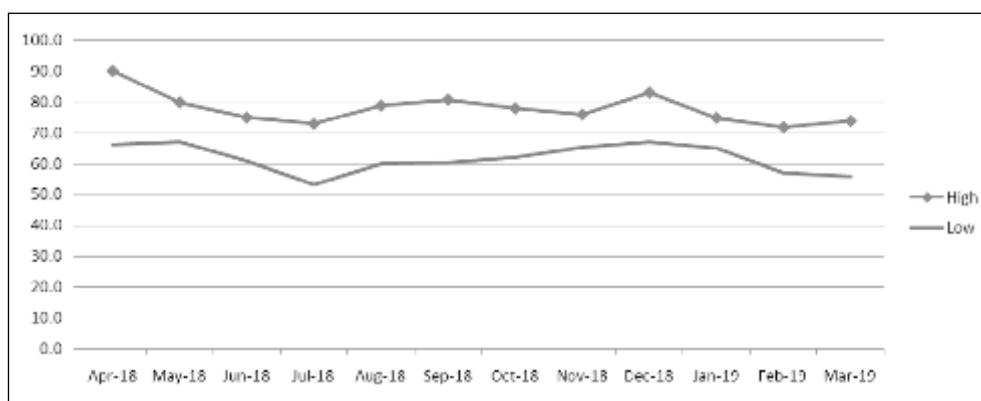
- a) The 50th Annual General Meeting of the members of the company will be held on the Thursday, the 5th day of September, 2019 at 3.00 P.M.. at The Music Academy Mini Auditorium, 168 TTK, Road, Chennai 600 014.
- b) Financial Calendar for the year 2019-20 (Tentative)

Results for the quarter ended	Tentative date
JUNE 2019	Before Second Week of August, 2019
SEPTEMBER, 2019	Before Second week of November, 2019
DECEMBER, 2019	Before Second week of February, 2020
MARCH, 2020	Before 30th May, 2020

- c) Date of Book Closure –30.08.2019 to 5.09.2019 (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 2019-20 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 Rs.90.00 (10.04.2018) and the lowest price per share was Rs.53.30 (12.07.2018) during the year.

Month	High Price ₹	Low Price ₹	Close Price ₹	No. of shares	No. of Trades	Total Turnover
Apr-18	90.0	66.3	77.0	69904.0	444	54,26,389
May-18	79.9	67.1	69.9	42358.0	292	30,14,441
Jun-18	75.0	61.0	66.5	29028.0	261	18,94,112
Jul-18	73.0	53.3	64.1	34556.0	242	21,86,983
Aug-18	78.9	60.0	77.5	98410.0	641	73,56,145
Sep-18	80.8	60.3	66.1	32566.0	387	23,93,538
Oct-18	78.0	62.1	66.3	18125.0	239	11,98,290
Nov-18	76.0	65.5	73.4	18005.0	295	12,89,364
Dec-18	83.0	67.0	72.0	82273.0	313	62,32,776
Jan-19	75.0	65.1	72.7	66009.0	318	46,95,720
Feb-19	71.9	57.0	63.8	20093.0	245	12,89,429
Mar-19	73.9	56.0	65.7	26865.0	346	18,16,585

g) Performance in comparison to broad based indices such BSE sensex. Is as follows:



h) The securities are not suspended from trading.

i. & J. 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.

k) Distribution of share holdings as on 31.3.2019

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

Distribution of share holdings as on 31.3.2019

Share holding of Nominal Value	No. of holders	% to total No. of shareholders	Nominal value of shares (₹)	% to capital
10 - 5000	5887	90.57	57146500	4.79
5001 - 10000	279	4.29	2254850	1.89
10001 - 20000	136	2.09	2221740	1.86
20001 - 30000	46	0.71	1198210	1.00
30001 - 40000	22	0.34	794810	0.67
40001 - 50000	17	0.26	801650	0.67
50001 - 100000	45	0.69	3270930	2.74
100001 - above	68	1.05	103023160	86.37
Total	6500	100.00	119280000	100.00

l) Shareholding Pattern as on 31.03.2019

Category of Share holders	No. of shareholders	Total No. of shares	No. of shares held in dematerialised form	%
Promoter and Promoter Group	13	7268765	7268765	60.93
FI / Banks	--	--	--	--
Body Corporate	66	615555	609455	5.16
Individual shareholders holding nominal share capital up to Rs.1 lakh	5319	1763763	1274114	14.79
Individual shareholders holding nominal share capital in excess of Rs.1 lakh	19	1981930	1981930	16.62
Clearing member	5	962	962	0.01
HUF	147	212323	212323	1.78
NRIs	23	18919	18919	0.16
Trust	--	--	--	--
IEPF	1	65783	65783	0.55
Total	5593	11928000	11432251	100.00

m) 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 95.84% of the shareholdings of the Company have already been dematerialised as on 31st March, 2019.

n) UNIT LOCATION

SAVERA HOTEL

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

o) 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. Savera 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: Savera 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

Foreign Exchange Risk :

Foreign Exchange can influence the company as follows:

Drop in exchange rates can affect the:

- amount realized when the bills are paid in forex.
- cost of machinery imported when paid in forex.

Credit Ratings :

Agency Name : CRISIL

Long Term loan – CRISIL BBB/Stable

Short Term Loan – CRISIL A3+

11. 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 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.
- g. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). : N.A.
- h. A certificate from a company secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. : YES
- i. Where the board had not accepted any recommendation of any committee of the Board which is mandatorily required , in the relevant financial year, the same to be disclosed along with reasons thereof : NIL
- j. Total fees for all services paid by the company to the statutory auditor and all entities in

the network firm/network entity of which the statutory auditor is a part : Total Fees paid to the Statutory Auditor is Rs.8,00,000/-

k. Disclosures in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

No. of Complaints filed during the financial year	:	Nil
No. of complaints disposed of during the financial year	:	Nil
No. of complaints pending as at the end of the financial year	:	Nil

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

13. 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.

In the meeting held on 29th May 2019, Mr.A.Sudhakar Reddy, an Independent and Non Executive Director was appointed as the regular Chairman for a period of three years from 29th May,2019..

e) Reporting of Internal Auditor.

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

14. 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 Practicing Company Secretary 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 31-3-2019.

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 31-03-2019. 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 two 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 required for the Independent Directors and no details posted in the website.

**SECRETARIAL COMPLIANCE REPORT
OF M/s. SAVERA INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 31.03.2019**

I, R Balasubramaniam, have examined:

- a) all the documents and records made available to me and explanation provided by **M/s. SAVERA INDUSTRIES LIMITED** ("the listed entity),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31.03.2019 in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2016; **(Not applicable to the Company during the Audit period)**
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit period)**
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit period)**
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**

- g) Securities and Exchange Board of India (Issue and Listing of Non-convertible and Redeemable Preference Shares) Regulations, 2013; **(Not applicable to the Company during the Audit period)**
- h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
Not Applicable			

- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.
- c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No	Action taken by	Details of violation	Details of Action taken E.g. fines, warning letter, debarment, etc.	Observations/Remarks of the Practicing Company Secretary, if any
Not Applicable				

d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended. (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

Place: Chennai
 Date: 17.05.2019

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015)

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

I have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of M/s. SAVERA INDUSTRIES LIMITED having CIN L55101TN1969PLC005768 and having Registered Office at No. 146, Dr. Radhakrishnan Road, Mylapore, Chennai - 600004 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of the Director	DIN	Date of appointment in Company
1.	Mrs.A NINA REDDY	00144797	30.01.1999
2.	Mr. A RAVIKUMAR REDDY	00145372	01.09.1994
3.	Mrs. A NIVRUTI	00576167	31.01.2007
4.	Mr. A TARUN REDDY	01521977	21.01.2004
5.	Mr. A SUDHAKAR REDDY	01898228	06.06.2008
6.	Mr. S SRIDHARA RAO	06927991	13.08.2014

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

Place: Chennai
 Date: 17.05.2019

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

**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, 2019.

Place : Chennai
Date : 29th May, 2019

A. Ravikumar Reddy
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Savera Industries Limited.

1. I have examined the compliance of conditions of corporate governance by M/s. Savera Industries Limited ("the Company") for the year ended 31st March 2019, 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. I state that the compliance of conditions of Corporate Governance is the responsibility of the management, and my 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 my opinion, and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.
4. I 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

Place : Chennai.
Date : 29th May, 2019

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

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND 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

In India, today tourism is the largest service industry, with a contribution of 6.23% to the national GDP and providing 8.78% of the total employment. India witnesses more than 5 million annual foreign tourist arrivals and 562 million domestic tourism visits. The tourism industry in India is expected to increase to US\$275.5 billion by 2020 at a 9.4% annual growth rate. The Ministry of Tourism is the nodal agency for the development and promotion of tourism in India and maintains the "Incredible India" campaign.

Our country is known for its lavish treatment to all visitors, no matter where they come from. Its visitor-friendly traditions, varied life styles and cultural heritage and colourful fairs and festivals held abiding attractions for the tourists. The other attractions include beautiful beaches, forests and wild life and landscapes for eco-tourism; snow, river and mountain peaks for adventure tourism; technological parks and science museums for science tourism; centres of pilgrimage for spiritual tourism; heritage, trains and hotels for heritage tourism. Yoga, ayurveda and natural health resorts and hill stations also attract tourists.

The Indian handicrafts particularly, jewellery, carpets, leather goods etc., are the main shopping items of foreign tourists. It is estimated through survey that nearly forty per cent of the tourist expenditure on shopping is spent on such items.

Despite the economic slowdown, medical tourism in India is the fastest growing segment of tourism industry, according to the market research report "Booming Medical Tourism in India". The report adds that India offers a great potential in the medical tourism industry. Factors such as low cost, scale and range of treatments provided in the country add to its attractiveness as a medical tourism destination.

IMPACT OF TOURISM IN INDIA

Tourism industry in India has several impacts on the economy and society. These impacts are highlighted below.

- 1. Generating Income and Employment:** Tourism in India has emerged as an instrument of income and employment generation, poverty alleviation and sustainable human development. Almost 20 million people are now working in the India's tourism industry.
- 2. Source of Foreign Exchange Earnings:** Tourism is an important source of foreign exchange earnings in India. This has favourable impact on the balance of payment of the country.

3. Preservation of National Heritage and Environment: Tourism helps to preserve several places which are of historical importance by declaring them as heritage sites. Likewise, tourism also helps in conserving the natural habitats of many endangered species.

4. Developing Infrastructure: Tourism tends to encourage the development of multiple-use infrastructure that benefits the host community, including various means of transports, health care facilities, and sports centres, in addition to the hotels and high-end restaurants, long beaches that cater to foreign visitors. The development of infrastructure has to in turn induced the development of other directly productive activities.

5. Promoting Peace and Stability: The tourism industry can also help to promote peace and stability in developing country like India by providing jobs, generating income, diversifying the economy, protecting the environment, and promoting cross-cultural awareness.

OPPORTUNITIES AND OUTLOOK

Opportunities

India's travel and tourism is projected to double over the next decade. The tourism industry employs about five percent of India's total work force. Foreign direct investment (FDI) into the sector is expected to rise in the near future.

Multiple drivers are shaping this dynamic growth trend. Key among them is the role played by technology startups, both international and domestic, which have introduced a slew of online services and innovative products in the hospitality sector. Makemytrip, Cleartrip, Yatra, Goibibo, and OYO Rooms, are among some of the most popular travel and tourism startups that have created easier, cheaper, and faster ways to make bookings, find accommodations, and curate personalized tourist experiences.

Investment in new tourism segments

An estimated 30.5 million international tourists are expected to visit India by 2028; India is rich in history, culture, and well-preserved natural landscapes, offering a multitude of experiences for a diverse segment of tourists across the breadth of the country. As a result, a diverse portfolio of tourism products are available – cruises and adventure activities, medical and wellness facilities, international sports events, business and conference facilities, eco-tourism, film festivals, and rural and religious tourism.

Positive growth trends in traditional segments, a multitude of niche and mainstream tourism offerings, and liberal FDI policies underscore the rising investment appeal of India's tourism and hospitality sector.

Meeting, Incentive, Conferencing, and Exhibition (MICE) tourism in India caters to a variety of trade meetings, international conferences and conventions, events and exhibitions, and captured the interests of several major hotel brands.

Incredible India 2.0

India's federal budget for 2018 announced the 'Incredible India 2.0' initiative to develop the country's hospitality sector through investments in tourism infrastructure. The Swadesh Darshan and Pilgrimage Rejuvenation and Spirituality Augmentation Drive (PRASAD) programs aim to propel investments in tourism. To improve the suitability of these projects,

public-private-partnerships (PPP) have been introduced under both initiatives. Companies may provide state governments with proposals, which if approved, will guarantee them government funding and tax rebate.

Other federal initiatives to promote tourism

- Multi-lingual telephone help lines for foreigners;
- Digital India scheme to promote online service providers;
- UDAN scheme to promote travel to smaller heritage sights by reducing air ticket prices;
- Improving sea ports for cruise tourism; and,
- New golf tourism.
- e-Tourist visa facility for eligible countries;
- Online databases for cultural shows and performances;
- e-Ticketing for cultural sites;

Outlook

The future outlook is bright for the tourism sector, and the region is expected to maintain a high rate of growth well in the next century. The chapter contributes to an improved understanding of economic growth of a country because of tourism development.

The future of Indian Tourism industry is increasing year by year. India offers many tourism packages to the visitors. India is the only country that offers different categories of tourism. The Indian government took efforts to encourage different kinds of tourism in India. India shows an exponential growth in tourism industry because of the support given by the government.

The tourists can enjoy different kinds of tourism. They are:

- Eco Tourism
- Health Tourism
- Adventure Tourism
- Cultural Tourism
- Heritage Tourism
- Wildlife Tourism

Only in India the tourists can enjoy all these kinds of tourism together. The survey according to FICCI (Federation of Indian Chambers of Commerce and Industry) states that there is a very bright future for the tourism industry in India. India has always been known for its diverse climate, hospitality, uniqueness etc this is the reason why India has been doing well in all types of tourism in India.

Indian government adopted different approaches for the promotion of tourism in India, which includes new mechanism for speedy implementation of tourism projects, development of integrated tourism and rural destinations, special capacity building in the unorganized hospitality sector and new marketing strategy.

SEGMENT WISE PERFORMANCE :

The company has only one segment viz. hoteliering. Accordingly the performance is furnished hereunder.

Total turn over for the period ended as at 31st March, 2019 amounted to Rs.7258.42 lakhs decreased by Rs. 47.27 lakhs as compared to the previous year turn over of Rs.7305.69 lakhs. Total expenditure for the period ended as at 31st March, 2019 amounted to Rs.6332.01 lakhs decreased by Rs.196.20 lakhs (3.01%) as compared to the previous year. The Profit (EBITDA) before depreciation, finance cost and tax for the year ended 31st March, 2019 amounted to Rs.1324.97 lakhs as against Rs.1248.03 lakhs over the corresponding period last year. The tax expense including deferred tax for the year ended 31st March, 2019 amounted to Rs.298.20 lakhs. The Profit after tax for the year ended 31st March, 2019 stood at Rs.628.21 lakhs as against profit of Rs.513.40 lakhs.

THREATS, RISKS & CONCERNS

The major constraint in the development of tourism in India is the non-availability of adequate infrastructure, accessibility to tourist destinations, accommodation and trained manpower in sufficient number.

Poor visitor experience, particularly, due to inadequate infrastructural facilities, poor hygienic conditions and incidents of touting and harassment of tourists in some places are factors that contribute to poor visitor experience.

Tourism can increase tension, hostility, and suspicion between the tourists and the local communities when there is no respect and understanding for each other's culture and way of life. This may further lead to violence and other crimes committed against the tourists.

Tourism brought little benefit to the local community. In most all-inclusive package tours more than 80% of travellers' fees go to the airlines, hotels and other international companies, not to local businessmen and workers. Moreover, large hotel chain restaurants often import food to satisfy foreign visitors and rarely employ local staff for senior management positions, preventing local farmers and workers from reaping the benefit of their presence. This has often created a sense of antipathy towards the tourists and the government.

One of the most important adverse effects of tourism on the environment is increased pressure on the carrying capacity of the ecosystem in each tourist locality. Increased transport and construction activities led to large scale deforestation and destabilisation of natural landforms, while increased tourist flow led to increase in solid waste dumping as well as depletion of water and fuel resources. Flow of tourists to ecologically sensitive areas resulted in destruction of rare and endangered species due to trampling, killing, disturbance of breeding habitats. Noise pollution from vehicles and public address systems, water pollution, vehicular emissions, untreated sewage, etc. also have direct effects on biodiversity, ambient environment and general profile of tourist spots.

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 or 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	31.03.2019	31.03.2018	% of change
Food and Beverages	3237.71	3362.78	-3.72
Rooms	2855.62	2813.87	1.48
Banquets Halls	92.24	91.57	0.73
Spa Collections	158.27	154.82	2.23
Gym Collections	594.98	665.39	-10.58
Franchise	162.13	68.18	137.8
Other Services	86.20	86.72	-0.59
Other Income	71.27	62.35	14.31
Overall Income	7258.42	7305.69	-0.65
Occupancy (%)	85.4%	84.4%	1.18

Overall income decreased by Rs.47.27 lakhs from Rs.7305.69 lakhs to Rs.7258.42 Lakhs. Occupancy increased by 1.18% from 84.4% to 85.4%

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT.

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

Your company provides the following welfare HR activities and training 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
- SICCA 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
- Food Handlers Medical Check Up as per FSSAI Act
- Food Hygiene Awareness
- Food Safety Certificate Programme
- Food Wastage Awareness
- Green Awareness Day And Kitchen Garden Setup
- “Grow Big” Training Programme for Next Level, Conducted By Outside Faculty.
- Hygiene Rating Training
- International Chef Day Celebration
- Life Time Achievement Award
- Long Service Award
- Managerial Development Programme
- May Day
- Medical Check-Up For All Women
- Nutrition and Diet Awareness.
- Pongal Traditional Games (Paarampariya Vilayattukal)
- Public Speaking Training
- Psychological Interaction Training
- Safety And Preventive Maintenance Training
- Sports Day (Indoor / Outdoor)
- Social Awareness (Child Abuse)
- Towel Folding Competition, Quiz Programme
- Train The Trainer
- Woman's Day Celebration

By giving these schemes, caring, Supporting and training programmes, the employees become loyal to the company and thereby the employee attrition rate is minimized. The overall attrition rate is 4.28%.

The training focuses on improving high quality services based on the concept of customer delight. All employees should attend the training programme specially framed for 96 hours of training for each and it is mandatory.

Promotions and recognition awarding policies, training and development, skill program are used as effective tools by HR for improving employee productivity.

Details of significant changes in Key Financial Ratios:

Key Financial Ratios	2018-19	2017-18	Difference
Debtors Turn Over	13.65	10.33	3.32
Inventory Turnover	45.61	51.51	-5.90
Interest Coverage Ratio	19.12	7.17	11.95
Current Ratio	0.93	0.67	0.26
Debt Equity Ratio	0.06	0.13	-0.07
Operating Profit Margin (%)	37.36%	34.41%	2.95%
Net Profit Margin(%)	8.74%	7.09%	1.65%
Return on Networth	0.11	0.09	0.02

Explanation for change in the key financial ratios :

- Debtors Turn Over - Change is due to decrease in receivables
- Interest Coverage Ratio - Change is due to reduction in debt
- Current Ratio - Change is due to reduction in current liabilities
- Debt Equity Ratio - Change is due to decrease in debt

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 on 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.

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
SAVERA INDUSTRIES LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **Savera Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the Significant Accounting Policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its **Profit** (including other comprehensive income) changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters:

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

Key Audit Matter

Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting standard)

The application of new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosure which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the Balance Sheet date

Refer notes 1(E)(b) and 37(ii) of the financial statements

Auditor’s Response:

Principal Audit Procedures

We assessed the Company’s process to identify the impact of new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing are as follows:

- Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.
- Selected a sample and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- Tested the relevant information technology systems’ access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with new revenue accounting standard.
- Selected a sample of continuing and new contracts and performed the following procedures:
 - Read, analysed and identified the distinct performance obligations in these contracts
 - Compared these performance obligations with that identified and recorded by the Company.
 - Considered the terms of the contracts to determine the transaction price
 - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
 - Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of the financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 with respect to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirement of section 197 (16) of the Act as amended:
In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provision of section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37(i) to the 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.

Place : Chennai.
Date : 29th May, 2019

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

S.Sundarraman
Partner
M.No : 201028

ANNEXURE A TO THE INDEPENDENT AUDITOR'S 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, 2019)

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, 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 making investments. The Company has not granted any loan and not provided any guarantees or securities to any of the persons referred to in section 185 and section 186 of the Companies Act, 2013.

- 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 2019 for a period of more than six months from the date they became payable.
 - c. There are no dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Value Added Tax which was not deposited as at 31 March 2019 on account of any disputes except TDS outstanding as per TRACES amounting to Rs.9.28 Lakhs (Refer Note No. 37(i)(B)(a) to the Accounts)
- viii. The Company has not made any default in repayment of loans or borrowings from any financial institution, banks during the year. The Company has not made any borrowings from government or in the form of debentures.
- ix. The Company during the year has availed hire purchase loan and has applied the same for the purpose for which it was raised. The Company during the year has not raised any monies by way of Initial Public offer or further public offer (including debt instruments).
- x. 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 transactions 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 : 29th May, 2019

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, 2019)

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 with reference to financial statements of M/s. Savera Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements 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 Act, 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

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

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and explanation given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements 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.

Place : Chennai.
Date : 29th May, 2019

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

S.Sundarraman
Partner
M.No : 201028

Balance Sheet as at 31st March, 2019

Particulars	Note No.	As at 31.03.2019 Rs. in Lakhs	As at 31.03.2018 Rs. in Lakhs
ASSETS			
1 Non Current Assets			
(a) Property, Plant & Equipment	1	5,911.75	6,147.97
(b) Capital Work in Progress	2	13.77	-
(c) Investment Property		-	-
(d) Other Intangible Assets	3	0.62	0.62
(e) Financials Assets			
(i) Investments	4	210.43	185.50
(ii) Loans		-	-
(iii) Other Financial Assets	5	202.56	229.05
(f) Other Non-Current Assets			
Sub Total - A		6,339.13	6,563.14
2 Current Assets			
(a) Inventories	6	21.13	30.84
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	7	141.74	224.89
(iii) Cash and Cash Equivalents	8	427.93	373.00
(iv) Bank balances (other than above)		-	-
(v) Loans	9	38.27	41.29
(vi) Other Financials Assets	10	80.63	21.08
(c) Current tax Assets (Net)	11	3.19	24.82
(d) Other Current Assets	12	188.58	180.58
(e) Contract Assets	37 ii.C.	10.78	-
Sub Total - B		912.25	896.50
Total Assets (A + B)		7,251.38	7,459.64
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	1,192.80	1,192.80
(b) Other equity	14	4,675.19	4,350.30
Sub Total - A		5,867.99	5,543.10
LIABILITIES			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	162.84	265.54
(ii) Other Financial Liabilities	16	34.80	34.80
(b) Provisions	17	115.74	141.58
(c) Deferred tax liabilities (net)		93.78	141.61
(d) Other non-current liabilities		-	-
Sub Total - B		407.16	583.53
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	41.55	45.73
(ii) Trade Payables	19		
-Total outstanding dues of Micro Enterprises and Small Enterprises		3.69	5.25
-Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		124.82	130.17
(iii) Other Financial Liabilities	20	481.40	733.04
(b) Other Current Liabilities	21	55.86	341.86
(c) Contract Liabilities	37 ii.C.	200.54	-
(d) Provisions	22	68.37	76.96
Sub Total - C		976.23	1,333.01
Total Equity and Liabilities (A + B + C)		7,251.38	7,459.64

As per our attached Report of even date

For S. VENKATRAM & CO. LLP

Chartered Accountants

Firm Regd No.004656S/ S200095

(S. Sundararaman)

Partner (M.No. 201028)

Place : Chennai

Date: 29th May, 2019

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, 2019

Particulars	Note	As at 31.03.2019 Rs. in Lakhs	As at 31.03.2018 Rs. in Lakhs
INCOME			
I Revenue from Operations	23	7,187.15	7,243.34
II Other Income	24	71.27	62.35
III Total Income (I+II)		7,258.42	7,305.69
IV EXPENSES			
Cost of Materials Consumed	25	1,067.51	1,197.07
Excise Duty		-	0.47
Change in inventory of Stock-in-trade	26	117.65	121.89
Employee Benefit Expenses	27	2,024.45	2,083.49
Finance Cost	28	51.12	110.16
Depreciation	29	347.44	360.39
Provision For Doubtful Debts		21.22	9.33
Operating and Other Expenses	30	2,702.62	2,645.40
Total Expenses (IV)		6,332.01	6,528.21
V Profit/(Loss) before exceptional items and tax (III-IV)		926.41	777.48
VI Exceptional items		-	(97.55)
VII Profit/(Loss) before tax (V-VI)		926.41	679.93
VIII Tax expense			
(1) Current Tax		304.54	267.08
(2) Deferred Tax		(47.83)	(100.55)
(3) Earlier Year Tax		41.49	-
IX Profit/(Loss) for the period (VII-VIII)		628.21	513.40
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss:			
-Remeasurement of defined benefit plans		13.05	(24.94)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(3.63)	8.24
B (i) Items that will not be reclassified to profit or loss:			
-Fair value of financial assets through Other Comprehensive Income		24.92	(13.11)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(6.93)	4.33
XI Total Comprehensive Income for the period (IX + X)		655.62	487.93
XII Earnings per share			
(1) Basic		5.27	4.30
(2) Diluted		5.27	4.30

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: 29th May, 2019

For and on behalf of the Board

A. Ravikumar Reddy
 Managing Director (DIN : 00145372)

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

N.S. Mohan
 Company Secretary

D V M Sambasiva Rao
 Chief Financial Officer

Statement of Changes in Equity as at 31.03.2019 and 31.03.2018

A. Equity Share Capital

Balance at 1st April, 2017	Change in Equity Share Capital during the year	Balance at 31st March, 2018	Change in Equity Share Capital during the year	Balance at 31st March, 2019
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 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 financial assets through Other Comprehensive Income	-	-	(13.11)
Income tax on items that will not be reclassified to profit or loss			
- Fair value of financial assets through Other Comprehensive Income	-	-	4.33
Final and Interim Dividend Paid (including Dividend Distribution Tax)	-	(387.62)	-
Balance as at 31st March 2018	659.13	3,596.85	94.32
Profit for the year	-	628.21	-
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	-	-	13.05
Income tax on items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	-	-	(3.63)
Items that will not be reclassified to profit or loss			
- Fair value of financial assets through Other Comprehensive Income	-	-	24.92
Income tax on items that will not be reclassified to profit or loss			
- Fair value of financial assets through Other Comprehensive Income	-	-	(6.93)
Transferred to General Reserve	40.87	(40.87)	-
Final and Interim Dividend Paid (including Dividend Distribution Tax)	-	(330.73)	-
Balance as at 31st March 2018	700.00	3,853.46	121.73

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 and to the aforesaid extent the balance in the said reserve cannot be distributed to the shareholders as dividend.

As per our attached Report of even date

For and on behalf of the Board

For S. VENKATRAM & CO. LLP

Chartered Accountants

Firm Regd No.004656S/ S200095

A. Ravikumar Reddy
Managing Director (DIN : 00145372)

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: 29th May, 2019

Statement of Cash Flows for the year ended 31.03.2019 and 31.03.2018

The 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 .

Particulars	Year ended 31.03.2019 ₹ in lakhs	Year ended 31.03.2018 ₹ in lakhs
Cash flow from Operating Activities		
Net profit before tax, exceptional and extra ordinary items (excluding OCI)	926.41	777.48
Add/Less: Other Comprehensive Income before tax	37.97	(38.04)
Net profit before tax, exceptional and extra ordinary items (including OCI)	964.38	739.44
Adjustments for		
(Profit)/Loss on sale of fixed assets	(2.31)	(1.99)
Assets written off	9.10	
Deposits Written Off	-	(0.21)
Provision For Doubtful Debts	21.22	-
Bad Debts	2.94	1.42
Gain on Fair Valuation on Deposits	(4.37)	(17.12)
Gain on Fair Valuation of Investments	(24.92)	13.11
Interest Expenses	51.12	110.16
Dividend and Interest Income	(49.53)	(29.27)
Depreciation on fixed assets	347.44	360.39
	350.70	436.49
Operating profit before working capital changes	1,315.08	1,175.93
Adjustments:-		
(Increase)/Decrease in Inventories	9.71	(10.44)
(Increase)/Decrease in Trade Receivables	64.86	34.10
(Increase)/Decrease in Loans (Current)	3.02	0.90
(Increase)/Decrease in Other financial Assets (Non Current)	24.99	84.24
(Increase)/Decrease in Other Current Assets	(7.60)	(40.80)
(Increase)/Decrease in Contract Assets	(10.78)	-
Increase/(Decrease) in Contract Liabilities	200.54	-
Increase/(Decrease) in Other Financial Liabilities (Current)	(0.67)	43.63
Increase/(Decrease) in Trade Payable (Current)	(6.91)	(3.24)
Increase/(Decrease) in Other Current Liabilities	(286.00)	(40.50)
Increase/(Decrease) in Long Term Provisions	(25.84)	-
Increase/(Decrease) in Short Term Provisions	(8.59)	175.00
	(43.27)	242.88
Cash generated from Operations	1,271.81	1,418.81
Income taxes (paid)/Refund	(335.36)	(310.29)
Net cash from Operating Activities (A)	936.46	1,108.51

Particulars	Year ended 31.03.2019 ₹ in lakhs	Year ended 31.03.2018 ₹ in lakhs
Cash flow from Investing Activities		
Purchase of Fixed Assets	(159.03)	(95.50)
Sale of Fixed Assets	41.00	(27.82)
Capital Work in progress	(13.77)	-
(Increase)/Decrease in Other Financial Assets (Current)	(59.54)	(8.69)
(Increase)/Decrease in Other Bank Balances	(43.05)	98.79
Dividend/ Interest Income Received	49.53	29.27
Net (Increase)/Decrease in Non-Current Investments	(0.00)	(1.69)
Net cash used in Investing Activities (B)	(184.87)	(5.63)
Cash flow from Financing Activities:		
Proceeds from long term Borrowings	21.89	5.23
Repayment of Borrowings (Net)	(381.69)	(527.08)
Current Borrowings (repaid) / availed	(4.18)	(96.94)
Dividend paid	(330.73)	(387.62)
Interest expense paid	(48.78)	(104.10)
Net cash used in financial activities (C)	(743.50)	(1,110.50)
Net increase in cash and cash equivalents (A) + (B) + (C)	8.09	(7.62)
Cash and cash equivalents at beginning of the period	195.44	203.06
Cash and cash equivalents at end of the period	203.52	195.44

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 31.03.2019	AS ON 31.03.2018
- In Current Account (with Scheduled Banks)	189.31	183.98
- Cash on Hand	14.21	11.46
Total	203.52	195.44

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: 29th May, 2019

For and on behalf of the Board

A. Ravikumara 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 2019

Note I: SIGNIFICANT ACCOUNTING POLICIES

A) Corporate Information:

Savera Industries Limited (“the Company”) incorporated in November, 1969, is engaged in the business of Hotelliering. Shares of the Company are listed in Bombay Stock Exchange Ltd (BSE).

B) Statement of Compliance:

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with relevant rules of the Companies (Indian Accounting Standards) Rules. The Financial Statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017.

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 value, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, 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) Operating Cycle:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

E) 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) or net realizable value.

b) Revenue Recognition:

(A) Income from Operations:

Ind AS 115 has (with effect from 1st April 2018) replaced Ind AS 18 Revenue and applies to all revenue from contract with customers, unless the said contracts are within the scope of other standards. Under Ind AS 18 the Company had been recognizing revenue from operations upon rendering of services and the reasonable estimate of return could be established.

Pursuant to the new accounting requirements, revenue from each different contractual obligation must be identified, classified and accrued separately.

Under Ind AS 115, revenue is recognized when the Company satisfies a performance obligation by transferring control of the promised services/goods to a customer. The Company has identified its major sources of income from sale of rooms and other ancillary services, foods and beverages & other services, income from Gymnasiums and giving of franchisees. The basis of recognition of income is as detailed herein under:

I. Sale of rooms and other ancillary services: The Company provides accommodation along with other ancillary related services to its hotel guests for which the Company is entitled to a fixed fee for the tenor of stay and additional revenue as and when the same is utilized by the guest. The fixed fee and fee for other ancillary services is payable on the departure of the guest. As the Company satisfies the performance obligations over time, and recognizes the revenue from room sales and from other guest services on a daily basis. The Company does not include the taxes in determining the transaction price as they are collected and remitted separately.

II. Collections from Gymnasiums (Gym): The Company bills and collects from the customer at the time of joining for the services to be rendered over a period of time. The Company recognizes the amount received in advance as a contract liability and recognizes as income on the satisfaction of the performance obligation.

III. Franchisee Income: The Company, for the use of its brands by third parties, is entitled to receive initial application fees and ongoing royalty fees usually under long-term contracts. The Company charges royalties as a percentage of turnover or a fixed fee on the basis of the terms of the agreement as defined in each contract. The Company recognizes the aforesaid income when the right to receive is established i.e. on accrual basis;

IV. Foods & Beverages and Other Services: The revenue from the services as to foods and beverages and allied services are recognized at the point at which the food and beverage and allied services relating to hotel operations are provided.

(B) Interest & Dividend income:

- I. Interest is accounted on accrual basis using the effective interest method.
- II. Dividend 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 (cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition including applicable borrowing costs for qualifying assets) and is net of accumulated depreciation and impairment losses, if any.
- ii. Subsequent expenditures are capitalized only when it is probable that future economic benefits associated with these will flow to the Company over a period of time.
- iii. Depreciation is provided on straight line basis over estimated useful life. The estimated useful life of the assets is as follows:

Particulars of Asset	Useful life
Building	60 years
Plant and Machinery	10 years
Office Equipment	05 years
Computers	03 years
Furniture and Fixtures	08 years
Vehicles	08 years

iv. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

d) Long-term Investments:

- i. Investments are initially recognized at cost which includes cost of acquisition, charges such as brokerage, fees and duties.
- ii. The Company treats its investments as a non-current only as they have been purchased not for trading.
- iii. Investments are individually measured at fair value and the gain or loss is recognized in "Other Comprehensive Income" as the Company has made an irrecoverable election to present the gains/loss due to changes in fair value between reporting dates in "Other Comprehensive Income".

e) Intangible Assets:

- i. Intangible Assets are initially measured at cost and amortized over a period of 10 years.
- ii. All Intangible Assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss.
- iii. Thus, after initial recognition, Intangible Assets are carried at its cost less accumulated amortization and/or impairment losses.

f) Borrowing Costs:

- i. 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.
- ii. Other borrowing costs are recognized as an expense in the period in which they are incurred.

g) 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 as a 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.

h) 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.

i) Foreign Currency Transaction:

- i. The functional and presentation currency of the Company is Indian Rupees.
- ii. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.
- iii. 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.
- iv. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise

j) 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.

k) 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.

l) 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.
- iii. Deferred Tax Assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.
- iv. Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

m) Employee Benefits:**(A) Short Term:**

- 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.

(B) Long Term:

- i. The Company has an arrangement with Life Insurance Corporation(LIC) for managing the Gratuity fund which is a defined benefit obligation

- ii. The cost of providing Gratuity benefits is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements is recognized immediately through other comprehensive income in the period in which they occur.
- iii. The employees of the Company are entitled to be compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

n) Leases:

- i. Leases are recognized as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- ii. 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.
- iii. 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. Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.
- ii. 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.
- iii. 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.
- iv. 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.

Note 1, 2, 3 : Property, Plant and Equipment, Intangible Assets, Capital Work In Progress ₹ In lakhs

PARTICULARS	Gross Block			As at 31.03.2019
	As at 01.04.2018	Additions	Withdrawals and Adjustments	
A. Property, Plant & Equipment				
Land	3,689.80	-	-	3,689.80
Buildings	921.09	-	-	921.09
Plant & Machinery	1,310.81	87.52	166.29	1,232.03
Office Equipment	14.68	9.94	-	24.62
Furnitures & Fixtures	1,055.95	35.07	-	1,091.02
Vehicles	143.47	26.50	-	169.97
Total	7,135.79	159.03	166.29	7,128.52
B. Capital Work In Progress				
The Brew Room- VR Mall	-	13.77	-	13.77
Total	-	13.77	-	13.77
C. Intangible Assets				
Trademarks	0.01	-	-	0.01
Computer Software	0.61	-	-	0.61
Total	0.62	-	-	0.62
Grand Total	7,136.41	172.80	166.29	7,142.91
PARTICULARS	Depreciation and Amortisation			Upto 31.03.2019
As at 01.04.2018	For the Period	On Withdrawals and Adjustments		
A. Property, Plant & Equipment				
Land	-	-	-	-
Buildings	49.91	24.96	-	74.87
Plant & Machinery	295.92	121.90	118.50	299.32
Office Equipment	7.32	4.43	-	11.75
Furnitures & Fixtures	395.42	171.78	-	567.20
Vehicles	42.80	24.37	-	67.17
Total	791.38	347.44	118.50	1,020.32
B. Capital Work In Progress				
The Brew Room- VR Mall	-	-	-	-
Total	-	-	-	-
C. Intangible Assets				
Trademarks	-	-	-	-
Computer Software	-	-	-	-
Total	-	-	-	-
Grand Total	791.38	347.44	118.50	1,020.32

NOTE 1,2,3 : Property, Plant and Equipment, Intangible Assets cont. ₹ In lakhs

PARTICULARS	Impairment Loss		Net Block	
	As at 01.04.2018	For the Period	As at 31.03.2019	As at 31.03.2019
A. Property, Plant & Equipment				
Land	-	-	3,689.80	3,689.80
Buildings	-	-	871.17	846.21
Plant & Machinery	95.22	-	919.66	837.49
Office Equipment	0.36	-	7.00	12.51
Furnitures & Fixtures	98.91	-	98.91	424.91
Vehicles	1.95	-	1.95	100.85
Total	196.44	-	196.44	5,911.76
B. Capital Work In Progress				
The Brew Room- VR Mall	-	-	-	13.77
Total	-	-	-	13.77
C. Intangible Assets				
Trademarks	-	-	0.01	0.01
Computer Software	-	-	0.61	0.61
Total	-	-	0.62	0.62
Grand Total	196.44	-	196.44	5,926.15
NOTE 4 : Non - Current Investments				
PARTICULARS	31.03.2019		31.03.2018	
	Face Value	Quantity	Rs. in lakhs	Quantity
Non - Trade Investments				
Investment in Quoted Equity Shares (Valued at Fair Value through Other Comprehensive Income)				
Oriental Hotels Limited	1	3,510	1.62	3,510
I.T.C. Limited	1	40,320	119.85	40,320
Indian Hotels Co. Ltd.,	1	5,998	9.29	5,998
Apollo Hospitals Ltd.	5	4,000	49.10	4,000
Central Bank of India Ltd.,	10	295	0.11	295
TOTAL - A			179.97	155.04
Investment in Unquoted Shares of Other Companies (Valued at cost)				
Clarion Wind Farms Pvt. Ltd.	10	304,601	30.46	304,601
TOTAL - B			30.46	30.46
TOTAL - A + B			210.43	185.50
Particulars	"31.03.2019 Rs. in Lakhs"	"31.03.2018 Rs. in Lakhs"		
Aggregate Market Value of Quoted Investments	179.97	155.04		

Note 5: Other Financial Assets (Non Current)

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Rental Deposits (carried at amortised cost)	119.97	104.13
Less : Provision for Doubtful Deposits	5.87	-
	114.11	104.13
Deposits with Banks (refer note 5.1 and 5.2)	88.45	124.91
Total	202.56	229.05

5.1. Deposits with Banks maturing more than 12 months from the Balance Sheet date are classified as Other Financial Assets (Non Current).

5.2. Deposits with Banks include deposits amounting to Rs.75 Lakhs Earmarked/Pledged with the Bankers of the Company for obtaining credit facilities from them.

Note 6: Inventories

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
(Valued at lower of cost and net realisable value)		
Raw Materials		
Food & Beverages	9.49	12.02
Stock in trade (Goods purchased for resale)		
Wine & Liquor	11.64	18.82
Total	21.13	30.84

Note 7: Current Trade receivables

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Unsecured Considered good	166.43	234.22
Less : Provision for Doubtful debts	24.69	9.33
Total	141.74	224.89

Note 8: Cash and Cash Equivalents

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Cash and Cash Equivalents		
Current Account	189.31	183.98
Cash on Hand	14.21	11.46
Other Bank Balances		
Dividend Account	34.96	31.16
Deposits with original maturity of more than 3 months	189.45	146.40
Total	427.93	373.00

Note 9: Loans (Current)

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Advances to Employees	38.27	41.29
Total	38.27	41.29

Note 10: Other Financials Assets (Current)

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Interest Accrued on Fixed Deposits	42.25	21.08
Receivable from sale of assets of Gymnasium (Gym)	38.38	-
Total	80.63	21.08

Note 11: Current tax Assets (Net)

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Current Tax Assets (Net)	3.19	24.82
Total	3.19	24.82

Note 12: Other Current Assets

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Advances other than capital advances:		
Security Deposit	72.84	69.73
Prepaid Expenses	51.52	48.05
Advance to suppliers	13.39	8.20
Balance with Revenue authorities	30.56	44.52
Balance with Income Tax authorities	0.40	-
Public Utility Deposits	1.14	1.14
Amount Recoverable from Franchisee	12.40	-
Others	6.33	8.95
Total	188.58	180.58

Note 13: Equity share capital

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Authorized Share Capital		
1,20,00,000 equity shares of Rs.10 /- each	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
TOTAL	1,192.80	1,192.80

13.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period: Equity Shares

Particulars	31.03.2019 No. of Shares	31.03.2018 No. of Shares
At the beginning of the year	11,928,000	11,928,000
Add: Shares Issued during the year	0	0
At the end of the year	11,928,000	11,928,000

13.2 Rights attached to Equity Shareholders:

The company has only one class of equity shares having a par value of Rs. 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.

13.3 Shareholders holding equity shares more than 5 % of total issued Equity Share capital

Particulars	31.03.2019		31.03.2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
A. Nina Reddy	2,095,812	17.57	2,095,812	17.57
A. Ravikumar Reddy	1,603,840	13.45	1,603,840	13.45
A. Priyamvadha	687,600	5.76	687,600	5.76
TOTAL	4,387,252	36.78	4,387,252	36.78

Note 14: Other equity

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
(i) General Reserve		
As per last Balance Sheet	659.13	659.13
Add: Current Year	40.87	-
Closing Balance (A)	700.00	659.13
(ii) Retained Earnings		
As per Last Balance Sheet (Refer Note 14.1) (i)	3,596.84	3,471.07
Current Year Profit	628.22	513.40
Less: Appropriations		
Transfer to General Reserve	40.87	-
Dividend (Interim)	119.28	143.14
Dividend Distribution Tax (Interim)	24.52	29.14
Dividend (Final)	155.06	178.92
Dividend Distribution Tax (Final)	31.87	36.42
Total Appropriations during the current year	371.60	387.62
Current Year Profit (net of appropriations) (ii)	256.62	125.78
Closing Balance (B) (i) + (ii)	3,853.46	3,596.85
(iii) Other Comprehensive Income		
Fair Value through Other Comprehensive Income (FVOCI)		
Opening Balance	94.32	119.79
Add: Additions during the year	27.41	(25.47)
Less: Deletions during the year	-	-
Closing Balance (C)	121.73	94.32
TOTAL (A) + (B) + (C)	4,675.19	4,350.30

14.1. 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 and to the aforesaid extent the balance in the said reserve cannot be distributed to the shareholders as dividend.

Note 15: Borrowings (Non - Current)

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Term Loans:		
From Banks	237.77	601.50
Others	-	-
Less: Repayable within the next financial year	112.20	366.07
Net (A)	125.57	235.43
Long- term Finance lease obligations - Hire Purchase	52.00	45.73
Less: Repayable within the next financial year	14.73	15.63
Net (B)	37.27	30.11
Total (A) + (B)	162.84	265.54

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 assets taken on lease

Interest rate on term loan

- (i) On term loans from banks, the interest is being charged at 11.65% p.a (as at the date of the balance sheet)

Note 16: Other Financial Liabilities (Non - Current)

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Rental Deposit	4.70	4.70
Caution Deposit	30.10	30.10
Total	34.80	34.80

Note 17: Provisions (Non - Current)

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Provision for Employee Benefits	115.74	141.58
Total	115.74	141.58

Note 18: Borrowings (Current)

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Loan repayable on Demand	41.55	45.73
Total	41.55	45.73

18.1 The amount sanctioned is Rs. 1.50 Crore

18.2 Loans are secured against Trade Receivables, Inventories upto Rs. 75 Lakhs and lien on the Company's Deposits with Banks amounting to Rs. 75 Lakhs

18.3 Bank charges interest at the rate of 11.65% p.a (as at the date of the Balance Sheet)

Note 19: Trade Payables (Current)

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Total outstanding dues of Micro Enterprises and Small Enterprises	3.69	5.25
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	124.82	130.17
Total	128.51	135.42

Note 20: Other Financial Liabilities (Current)

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Current maturities of Long-term Term Loans	112.20	366.07
Current maturities of Long-term Finance Lease Obligations - Hire Purchase	14.73	15.63
Creditors for expenses	177.17	198.23
Unclaimed dividend	34.96	31.16
Dues to Employees	139.97	119.17
Caution Deposits	2.37	2.78
Total	481.40	733.04

Creditors for expenses includes the following:

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Repairs and Maintenance	42.80	38.40
Electricity Charges	37.18	52.26
Rental Expenses	37.06	39.58
Advertisement and Sales Promotion	20.49	15.09
Professional Charges	14.67	12.93
General Expenses	24.96	39.97
Total	177.17	198.23

Note 21: Other Current Liabilities

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Unaccrued Income realisable in next 12 months *	-	203.83
Duties and Taxes Payable	55.86	65.53
Advance from customers *	-	72.50
Total	55.86	341.86

* Represents amounts received from customers for which service is yet to be rendered. In the Current Year the same is grouped under Contract liabilities

Note 22: Provisions (Current)

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Provision for Employee benefits	68.37	76.96
Total	68.37	76.96

Note 23: Revenue from Operations

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Foods & Beverages	3,237.71	3,362.78
Sale of rooms and other ancillary services	2,855.62	2,813.87
Gym Collections	594.98	665.39
Franchisee Income	162.13	68.18
Sanus Per Aquam (Spa) Collections	158.27	154.82
Banquets Halls	92.24	91.57
Other Services	86.20	86.72
TOTAL	7,187.15	7,243.34

Note 24: Other Income

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Interest Income		
Interest Income	47.23	27.10
Dividend Income		
Dividend from Investments	2.30	2.17
Other Non Operating Income		
Profit on sale of Assets	2.30	1.99
Foreign Exchange Fluctuations	0.09	0.42
Gain on Fair Value Adjustment	4.37	17.12
Miscellaneous Income	14.98	12.56
Insurance Claims	-	1.00
TOTAL	71.27	62.35

Note 25: Cost of Materials Consumed

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Foods and Beverages		
Opening Stock	12.02	9.63
Add: Purchases of Food and Beverages	1,033.95	1,171.65
	1,045.97	1,181.28
Less: Closing Stock	9.49	12.02
Cost of Food and Beverages consumed (A)	1,036.48	1,169.26
Purchase of Crockery and Cutlery (B)	31.03	27.81
TOTAL - (A) + (B)	1,067.51	1,197.07

Note 26: Change in inventory of Stock-in-trade

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Wine and Liquor		
Opening Stock	18.82	10.76
Add: Purchases	110.47	129.96
Less: Closing Stock	11.64	18.82
TOTAL	117.65	121.89

Note 27: Employee Benefit Expenses

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Salary, Wages, Bonus and Allowances	1,666.29	1,715.03
Contribution to Provident and other Funds	149.92	181.95
Staff Welfare Expenses	208.24	186.52
TOTAL	2,024.45	2,083.49

Note 28: Finance Cost

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Interest Expense	51.12	110.16
TOTAL	51.12	110.16

Note 29: Depreciation

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Depreciation and Amortization	347.44	360.39
TOTAL	347.44	360.39

Note 30: Operating and Other Expenses

Particulars	31.03.2019 ₹ In lakhs	31.03.2018 ₹ In lakhs
Operating Expense:		
Power and Fuel	450.13	507.17
Upkeep and Service Cost	269.84	278.70
Banquet Charges	117.88	93.15
Repairs and Maintenance		
- Plant and Machinery	175.43	163.51
- Buildings	64.80	70.98
- Others	33.93	71.55
- Vehicles	26.40	29.03
Spa Expenses	76.55	73.96
Security Services	63.79	72.52
Royalty	53.06	23.98
Other Expenses:		
Sales Promotion expenses	533.33	462.32
Rates & Taxes	243.92	157.03
Rental Expenses	206.57	238.45
Professional Charges	104.50	147.44
Travel expenses	48.86	52.10
Postage and Telephone	46.01	40.11
Printing and stationery	43.92	42.25
Insurance	23.66	25.85
CSR Expenses	22.77	12.14
Subscription	10.17	10.77
Bank Charges	9.57	13.37
WDV of assets scrapped	9.10	-
Audit Fees		
Statutory Audit	8.00	6.05
Other Services	1.95	-
Directors Sitting Fees	2.60	2.95
Donation	2.56	8.03
Bad Debts	2.94	1.42
Sundry Expenses	50.38	40.58
TOTAL	2,702.62	2,645.40

31 Financial Instruments:

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 31.03.2019.*

Particulars	Carrying value	Less than 1 year	More than 1 year upto 3 years	Beyond 3 years	Total
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Borrowings	204.39	41.55	162.84	-	204.39
Trade Payables	128.51	128.51	0.00	0.00	128.51
Other Financial Liabilities	516.20	486.10	30.10	-	516.20
Total	849.10	656.16	192.94	-	849.10

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

Particulars	Carrying value	Less than 1 year	More than 1 year upto 3 years	Beyond 3 years	Total
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Borrowings	311.27	45.73	223.40	42.14	311.27
Trade Payables	135.42	135.42	-	-	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 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

(Rs. in Lakhs)

As at 31st March 2019	Level 1	Level 2	Level 3	Total
Financial Assets:				
Investments at FVTOCI				
Equity Instruments				
Quoted	179.97	-	-	179.97
Unquoted	-	-	30.46	30.46
Total financial assets	179.97	-	30.46	210.43

Financial assets and liabilities measured at fair value - recurring fair value measurements

(Rs. 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	-	30.46	185.50

B. Valuation Techniques:

- The Carrying value of financial assets and liabilities with maturities less than 12 months are considered to be representative of their fair value.
- 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.
- 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, 2019 were as follows: (Rs. in Lakhs)

Sl. 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	-	179.97	210.43	210.43
	(ii) Loans	38.27	-	-	38.27	38.27
	(iii) Other financial Assets	283.19	-	-	283.19	283.19
	(iv) Trade Receivables	141.74	-	-	141.74	141.74
	(v) Cash and cash equivalents	427.93	-	-	427.93	427.93
	Total financial assets	921.59	-	179.97	1,101.56	1,101.56
B.	Financial liabilities					
	(i) Trade Payables	128.51	-	-	128.51	128.51
	(ii) Other financial Liabilities	516.20	-	-	516.20	516.20
	(iii) Borrowings	204.39	-	-	204.39	204.39
	Total financial liabilities	849.10	-	-	849.10	849.10

The carrying value and fair value of Financial instruments by each category as at 31st March, 2018 were as follows. (Rs. in Lakhs)

Sl. 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 and 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

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

(Rs. in Lakhs)

Particulars	31.03.2019
(a) The amount of dividend proposed and not recognized at the end of the reporting period to be distributed to Equity share holders	23.86
(b) The corresponding amount of dividend distribution tax for the amount of proposed dividend	4.90

"The Company declared Final Dividend of Rs. 186.93 Lakhs (including Dividend Distribution Tax) for the year ended 31st March, 2018. The Company has on 13th February, 2019 declared an Interim Dividend of Rs. 143.79 Lakhs (including Dividend Distribution Tax) which has been considered in the accounts for the year ended 31st March, 2019."

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 2019 and 31st March 2018 are given below:

i GRATUITY:**A Expense recognized in the statement of Profit and Loss:**

(Rs. in Lakhs)

Period	From 01.04.2018 to 31.03.2019	From 01.04.2017 to 31.03.2018
Interest cost	26.64	22.86
Current service cost	33.30	32.31
Past Service Cost	0.00	5.19
Expected return on plan asset	(25.38)	(21.69)
Expenses to be recognized in P&L	34.56	38.67

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

(Rs. in Lakhs)

Period	From 01.04.2018 to 31.03.2019	From 01.04.2017 to 31.03.2018
Actuarial (gain)/loss - obligation	(14.90)	23.91
Actuarial (gain)/loss - plan assets	1.85	1.03
Total Actuarial (gain)/loss	(13.05)	24.94

C Reconciliation of Present Value of the Obligation and the Fair Value of the Plan Assets

(Rs. in Lakhs)

Period	From 01.04.2018 to 31.03.2019	From 01.04.2017 to 31.03.2018
Present value of the obligation at the end of the period	353.00	343.78
Fair Value of Plan Asset at the end of the Period	367.93	327.43
Liability / (Asset) recognized	(14.93)	16.36

Table showing changes in the Present Value of Obligations:

(Rs. in Lakhs)

Period	From 01.04.2018 to 31.03.2019	From 01.04.2017 to 31.03.2018
Present value of the obligation at the beginning of the period	343.78	294.95
Interest cost	26.64	22.86
Current service cost	33.30	32.31
Past Service Cost	0.00	5.19
Benefits paid (if any)	(35.83)	(35.43)
Actuarial (gain)/loss	(14.90)	23.91
Present value of the obligation at the end of the period	353.00	343.78

D. The amount to be recognized in the Balance Sheet:

(Rs. in Lakhs)

Period	As on 31.03.2019	As on 31.03.2018
Present value of the obligation at the end of the period	353.00	343.78
Fair value of plan assets at end of period	367.93	327.43
Net liability/(asset) recognized in Balance Sheet	(14.93)	16.36
Funded Status	14.93	(16.36)

(Rs. in Lakhs)

Movements in the liability recognized in the Balance Sheet	As on 31.03.2019	As on 31.03.2018
	Rs in Lakhs	Rs in Lakhs
Opening net liability adjusted for effect of balance sheet limit	16.36	15.14
Amount recognised in Profit and Loss	34.56	38.67
Amount recognised in OCI	(13.05)	24.94
Contribution paid	52.80	62.39
Closing net liability	(14.93)	16.36

E. The assumptions employed for the calculations are tabulated:

Particulars	As on 31.03.2019	As on 31.03.2018
Discount rate	7.75 % per annum	7.75 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected rate of return	7.75% per annum	7.75% per annum
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

ii EARNED LEAVE**A. Table showing Changes in Present Value of Obligations:**

(Rs. in Lakhs)

Period	As on 31-03-2019
Present Value of Obligation at the end of the period	149.04

B. The amount to be recognized in the Balance Sheet:

(Rs. in Lakhs)

Period	As on 31-03-2019
Present value of the obligation at the end of the period	149.04
Fair value of plan assets at end of period	0.00
Net liability/(asset) recognized in Balance Sheet	149.04
Funded Status	(149.04)

C. The assumptions employed for the calculations are tabulated:

Particulars	As on 31-03-2019
Discount rate	7.75 % per annum
Salary Growth Rate	5.00 % per annum
Mortality	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	5.00% p.a.

During the Financial Year 2017-18, pursuant to the Long-Term agreement with the Unions dated 01.08.2017, the Company made a provision of Rs.148.18 Lakhs towards Earned Leave payable to those employees of the Company who have completed 5 years of service.

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.

(Rs. in Lakhs)

Particulars	31.03.2019	31.03.2018
Principal Amount remaining unpaid to any supplier as on		
Trade Creditor	3.69	5.25
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	3.69	5.25

- 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.

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, 2019

(Rs. in Lakhs)

Particulars	Opening balance as on 01.04.2018	Additions/ (reversals) in Income statement	Additions/ (reversals) recognized in Equity	Closing Balance as on 31.03.2019
Deferred Tax Liability <i>On Temporary Differences</i>				
- Depreciation	141.61	(47.83)	-	93.78
Total	141.61	(47.83)	-	93.78
Deferred Tax Asset	-	-	-	-
Net Deferred Tax Liability / (Asset)	141.61	(47.83)	-	93.78

For the year ended 31st March, 2018

(Rs. 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 Timing 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

**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 tax rates**

(Rs. in Lakhs)

Particulars	31st March 2019	31st March 2018
Profit Before Taxes	964.38	641.89
Enacted Tax Rates	29.120%	33.063%
Expected Tax Expense/(Benefit)	280.83	212.23
Effect of:		
Deductible Expenses/Non-Taxable Income for tax purpose:		
Profit on sale of asset	(0.67)	(0.66)
Fair value on Investments	(7.26)	4.33
Dividend Income	(0.67)	-
Fair value on deposits	(1.27)	(5.66)
Non-Deductible Expenses for tax purpose:		
Donations	0.75	2.66
Assets Written off	2.65	
Prior period expenses	0.34	
Provision for doubtful debts	6.18	
Loss on Sale of Assets considered u/s. 32	-	10.75
CSR Expenses as per section 37(1)	6.63	4.01
Impairment		
Others:		
On account of Depreciation	27.59	26.87
Provision on gratuity reversal not considered	-	-
Others:	-	(0.03)
Tax Expense*	315.09	254.50

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

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

(Rs. in Lakhs)

Earnings Per Share has been computed as under:	31.03.2019 Rs.	31.03.2018 Rs.
Profit/ (Loss) before Taxation as per Profit & Loss Account	926.41	679.93
Tax Expense	298.20	166.53
Profit/ (Loss) after Taxation as per Profit & Loss Account (A)	628.21	513.40
Number of Ordinary Shares outstanding Shares fully paid-up (Equity Shares of Rs. 10/- each) (B)	11,928,000	11,928,000
Earnings Per Share - Basic and Diluted (Face value of Rs. 10/- per share) (A/B)	5.27	4.30

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 Management Person - Joint Managing Director
Mr. A. Tarun Reddy	Key Management Person - Director
Smt. A. Nivruti	Key Management Person - Director
Mr. S.Sridhara Rao	Key Management Person - Director
Mr. A.Sudhakar Reddy	Key Management Person - Director
Mr. B.Ranga Reddy (Resigned on 13th February 2019)	Key Management Person - Director
Mr. N S Mohan	Key Managerial Personnel * - Company Secretary
Mr. D V M Sambasiva Rao	Key Managerial Personnel * - Chief Financial Officer

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

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

In respect of the following entities with whom the Company has transactions, Mr. A . Ravikumar Reddy, Smt. A. Nina Reddy, Mr. A. Tarun Reddy, Smt. A. Nivruti exercise significant influence:

- i) Amaravathi Restaurants Pvt. Ltd.
- ii) Shyam Hotels and Restaurants

ii. The Table showing transactions with Key Managerial Personnel and entities over which they exercise significant influence for the year ended 31.03.2019

Name of the Related Party	Nature of Transaction	31.03.2019 Rs.	31.03.2018 Rs.
Amaravathi Restaurants Pvt. Ltd.	Royalty on Franchise	59.78	31.42
	Purchase of Goods	3.49	3.85
	Services received	-	3.50
Shyam Hotels and Restaurants	Purchase of Water	29.31	40.18
	Purchase of Goods	-	0.41
Mr. A. Tarun Reddy	Sitting Fees	0.60	0.60
Smt. A. Nivruti	Sitting Fees	0.40	0.50
Mr. S.Sridhara Rao	Sitting Fees	0.60	0.70
Mr. A.Sudhakar Reddy	Sitting Fees	0.60	0.75
Mr. B.Ranga Reddy	Sitting Fees	0.40	0.40
Mr. A . Ravikumar Reddy	Remuneration	52.00	37.50
Smt. A. Nina Reddy	Remuneration	55.00	37.50
Mr. N S Mohan	Remuneration	18.96	18.05
Mr. D V M Sambasiva Rao (joined on 1st July 2017)	Remuneration	7.25	5.44
Mr. I. Sivakumar (retired on 30th June 2017)	Remuneration	-	2.12

(Receivable)/Payable with related parties as at the Balance sheet date: (Rs. in Lakhs)

Name of the Related Party	31.03.2019 Rs.	31.03.2018 Rs.
Shyam Hotels and Restaurants	0.46	1.71
Amaravathi Restaurants Pvt. Ltd.	7.06	6.50
Total	7.53	8.21

iii. Salaries, Wages and Other benefits include Managerial Remuneration under section 198 of the Companies Act, 2013, which are as follows:

(Rs. in Lakhs)

Particulars	Managing Director	Joint Managing Director
Salaries and Perquisites (7.5 % on Net Profit)*		
As on 31.03.2019	52.00	55.00
As on 31.03.2018	37.50	37.50

* With effect from 01-02-2019 for Managing Director
With effect from 28-10-2018 for Joint Managing Director

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.

(a) Income Tax :

The amount of TDS outstanding as per TRACES is Rs.9.28 Lakhs (Previous year Rs..22.73 Lakhs) The Company is in the process of addressing the same for necessary rectification. The Company does not expect any outgo in this regard.

(b) 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 @ Rs.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 Rs.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 the Company, since liability if any would be borne by captive generator i.e. CWFPL.

(c) Notice from the Registrar of Companies:

The Company during the financial year 2018-19 has received notices from the Registrar of Companies for certain alleged non-compliances with regard to disclosures in the Companies Annual Reports and procedural deficiencies relating to earlier years. The Company is of the opinion that the issues highlighted by the Registrar of Companies (ROC) in aforesaid notices are minor and hence the Company had requested for dropping of the proceedings. The ROC (after the Balance Sheet date i.e. 31st March 2019) has dropped in some cases and the Company is in the process of clarifying the balance matters. As no amounts have been quantified no provision is made.

(d) Notice from the BSE Ltd.,:

The Company after the Balance Sheet date i.e. 31st March 2019, has received a notice from BSE Ltd., for alleged non-compliance of SEBI (LODR) Regulations 2015 regarding composition of its Board of Directors. The Company has replied to the said notice explaining its position that the composition of the Board is in compliance with the relevant regulations. The matter is pending.

(e) Notice from the Director General Foreign Trade (DGFT) and Customs Department:

During the financial year 2018-19, the Company has received notices from DGFT and Customs Department for alleged non-fulfilment of export obligations for the financial year 2007-08 and 2009-10 relating to import of Capital Goods. The Company is in the process of obtaining necessary clearances from the DGFT and the Company does not foresee any liability in this regard.

ii. Disclosure pursuant to Ind AS 115:

- A. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2018, on 28th March 2018, which inter alia, notified Ind AS 115, 'Revenue from Contracts with Customers'. The Company has adopted the said Standard with effect from FY 2018-19. In terms of the nature of services offered by the Company, the duration between rendering performance obligation and receipt of consideration is, generally, short-term in nature. Hence, there was no material impact on the financial statements of the Company as a result of such transition.

The Company has adopted Ind AS 115 using the cumulative effect method (with practical expedients), with the effect of initially applying this standard recognized at the date of initial application (i.e. 01st April 2018). Accordingly, the information presented for the year ended 31st March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, Ind AS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

B. Disaggregation of Revenue:

The Company has disaggregated revenue into various categories in the following table which is intended to depict how the nature, amount, timing and uncertainty of revenue and cash flows affected by economic date. It has disaggregated by major services and timing of revenue recognition.

(Rs. in Lakhs)

For the year ended 31st March	Sale of rooms and other ancillary services	Food & Beverages	Other Allied Services	Gym Collections	Franchise Income
Timing of Revenue Recognition					
(i) Transferred over time	2,855.62	-	-	594.98	162.13
(ii) Transferred at a point in time	-	3,237.71	336.72	-	-
Total	2,855.62	3,237.71	336.72	594.98	162.13

C. Contract Balances

The following table provides information about receivables and payables for contracts with customers.

(Rs. in Lakhs)

Particulars	31.03.2019	31.03.2018
a) Receivables, which are included in Trade Receivables	141.74	224.89
b) Contract Assets	10.78	-
c) Contract Liabilities	200.54	-
d) Unaccrued Income realisable in next 12 months which are included in Other Current Liabilities	-	203.83
e) Advance from Customers which are included in Other Current Liabilities	-	72.50
Total	353.06	501.22

D. Practical Expedient used in the adoption of Ind AS 115:

The Company has applied:

- (i) Para 63 (non-applicability of significant financing component) as the period between the Company's promise to transfer services to a customer and its payments is one year or less.
- (ii) Para 121 (non-disclosure of amount of transaction price for unsatisfied performance obligations) as the Company recognises revenue from the satisfaction of the performance obligation in accordance with paragraph B16.

iii. Commitments

(Rs. in Lakhs)

Particulars	31.03.2019	31.03.2018
Estimated amount of contracts remaining to be executed and not provided for		
(i) On Capital Account	-	-
(ii) Other than (i) above	-	-
Total	-	-

iv. CSR Activities

(Rs. in Lakhs)

Particulars	31.03.2019	31.03.2018
Gross amount to be spent on CSR activities	16.51	13.41
Amount spent during the year on CSR activities - Education	15.65	10.22
Environmental Sustainability	1.12	0.55
Welfare for Deaf and blind	0.00	0.87
Social security		0.50
Flood relief	6.00	0.00
Healthcare		0.00
	22.77	12.14
Amount unspent	-	1.27

v. Exceptional Items

Exceptional items of the financial year 2017-18 represents Rs.97.55 Lakhs, being loss on closure of Savera Purple, Bangalore Rs. 65.04 Lakhs and Food Buddy Outdoor Catering Division, Chennai - Rs. 32.51 Lakhs.

vi. 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.

vii. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2019 and the Companies (IND AS) Second Amendment Rule 2019, both dated 30th March 2019, with effect from 01.04.2019. The said rules notified, inter alia, INDAS 116, 'Leases' and certain amendments in Ind AS 12 'Income Taxes'. The Company is in the process of assessing the impact in its financials, which the Company expects not to be material.

viii. Figures are rounded off to nearest rupee.

ix. 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: 29th May, 2019

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



SAVERA INDUSTRIES LIMITED

**REGD. OFFICE : 146 DR.RADHAKRISHNAN ROAD, CHENNAI 600 004
CIN L55101TN1969PLC005768**

ADMISSION SLIP

50TH Annual General Meeting – September 05, 2019

Name of the Shareholder(s) / Proxy

Address

Regd. Folio / Client ID, DP ID

No. of shares held

I hereby record my presence at 50th Annual General Meeting of the Company, to be held on Thursday, the 5th September, 2019 at 3.15 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 2018-19 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 to all the members whose e-mails are 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)

50th Annual General Meeting – September 05, 2019

Name of the member(s)

Registered address

Email ID

Folio no. / Client ID

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DP ID

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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 50th Annual General Meeting of the Company, to be held on the 5th day of, September, 2019, at 3.15 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 / 2019 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 Mr.A.Tarun Reddy as a Director.	Ordinary			
4.	Ratification of appointment of Statutory Auditors and fixation of their remuneration.	Ordinary			
SPECIAL BUSINESS					
5.	Reappointment of Mr.A.Sudhakar Reddy as an Independent Director.	Special			

Signed this day of 2019.

.....
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 50th 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.

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