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BOARD OF DIRECTORS

| | |
|------------------------|-------------------------|
| Sri A. Ravikumar Reddy | Managing Director |
| Smt. A. Nina Reddy | Joint Managing Director |
| Sri A. Tarun Reddy | Director |
| Ms. A. Nivruti Reddy | Director |
| Sri A. Sudhakar Reddy | Independent Director |
| Sri B. Ranga Reddy | Independent Director |
| Sri S. Sridhara Rao | Independent Director |

SAVERA MISSION STATEMENT

We are a company striving to achieve excellence in

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

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

OUR VISION

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

CORPORATE INFORMATION

Registered Office : No.146 Dr.Radhakrishnan Road,
Mylapore, Chennai 600 004.
Phone : 044 - 28114700

Key Managerial Personnel

- Managing Director : Mr.A.Ravikumar Reddy
- Company Secretary : Mr. N. S. Mohan
Mail ID : cs@saverahotel.com
Mobile : 72990 11005
- Chief Financial Officer : Mr. I. Sivakumar

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

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

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

Registrars & Transfer Agents : M/s. Cameo Corporate Services Ltd.
'Subramaniam Building'
No.1, Club House Road,
Chennai 600 002.

SAVERA INDUSTRIES LIMITED

(CIN : L55101TN1969PLC005768)

Registered Office No.146 Dr.Radhakrishnan Road, Chennai 600 004. Email : info@saverahotel.com website : www.saverahotel.com

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 48th Annual General Meeting of Savera Industries Limited will be held on Friday, the 11th August, 2017 at 10.15 a.m. at Music Academy Mini Auditorium, 168, TTK Road, Chennai 600 014 to transact the following business.

ORDINARY BUSINESS :

1. Adoption of Audited Financial Statements for the year ended 31 / 03 / 2017 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, 2017 including audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.

2. Declaration of Dividend

Declaration of dividend of ₹ 1.50 (Rupee one and paise fifty only) per equity share for the financial year 2016-17

3. Re-appointment of Ms. A. Nivruti as a Director.

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

4. Appointment of Statutory Auditors and fixation of their remuneration

To consider and if thought fit to pass the following resolution as an Ordinary Resolution :

"REVOLVED THAT pursuant to the provisions of Section 139 and 142 other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and pursuant to the recommendations of the Audit Committee of the company, M/s. S.Venkatram & Co., Chartered Accountants, (Firm Registration No.004656S) 218 T.T.K. Road, Chennai 600 018, be and are hereby appointed as the Statutory Auditors of the company for the period of 5 years to hold office from the conclusion of this 48th Annual General meeting till the conclusion of the 53rd Annual General Meeting. (subject to the ratification of the appointment by the member at every Annual General Meeting held after this Annual General Meeting) in the place of retiring statutory auditors M/s. D.A.Reddy & Co., Chartered Accountants, and that the Board of Directors of the company be and is hereby authorised to fix the remuneration."

SPECIAL BUSINESS :

5. Appointment of Mr. B. Ranga 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 any 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.B.Ranga Reddy (holding DIN No. 01833835) who was appointed as an Independent Director for the first term in the 45th Annual General Meeting of the company of the Company held on 22.09.2014, 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, 2017, to 21st September,2022, not liable to retire by rotation."

6. Appointment of Mr. S. Sridhara Rao 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 any 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.S.Sridhara Rao (holding DIN No. 06927991) who was appointed as an Independent Director for the first term in the 45th Annual General Meeting of the company of the Company held on 22.09.2014, 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, 2017, to 21st September,2022, not liable to retire by rotation."

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

N.S. Mohan
Company Secretary

Chennai
30th May, 2017

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 5th August, 2017 to 11th August 2017 (both days inclusive) for the purpose of the 48th Annual General Meeting and determining the entitlement of the shareholders to the dividend for the financial year 2016-17.
2. The Explanatory Statement in respect of item No.4, 5 and 6 are 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 dividend of ₹ 1.50 (Rupees one and paise fifty only) per share as recommended by the Board of Directors if declared at the Annual General Meeting will be paid after 11th August, 2017 but before 9th September, 2017.
 - (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 4th August, 2017.
 - (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 4th August, 2017.
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 due dates for claim by the shareholders.

| Financial year | Date of declaration of Dividend | Date of Transfer to IEPF |
|-----------------------|----------------------------------------|---------------------------------|
| 2009-10 | 25.09.2010 | 25.10.2017 |
| 2010-11 | 21.09.2011 | 28.10.2018 |
| 2011-12 | 24.09.2012 | 30.10.2019 |
| 2012-13 | 26.09.2013 | 02.11.2020 |
| 2013-14 | 22.09.2014 | 28.10.2021 |
| 2014-15 | 28.09.2015 | 02.11.2022 |
| 2015-16 (interim) | 11.03.2016 | 16.04.2023 |
| 2015-16 (final) | 15.09.2016 | within the stipulated date |

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 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2016-17 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 48th Annual General Meeting and the Annual Report for 2016-2017 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 7th August, 2017 (9.00 a.m.) and ends on 10th August, 2017 (5.00 p.m.).

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4th August, 2017 may

cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members
- (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 of 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 login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.
- (xx) The 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xxi) The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the company www.saverahotel.com and on the website of CDSL www.evotingindia.com within 48 hours of conclusion of the 48th Annual General Meeting of the company. The results shall simultaneously be communicated to the Stock Exchange also.

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 4th August, 2017.
- b. Mr. R. Balasubramaniam, Practising Company Secretary (Membership No.F2397) has been appointed as the Scrutinizer to scrutinize the e-voting as well as voting through ballots in a fair and transparent manner.
- c. The scrutinizer shall immediately by the end of the conclusion of the evoting period unblock the votes in the presence of atleast two (2) witnesses not in the employment of the company and prepare a report of votes cast.
- d. The facility for voting through ballot process at the AGM venue shall be made available at the meeting and the member attending the meeting who have not cast their vote by e-voting shall be able to vote at the meeting.

- e. Once the vote on the resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - f. Members who have cast their vote by e-voting may also attend the AGM and shall not be entitled to cast their vote again.
 - g. Scrutinizer will open the ballot box kept at the venue in the presence of two witnesses and thus votes cast will be validated and the scrutinizer's decision on the validity will be final.
 - h. Scrutinizer shall within a period not exceeding forty eight hours of the conclusion of the voting at the AGM venue will submit a consolidated voting results considering all mode of voting (i.e. e-voting/ballots at the AGM venue) based on the votes cast in favour or against, if any, forthwith to the Managing Director of the company.
17. All documents referred to in the accompanying notice shall be open for inspection at the Registered Office of the company during normal business hours (9.30 a.m. to 6.00 p.m.) on all working days up to and including the date of the Annual General Meeting of the company.

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

Chennai
30th May, 2017

N.S. Mohan
Company Secretary

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

EXPLANATORY STATEMENT

Pursuant to section 102 of the Companies Act, 2013.

Item No.4 : Explanatory Note

Though explanatory statement is not required for this item, the company is furnishing explanatory note as follows ;

M/s. D.A. Reddy & Co., Chartered Accountants, were appointed as statutory auditors of the company from the conclusion of the 45th Annual General Meeting of the company held on 22.09.2014 till the conclusion of the 48th Annual General Meeting(AGM) to be held in the year 2017 and his term gets completed on the said date.

In pursuance of provisions of section 139 of the Companies Act, 2013 and the rules framed thereunder, the Board of Directors of the company has recommended M/s. S. Venkatram & Co., Chartered Accountants, (Firm Registration No. 004656S) 218, T.T.K. Road, Chennai - 600 018 for appointment as Statutory Auditors of the Company for a period of 5 years (first term) to hold the office from the conclusion of this 48th Annual General Meeting until the conclusion of the 53rd Annual General Meeting. In this connection, the company has received the written consent from M/s. S. Venkatram & Co., that the appointment if made, shall be in accordance with the conditions as prescribed under Rule 4 of the Companies (Audit & Auditors) Rules 2014.

ITEM NO.5 :

Mr. B. Ranga Reddy, aged 75, holds a Bachelor Degree in Science. He joined the Board of the company on 6th June, 2008. He has been associating with the Hotel Industry for over a period of several decades. Mr. B. Ranga Reddy is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee and the Share Transfer Committee. He does not hold any equity shares in the company.

Mr. B. Ranga Reddy is a director in Teamwealth Management Services (P) Ltd.

Mr. B. Ranga Reddy has been an Independent and non-executive Director under the listing agreement on the Board of the company since 6th June, 2008. In pursuance of the enactment of the Companies Act, 2013 ('Act') he was appointed as 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 3 years from 22.9.2014 to 21.9.2017. The Board of Directors of the company, after review, is of the opinion that Mr. B. Ranga 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.

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. B. Ranga Reddy as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. B. Ranga 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 the approval by the shareholders of the company. In terms of the provisions of section 149 (13) of the Act, Mr. B. Ranga Reddy shall not be liable to retire by rotation. A copy of the draft letter for the re-appointment of Mr. B. Ranga 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.

The company has received from Mr. B. Ranga 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

Except Mr. B. Ranga 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.

ITEM NO.6

Mr. S. Sridhara Rao, aged 63, holds a Bachelor Degree in Commerce. He is a Chartered Accountant in practice and is an Associate Member of ICSI (A.C.S.). He was appointed as an Independent Director 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 3 years from 22.9.2014 to 21.9.2017. He does not hold any equity shares in the company.

He is a partner in M/s. Padmanabhan Prakash and Company, Chartered Accountants.

He has more than 39 years of professional experience. He has rich experience in direct taxes, company audit, and tax audit.

Mr. S. Sridhara Rao was appointed as 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 3 years from 22.9.2014 to 21.9.2017. The Board of Directors of the company, after review, is of the opinion that Mr. S. Sridhara Rao fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be re-appointed as Independent Director pursuant to the provisions of section 149 of the Act, for the second term.

The Board considers that his rich experience, skills and knowledge will benefit the company. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. S. Sridhara Rao 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 the approval by the shareholders of the company. In terms of the provisions of section 149 (13) of the Act, Mr. S. Sridhara Rao shall not be liable to retire by rotation. A copy of the draft letter for the reappointment of Mr. S. Sridhara Rao 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.

The company has received from Mr. S. Sridhara Rao (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.

Except Mr. S. Sridhara Rao, 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.6.

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
30th May, 2017

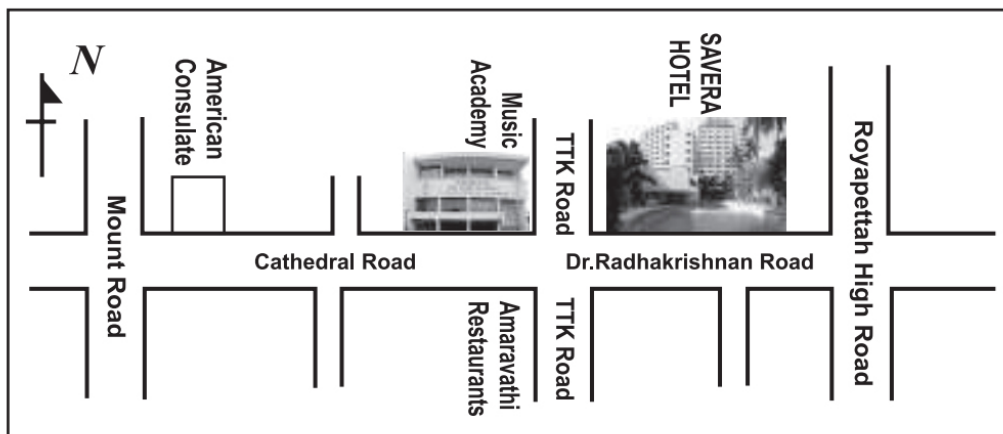
N.S. Mohan
Company Secretary

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 |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------|
| Ms.A. Nivruti | <p>Ms. A. Nivruti is a B.Sc. Management (Hons.) Graduate from Warwick Univeristy, London, U.K. and has a rich exposure in hotel industry for more than 11 years. She is a creative and energetic executive. She has been in the Board since 30.01.2007.</p> <p>Ms. A. Nivruti is a member of Investor Grievance Committee. Ms. A. Nivruti is holding 2,91,820 equity shares in the company.</p> | 2 | <p>1. Ruchi Agro Products Pvt Ltd</p> <p>2. Amaravathi Restaurants Pvt Ltd.</p> |

ROUTE MAP TO AGM VENUE - MUSIC ACADEMY

(in compliance with the Secretarial Standard 2 of ICSI)



DIRECTORS' REPORT

To the members of Savera Industries Ltd.

The Directors have pleasure in presenting the 48th Annual Report of Savera Industries Ltd (the company) along with the audited financial statements for the financial year ended 31st March, 2017.

FINANCIAL RESULTS

| | (₹ in lakhs) | |
|---------------------------------------------------------------------------------------|----------------|----------------|
| | 2016-17 | 2015-16 |
| Profit / (Loss) before tax for the year after the exceptional item of ₹ 196.44 lakhs | 460.30 | 573.24 |
| Less : Provision for income tax for the year (Including deferred tax liability) | 222.61 | 330.15 |
| Profit after tax | 237.69 | 243.09 |
| Profit brought forward | 1934.04 | 1906.47 |
| Profit available for appropriation | 2171.73 | 2149.56 |
| Transferred to General Reserve | | |
| Dividend and Dividend Distribution Tax | 215.52 | 215.52 |
| Profit carried forward to next year | 1956.21 | 1934.04 |

OPERATING RESULTS

The income of the company rose to ₹ 6867.00 lakhs from ₹ 6690.98 lakhs representing 2.63% increase over last year. The occupancy of the main unit i.e. Savera Hotel, Chennai is 78.2% during the year as against 81% over the corresponding period last year.

During the year under review, the profit before tax and before exceptional item amounted to at ₹ 656.74 lakhs and after an exceptional item ie. impairment loss of ₹ 196.44 lakhs, but before Tax, the Profit stood at Rs.460.30 lakhs as compared to ₹ 573.24 lakhs of last year, registering a decrease of 19.70%.

After the Balance Sheet date, Savera Purple situated at Bengaluru on leased lands was closed in view of losses. Accordingly, impairment loss was booked as required under the Accounting Standard.

STATE OF COMPANY'S AFFAIRS

Total expenditure for the period ended as at 31st March, 2017 worked out to ₹ 6210.26 lakhs showing an increase of ₹ 92.52 lakhs (1.51%) as compared to the previous year. The Profit (EBITDA) before depreciation, finance cost and tax for the year ended 31st March, 2017 amounted to ₹ 1271.61 lakhs decreased by ₹ 0.58 lakhs as compared to the corresponding period last year. The tax expense including deferred tax for the year ended 31st March, 2017 amounted to ₹ 222.61 lakhs. The Profit after Tax for the year ended 31st March, 2017 stood at ₹ 237.69 lakhs as against a profit of ₹ 243.09 lakhs. No transfer was made to General Reserve during the year under review.

DIVIDEND

The Board of Directors of the Company has recommended a dividend of ₹ 1.50 per equity share for the financial year ended 31.03.2017. The outflow towards dividend will be ₹ 178.92 lakhs and the tax on dividend works out to ₹ 36.60 lakhs, totalling ₹ 215.52 lakhs.

DEPOSIT FROM PUBLIC

The Company has not accepted any deposit from public 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 Accounting Standard issued by the Institute of Chartered Accountants of India 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, associate company and joint ventures within the meaning of section 2(6) of the Companies Act, 2013 ("Act").

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors met five (5) times during the year under review and considered the financial results and the meeting dates are provided in the Corporate Governance Report.

During the year under review, Mr.G.Sitharaman, Independent Director and Chairman of the Audit Committee had resigned from the Directorship of the company with effect from 25.3.2017 due to his personal reasons and his other professional pre-occupations. The Board placed on record its appreciation for the professional guidance given by Sri G. Sitharaman to the Board from time to time.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

On the basis of internal financial controls and systems relating to compliance maintained by the company, work done by the internal, statutory and secretarial auditors, the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2016-17.

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 2016-17, 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, 2017 and of the profit of the company for that period;
- iii. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating properly;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL & SYSTEM

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

SECRETARIAL AUDITOR

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

STATUTORY AUDITORS

Our existing Auditors M/s. D. A. Reddy & Co., who were appointed by the members at their 45th Annual General Meeting held on 22.9.2014 shall hold office upto the conclusion of the forthcoming 48th Annual General Meeting and his term gets completed on the said date. The Board placed on record their professional advices and they are not eligible for reappointment under the provisions of the Companies Act, 2013.

Further, in pursuance of the provisions of section 139 of the Companies Act, 2013 and the rules framed thereunder, the Board of Directors of the company has recommended M/s. S. Venkatram & Co., Chartered Accountants, 218, T.T.K. Road, Chennai - 600 018 for appointment as Statutory Auditors of the Company for a period of 5 years as a First Term to hold the office from the conclusion of the ensuing Annual General Meeting (48th Annual General Meeting) until the conclusion of the 53rd Annual General Meeting on the remuneration as may be fixed by the Board of Directors of the company, subject to the approval of the shareholders at the ensuing Annual General Meeting.

SIGNIFICANT AND MATERIAL ORDERS

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

INDEPENDENT DIRECTORS DECLARATION

Mr. A. Sudhakar Reddy, who is an independent director, has submitted a declaration that he meets the criteria of independence as provided in sub-section (6) of section 149 of the Act.

Further, the first term of Mr.B.Ranga Reddy and Mr.S.Sridhara Rao as independent directors, shall get completed on 21.9.2017. Keeping in view their performance, the Board has recommended them for the second term for a period of 5 years from 22.09.2017 to 21.09.2022 to the members for their approval through Special Resolutions.

STATUTORY AND SECRETARIAL AUDITORS REPORT

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

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

LOANS & INVESTMENTS :

During the year under review, the company has disinvested 44000 equity shares of the face value of ₹ 10 each in M/s. Clarion Wind Farm Pvt Ltd for ₹ 4,40,000/- to comply with the terms of Energy Wheeling Agreement entered into with them for the supply of electricity through Wind Mills.

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 31-3-2017 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.

NOMINATION AND REMUNERATION POLICY

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

BOARD EVALUATION

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

Directors, who were designated, held separate discussions with each of the Directors of the company and obtained their feedback on overall Board effectiveness as well as each of the other directors. Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC).

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

While undertaking 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 Madras Stock Exchange Limited.(MSE). The listing fees have been paid to Bombay Stock Exchange Ltd only.

CORPORATE GOVERNANCE

In terms of Regulation 34 (2) & (3) of SEBI (LODR) Regulations 2015, a report on Corporate Governance, the Auditors' Certificate on the compliance of conditions of Corporate Governance and the report on Management Discussion and Analysis form part of the Annual Report.

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

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

The company is practicing green energy methods as 3R. Reduce, Reuse and Recycle in every day operations. Through the green energy (wind energy) 90% of the power consumption is met and 90% of the hot water is generated through the solar water heater panels. The company has changed almost 95% of the lighting with LED light fittings resulting in the reductions of 85% of the electrical consumption on lighting.

The company is reusing the waste water from the sewage and sewerage water by its STP water treatment plant. Solid organic wastes are converted into manure with the organic waste convertor machine .

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 and is upgrading with the latest technology periodically.

Earnings in convertible foreign exchange for the year amounted to ₹ 487.04 lakhs for the services rendered to Foreign Tourists (Previous year ₹ 370.26 lakhs). Expenditure in Foreign Currency is ₹ 42.12 lakhs (Previous Year ₹ 44.77 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 2016-17.

| | | |
|-----------------------------------------------|---|-----|
| Number of complaints received during the year | – | NIL |
| Number of Complaints disposed off | – | NIL |

EXTRACT OF THE ANNUAL RETURN

As Provided under section 92(3) of the Act, the extract of annual return is given in Annexure 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
30th May, 2017

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

Form No. AOC-2

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

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

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

2. Details of Material Contracts or arrangements or transactions at arm's length basis :

| | | | | | | |
|-----|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) | Names of the related party and nature of relationship | M/s. Shyam Hotels & Restaurants, a Partnership Firm. Promoter directors are interested | M/s. Amaravathi Restaurants Pvt., Ltd., Promoter directors are interested | Amaravathi Enterprises (Chennai), Promoter directors are interested | Mrs.A.Nina Reddy, Joint Managing Director and Promoter Director | M/s. Amaravathi Restaurants Pvt., Ltd., Promoter directors are interested |
| (b) | Nature of Contract / arrangements / transactions | Supply of packaged drinking water to the company. | Franchise Contract using the Trade Mark "Malgudi" for the Restaurant of the company. | Purchase of vacant land of 5.36 acres at No.176 Vittalapuram, Village, Thirukazhukundram Taluk, Kanchipuram, Dist., | Purchase of vacant land of 2.40½ acres at No.176 Vittalapuram, Village, Thirukazhukundram Taluk, Kanchipuram, Dist., | Purchase of Diwali sweets |
| (c) | Duration of Contract / arrangements / transactions | Contract for a period of 3 years | Franchise Contract for a period of 3 years | One time payment for purchase of vacant land of 5.36 acres at No.176 Vittalapuram, Village, Thirukazhukundram Taluk, Kancheepuram, Dist., for the value of Rs.2,41,20,000/-. | One time payment for the purchase of vacant land of 2.40½ acres situated at No.176 Vittalapuram, Village, Thirukazhu-kundram Taluk, Kancheepuram, Dist., for the value of ₹1,08,22,500/-. | One time payment for purchase of sweets for the value not exceeding Rs.7,00,000/- (Rupees seven lakhs only) |
| (d) | Salient terms of the contract / arrangements / transactions including the value, if any. | Supply of packaged drinking water to the company not exceeding Rs. 25 lakhs per year. | Franchise fee for use of the said Trade Mark is 3% on each month sales exclusive of service tax, royalty tax but subject to deduction of tax at source. | The management of Savera Industries Limited is proposing to expand the business activities by setting up the Resorts. The company is already owning vacant lands at Vittalapuram and looking for the lands adjacent to the company's land. Independent valuation has been made by the Valuer viz., M/s. NMR Management Consultants & Engineers Pvt Ltd, Chennai | One time payment for the purchase of vacant land of 2.40½ acres situated at No.176 Vittalapuram, Village, Thirukazhukundram Taluk, Kancheepuram, Dist., for the value of Rs. 1,08,22,500/-.. Independent valuation has been made by the Valuer viz., M/s. NMR Management Consultants & Engineers Pvt Ltd, Chennai. | The management of Savera Industries Limited in a regular course of business, is proposing to distribute the sweets during the diwali season to its customers, suppliers, employees, etc as a token of acknowledgement. In this regard, the company intended to purchase sweets from M/s. Amaravathi Restaurants Pvt Ltd at prevailing marketable competitive price for the value not exceeding Rs.7 lakhs |
| (e) | Justification for entering into such contracts or arrangements or transactions | Uninterrupted supply and the best quality at a competitive rate prevailing in the market | In Restaurant Business, the brand equity image is one of the main factors, which attract the public with pre-determined assumption of taste and service. | The company is already owning vacant lands at Vittalapuram and looking for the lands adjacent to the company's land for expanding its business activities. | The company is already owning vacant lands at Vittalapuram and looking for the lands adjacent to the company's land for expanding its business activities. | Uninterrupted supply and the best quality at a competitive rate prevailing in the market |
| (f) | Date of approval by the Board, if any | 05.11.2014 | 05.11.2014 | 05.04.2016 | 05.04.2016 | 02.08.2016 |
| (g) | Amount paid as advances, if any | NIL | NIL | NIL | NIL | NIL |

Place : Chennai

Date : 30.05.2017

| | | | |
|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 | M/s. Shyam Investments, Promoter directors are interested |
| Supply of Pickles, Sweets, Food Items and Bakery items to the company not exceeding Rs.40.00 lakhs per year. | The company takes 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. Duration – 10 years and renewable as may be decided by M/s. Amaravathi Restaurants Pvt Ltd, | Purchase of three used commercial vehicles vide Model. TATA Ace Regn. No. TN 07 BE 3771, Regn. No. TN 07 BE 3810, Regn. No. TN 06 B 3807 | The company takes the two brands viz., "O2" and "O2 Health Studio label of M/s. Shyam Investments, to use the brands for its own use by entering into the Deed of Assignment. |
| Contract for a period of 3 years | Duration – 10 years and renewable as may be decided by M/s. Amaravathi Restaurants Pvt Ltd, | One time payment for three used commercial vehicles, for the value not exceeding Rs.5,20,000/-. | One time payment for two brands for the value not exceeding Rs.1,000/-. |
| Supply of Pickles, Sweets, Food Items and Bakery items to the company at a competitive rate prevailing in the market | The company intends to extend its services to outsiders in running the restaurants as a part of expanding its activities. In this process, the company wishes to take as the master franchisee for other brands. In the meantime M/s. Amaravathi Restaurants Pvt Ltd has come forward with a proposal to give the brands on franchise basis to various entrepreneurs. For this purpose M/s. Amaravathi Restaurants Pvt Ltd (Brand Owner) is looking for an experienced intermediary who will look for suitable franchisee for its brands, and Saveras Industries Limited has come forward to take all the brands of Brand Owner as a Master Franchisee to use the trade marks for its own use and will look for the suitable franchisee for the franchise of the brands. In order to carry out such transaction, our company (Master Franchisee) and, M/s. Amaravathi Restaurants Pvt Ltd (Brand Owner) entered into a Master Franchise Agreement on the terms and conditions said above. The said terms and conditions are commercially viable when compared with other contracts for similar activities and the price is accordingly beneficial to the company. (i) 50% of the Royalty collected from Franchisee payable to Saveras Industries Ltd (Master Franchisee) & 50% payable to M/s. Amaravathi Restaurants Pvt Ltd (Brand Owner). ii) 50% of one time Franchise Fee payable to M/s. Amaravathi Restaurants Pvt Ltd (Brand Owner), 25% to Saveras Industries Ltd (Master Franchisee) and 25% to M/s. Francorp Advisors Private Limited, | The management of Saveras Industries Limited is having units at Besant Nagar, ECR Road, and also running ODC (Outdoor Catering). For the purpose of transporting the foods and other related required materials and food stuffs to the units from time to time, the company is proposing to purchase the used commercial vehicles at a cheaper rate. Independent valuation has been made. | The company is already running the health studios in various places in the name and style of O2 health studio by taking the brands on lease basis. The company intends to acquire the O2 brand and O2 Health Studio Label further. In the meantime M/s. Shyam Investments have come forward with a proposal to transfer the O2 and O2 Health Studio label unconditionally, absolutely and irrevocably by entering into a Deed of Assignment. The said terms and conditions are commercially viable when compared with other contracts for similar activities and the price is accordingly beneficial to the company subject to allowing Ruchi Agro Products Pvt Ltd to use the O2 Brand Name at the premises situated at No.10 Khader Nawazkhan Road, Chennai. |
| Uninterrupted supply and the best quality at a competitive rate prevailing in the market | The company intends to extend its services to outsiders in running the restaurants as a part of expanding its activities. In this process, the company wishes to take as the master franchisee for other brands. The company takes the various brands owned by 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 | For the purpose of transporting the foods and other related required materials and food stuffs to the units situated at different places from time to time, the company is proposing to purchase the used commercial vehicles at a cheaper rate. | The company is already running the health studios in various places in the name and style of O2 health studio. By taking the said brands the company will have advantages. |
| 12.11.2016 | 12.11.2016 | 12.11.2016 | 13.02.2017 |
| NIL | NIL | NIL | NIL |

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

Annexure I

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

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

The company's objective is to manage the business processes to produce an overall positive impact on our society and create wellness. Taking corporate social responsibility ('CSR') as a strategic social investment, the company aims to integrate its resources with society's development needs for better future. To align the company's activities with its vision and undertake initiatives in the area of (a) education and skill development (b) social and economic welfare, (c) environmental sustainability. For achieving the company's objective, vision and mission, the CSR activities are being undertaken by the company independently. The activities are centred on education and skills development to the under privileged. The company's activities will be carried out in promoting education to the under-privileged. The company is running this educational activity in the name of Saveria Hotel Academy. (SHA). The company plans to enhance further in the same line of activities. Besides the company is providing the following reliefs when the Disaster takes place particularly at the time of the force majeure events like last year's cyclone, etc.,

- Medical Aid
- Food Supply
- Supply of Clean Water

2. The composition of the CSR committee :

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

Mr. A. Ravikumar Reddy, Managing Director

Mrs. A. Nina Reddy, Joint Managing Director

Mr. B. Ranga Reddy, Independent director

3. Average Net profit of the company for last three financial years for the purpose of computation of CSR :

| | (₹ in lakhs) | | |
|---------------------------|----------------|---------|---------|
| | 2013-14 | 2014-15 | 2015-16 |
| Net profit as per Sec 198 | 444.34 | 503.56 | 853.75 |
| Average net profit | ₹ 600.55 lakhs | | |

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) : ₹ 12.01 lakhs

5. Details of CSR spent during the financial year

- a. Total amount spent for the financial year : ₹ 12.96 lakhs
- b. Amount unspent : N.A.
- c. Manner in which the amount spent during the financial year.

CSR Expenditure towards Education and skills development to the under privileged and relief for cyclone occurred in the city during the year under review.

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's Report,

There was no unspent amount.

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

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

Place : Chennai
Date : 30-05-2017

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

ANNEXURE - 2

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

As on the financial year ended on March 31, 2017

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

| | | | | | | | |
|----------------|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------|--------------------|--|--|
| I) | REGISTRATION AND OTHER DETAILS | | | | | | |
| i. | CIN | L55101TN1969PLC005768 | | | | | |
| ii. | Registration Date | 17/11/1969 | | | | | |
| iii. | Name of the Company | Savera Industries Limited | | | | | |
| iv. | Category/Sub Category of the Company | Public company/listed by equity shares | | | | | |
| v. | Address of the Registered office and contact details | No. 146, Dr. Radhakrishnan Road, Chennai 600 004, Tamil Nadu. Tel : 044 28114700 Fax : 044 28113475 Email : info@saverahotel.com | | | | | |
| vi. | Whether listed company | Yes | | | | | |
| vii. | Name, address and contact details of the Registrar and Share Transfer Agent, if any | M/s. Cameo Corporate Services Ltd. 'Subramaniam Building' No. 1, Club House Road, Chennai 600 002 Tel : 044 28460390 Fax : 044 28460129 Email : cameo@cameoindia.com | | | | | |
| II) | PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY. | | | | | | |
| | All the business activities contributing 10% or more of the total turnover of the company shall be stated : | | | | | | |
| | S.No. | Name and Description of main products/services | NIC Code of the product / service | % to total turnover of the company | | | |
| | 1. | Hoteliering | 55 Accommodation & Food Service 56 Food & Beverages service activities | 43.13% 56.87% | | | |
| 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)

(i) Category-wise Share Holding :

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

| Category of shareholders | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % change during the year |
|----------------------------------------------------------------------------------|-------------------------------------------------|---------------|-----------------|-------------------|-------------------------------------------|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | |
| 2) Non- Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 378671 | 7000 | 385671 | 3.23 | 388367 | 7000 | 395367 | 3.31 | 0.08 |
| ii) Overseas | — | — | — | — | — | — | — | — | — |
| b) Individual | | | | | | | | | |
| i) Individual share-holders | 907453 | 595891 | 1503344 | 12.60 | 841215 | 583991 | 1425206 | 11.95 | -0.66 |
| nominal share | — | — | — | — | — | — | — | — | — |
| capital upto ₹ 1 lakh | — | — | — | — | — | — | — | — | — |
| ii) Individual share-holders holding nominal share capital in excess of ₹ 1 lakh | 1982068 | 16400 | 1998468 | 16.75 | 2048006 | 16400 | 2064406 | 17.31 | 0.55 |
| c) Others (Specify) | 20 | — | 20 | 0 | — | — | — | — | — |
| i) Clearing Member | 398 | — | 398 | 0 | 2889 | — | 2889 | 0.02 | 0.02 |
| ii) Hindu Undivided Families | 762423 | — | 762423 | 6.39 | 761036 | — | 761036 | 6.38 | 0.01 |
| iii) Non Resident Indians | 8911 | — | 8911 | 0.07 | 10331 | — | 10331 | 0.09 | 0.01 |
| Sub total B (2) | 4039944 | 619291 | 4659235 | 39.06 | 4051844 | 607391 | 4659235 | 39.06 | 0.00 |
| Total public share-holding | | | | | | | | | |
| B=B(1)+B(2) | 4039944 | 619291 | 4659235 | 39.06 | 4051844 | 607391 | 4659235 | 39.06 | 0.00 |
| C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs | | | | | | | | | |
| GRAND TOTAL (A+B+C) | 11308709 | 619291 | 11928000 | 100.00 | 11320609 | 607391 | 11928000 | 100.00 | 0 |

(ii) Shareholding of Promoters :

| Sl. No. | Shareholder's name | shareholding at the beginning of the year | | | shareholding at the end of the year | | | % change in shareholding during the year |
|---------|----------------------------------|-------------------------------------------|----------------------------------|------------------------------------------------|-------------------------------------|----------------------------------|------------------------------------------------|------------------------------------------|
| | | No. of shares | % of total shares of the company | % of shares pledged/encumbered to total shares | No. of shares | % of total shares of the company | % of shares pledged/encumbered to total shares | |
| 1 | A.Priyamvadha | 687600 | 5.76 | 0 | 687600 | 5.76 | 0 | 0 |
| 2 | A.Shravya | 204100 | 1.71 | 0 | 204100 | 1.71 | 0 | 0 |
| 3 | A.Ritika | 291760 | 2.45 | 0 | 291760 | 2.45 | 0 | 0 |
| 4 | Tarun Reddy A | 432800 | 3.63 | 0 | 432800 | 3.63 | 0 | 0 |
| 5 | A.Nina Reddy | 2095812 | 17.57 | 0 | 2095812 | 17.57 | 0 | 0 |
| 6 | A.Ravikumar Reddy | 1603840 | 13.45 | 0 | 1603840 | 13.45 | 0 | 0 |
| 7 | A.Nivruti | 291820 | 2.45 | 0 | 291820 | 2.45 | 0 | 0 |
| 8 | Shyam Enterprises Private Ltd. | 405000 | 3.39 | 0 | 405000 | 3.39 | 0 | 0 |
| 9 | Ruchi Agro Products Pvt. Ltd. | 430740 | 3.61 | 0 | 430740 | 3.61 | 0 | 0 |
| 10 | Amaravathi Restaurants Pvt. Ltd. | 2908 | 0.03 | 0 | 2908 | 0.03 | 0 | 0 |
| 11 | Amaravathi Restaurants Pvt. Ltd. | 204385 | 1.71 | 0 | 204385 | 1.71 | 0 | 0 |
| 12 | A.Revathi | 18000 | 0.15 | 0 | 18000 | 0.15 | 0 | 0 |
| 13 | A.H.V.P.Sidhu | 300000 | 2.52 | 0 | 300000 | 2.52 | 0 | 0 |
| 14 | Vasuprada A | 300000 | 2.52 | 0 | 300000 | 2.52 | 0 | 0 |
| | TOTAL | 7268765 | 60.94 | 0.00 | 7268765 | 60.94 | 0.00 | 0.00 |

(iii) Change in Promoters' shareholding :

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

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

| Sl. No. | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | LALIT MODI | | | | |
| | At the beginning of the year 01-Apr-2016 | 702280 | 5.8876 | 702280 | 5.8876 |
| | At the end of the Year 31-Mar-2017 | 702280 | 5.8876 | 702280 | 5.8876 |
| 2 | A.RAJASEKHARA REDDY | | | | |
| | At the beginning of the year 01-Apr-2016 | 344480 | 2.8879 | 344480 | 2.8879 |
| | At the end of the Year 31-Mar-2017 | 344480 | 2.8879 | 344480 | 2.8879 |
| 3 | KETAN A SHAH | | | | |
| | At the beginning of the year 01-Apr-2016 | 318300 | 2.6685 | 318300 | 2.6685 |
| | Purchase 22-Apr-2016 | 3700 | 0.0310 | 322000 | 2.6995 |
| | Purchase 27-May-2016 | 2998 | 0.0251 | 324998 | 2.7246 |
| | Purchase 03-Jun-2016 | 7002 | 0.0587 | 332000 | 2.7833 |
| | Sale 10-Jun-2016 | -254 | 0.0021 | 331746 | 2.7812 |
| | Purchase 17-Jun-2016 | 295 | 0.0024 | 332041 | 2.7837 |
| | Purchase 24-Jun-2016 | 317 | 0.0026 | 332358 | 2.7863 |
| | Purchase 30-Jun-2016 | 46 | 0.0003 | 332404 | 2.7867 |
| | Purchase 01-Jul-2016 | 661 | 0.0055 | 333065 | 2.7922 |
| | Purchase 08-Jul-2016 | 1742 | 0.0146 | 334807 | 2.8068 |
| | Purchase 15-Jul-2016 | 495 | 0.0041 | 335302 | 2.8110 |
| | Purchase 22-Jul-2016 | 1698 | 0.0142 | 337000 | 2.8252 |
| | Purchase 29-Jul-2016 | 319 | 0.0026 | 337319 | 2.8279 |
| | Purchase 05-Aug-2016 | 3 | 0.0000 | 337322 | 2.8279 |
| | Purchase 18-Nov-2016 | 978 | 0.0081 | 338300 | 2.8361 |
| | Purchase 25-Nov-2016 | 1700 | 0.0142 | 340000 | 2.8504 |
| | Purchase 09-Dec-2016 | 32 | 0.0002 | 340032 | 2.8507 |
| | Purchase 16-Dec-2016 | 4383 | 0.0367 | 344415 | 2.8874 |
| | Purchase 10-Feb-2017 | 4585 | 0.0384 | 349000 | 2.9258 |
| | Purchase 17-Feb-2017 | 24 | 0.0002 | 349024 | 2.9260 |
| | Purchase 17-Mar-2017 | 273 | 0.0022 | 349297 | 2.9283 |
| | Purchase 24-Mar-2017 | 703 | 0.0058 | 350000 | 2.9342 |
| | At the end of the Year 31-Mar-2017 | 350000 | 2.9342 | 350000 | 2.9342 |

| 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 | ZAKI ABBAS NASSER | | | | |
| | At the beginning of the year 01-Apr-2016 | 310000 | 2.5989 | 310000 | 2.5989 |
| | Purchase 27-May-2016 | 10000 | 0.0838 | 320000 | 2.6827 |
| | Purchase 29-Jul-2016 | 10000 | 0.0838 | 330000 | 2.7665 |
| | At the end of the Year 31-Mar-2017 | 330000 | 2.7665 | 330000 | 2.7665 |
| 5 | LOK PRAKASHAN LTD | | | | |
| | At the beginning of the year 01-Apr-2016 | 226000 | 1.8947 | 226000 | 1.8947 |
| | Sale 25-Nov-2016 | -49658 | 0.4163 | 176342 | 1.4783 |
| | Sale 02-Dec-2016 | -49950 | 0.4187 | 126392 | 1.0596 |
| | Sale 09-Dec-2016 | -45816 | 0.3841 | 80576 | 0.6755 |
| | At the end of the Year 31-Mar-2017 | 80576 | 0.6755 | 80576 | 0.6755 |
| 6 | A.CHAITANYA KUMAR REDDY | | | | |
| | At the beginning of the year 01-Apr-2016 | 113360 | 0.9503 | 113360 | 0.9503 |
| | At the end of the Year 31-Mar-2017 | 113360 | 0.9503 | 113360 | 0.9503 |
| 7 | NISHITHA REDDY | | | | |
| | At the beginning of the year 01-Apr-2016 | 113360 | 0.9503 | 113360 | 0.9503 |
| | At the end of the Year 31-Mar-2017 | 113360 | 0.9503 | 113360 | 0.9503 |
| 8 | SATHYAMOORTHY DEVARAJULU | | | | |
| | At the beginning of the year 01-Apr-2016 | 107999 | 0.9054 | 107999 | 0.9054 |
| | Purchase 08-Apr-2016 | 490 | 0.0041 | 108489 | 0.9095 |
| | Purchase 15-Apr-2016 | 150 | 0.0012 | 108639 | 0.9107 |
| | At the end of the Year 31-Mar-2017 | 108639 | 0.9107 | 108639 | 0.9107 |
| 9 | JITENDER KUMAR LALWANI | | | | |
| | At the beginning of the year 01-Apr-2016 | 104562 | 0.8766 | 104562 | 0.8766 |
| | At the end of the Year 31-Mar-2017 | 104562 | 0.8766 | 104562 | 0.8766 |
| | HAVING SAME PAN | | | | |
| 9 | JITENDRA KUMAR LALWANI | | | | |
| | At the beginning of the year 01-Apr-2016 | 20642 | 0.1730 | 20642 | 0.1730 |
| | At the end of the Year 31-Mar-2017 | 20642 | 0.1730 | 20642 | 0.1730 |

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(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 13.45 | 1603840 0 1603840 | 13.45 13.45 |
| 2 | Mrs. A. Nina Reddy Joint Managing Director - At the beginning of the year - Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.) - At the end of the year | 2095812 0 2095812 | 17.57 17.57 | 2095812 0 2095812 | 17.57 0.00 17.57 |
| 3 | Mr. A. Tarun Reddy Director - At the beginning of the year - Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.) - At the end of the year | 432800 0 432800 | 3.63 3.63 | 432800 0 432800 | 3.63 0.00 3.63 |

| | | | | | |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------|-------------------------------------------|--------------------------------------|
| 4 | Ms. A. Nivruti Director - At the beginning of the year - Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.) - At the end of the year | 291820 0 291820 | 2.45 2.45 | 291820 0 291820 | 2.45 2.45 |
| 5 | Mr. G. Sitharaman* Director - At the beginning of the year - Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.) - At the end of the year | 0 0 0 | 0.00 0.00 | 0 0 0 | 0.00 0.00 |
| 6 | Mr. A. Sudhakar Reddy Director - At the beginning of the year - Date wise increase/ decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.) - At the end of the year | 580 0 580 | 0.00 0.00 | 580 0 580 | 0.00 0.00 |
| 7 | Mr. B. Ranga Reddy Director - At the beginning of the year | 0 | 0.00 | 0 | 0.00 |

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

* Mr.G.Sitharaman resigned from the Board on 25.03.2017

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 | 16,44,84,287 | 8,28,218 | — | 16,53,12,505 |
| (ii) Int. due but not paid | 18,53,524 | — | — | 18,53,524 |
| (iii) int. accrued but not due | — | — | — | --- |
| Total (i) + (ii) + (iii) | 16,63,37,811 | 8,28,218 | — | 16,71,66,029 |
| Change in indebtedness during the financial year | | | | |
| --Addition | — | 20,77,198 | — | 20,77,198 |
| --Reduction | 5,12,38,541 | 9,60,630 | — | 5,21,99,171 |
| Net Change | 5,12,38,541 | 11,16,568 | | 5,01,21,973 |
| Indebtedness at the end of the financial year | | | | |
| (i) Principal amount | 11,32,45,746 | 19,44,786 | — | 11,51,90,532 |
| (ii) Int. due but not paid | 11,11,089 | — | — | 11,11,089 |
| (iii) int. accrued but not due | — | — | — | — |
| Total (i + ii + iii) | 11,43,56,835 | 19,44,786 | — | 11,63,01,621 |

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/WTM/Manager | | Total Amount |
|--------|---------------------------------------------------------------------------------|--------------------------------------|---------------------------------------|--------------|
| | | A. Ravikumar Reddy Managing Director | A. Nina Reddy Joint Managing Director | |
| 1. | Gross Salary | 36,25,000 | 36,25,000 | 72,50,000 |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961 | | | |
| | (b) Value of perquisites u/s.17 (2) of Income Tax Act, 1961 | Nil | Nil | Nil |
| | (c) Profits in lieu of Salary under section 17(3) of Income Tax Act, 1961 | | | |

| S. No. | Particulars of Remuneration | Name of MD/MTD/Manager | | Total Amount |
|--------|--------------------------------------------------|-----------------------------------------|------------------------------------------|--------------|
| | | A. Ravikumar Reddy Managing Director | A. Nina Reddy Joint Managing Director | |
| 2. | Stock option | — | — | — |
| 3. | Sweat Equity | — | — | — |
| 4. | Commission | | | |
| | - as % of profit | — | — | — |
| | - others, specify - | | | |
| 5. | Others please specify (PF & retirement benefits) | 21,600 | 21,600 | 43,200 |
| | Total (A) | 36,46,600 | 36,46,600 | 72,93,200 |
| | Ceiling as per the Act | | | |

B. Remuneration to other directors.

(₹)

| S. No. | Particulars of Remuneration | Name of Directors | | | | Total amount |
|--------|---------------------------------------------|--------------------|------------------------|-------------------|--------------------|--------------|
| | | G. Sitha- raman | A. Sudha- kar Reddy | B. Ranga Reddy | S. Sridhara Rao | |
| 1. | Independent Directors | | | | | |
| | Fee for attending Board, Committee meetings | 75000 | 75000 | 50000 | 50000 | 250000 |
| 2. | Commission | 0 | 0 | 0 | 0 | 0 |
| 3. | Others, please specify | 0 | 0 | 0 | 0 | 0 |
| | Total - 1 | 75000 | 75000 | 50000 | 50000 | 250000 |

| S. No. | Particulars of Remuneration | A.Tarun Reddy | A Nivruti | Total Amount |
|--------|---------------------------------------------|---------------|-----------|--------------|
| 1. | Other Non-Executive Directors | | | |
| | Fee for attending Board, Committee meetings | 60000 | 50000 | 110000 |
| 2. | Commission | 0 | 0 | 0 |
| 3. | Others, please specify | 0 | 0 | 0 |
| | Total - 2 | 60000 | 50000 | 110000 |
| | Total B = (1)+(2) | | | |
| | Total Managerial Remuneration A + B | | | |
| | Overall Ceiling as per the Act, | | | |

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

(₹)

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total Amount |
|--------|------------------------------------------------------------------------------------|--------------------------|-----------|----------|--------------|
| | | C.E.O | C.S. | C.F.O | |
| 1. | Gross Salary | N.A. | | | |
| | (a) Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961 | N.A. | 16,48,400 | 7,60,405 | 24,08,805 |
| | (b) Value of Perquisites U/s. 17(2) of the Income Tax Act, 1961 | N.A. | 22,975 | 49,131 | 72,106 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | N.A. | | | |
| 2. | Stock option | N.A. | | | |
| 3. | Sweat Equity | N.A. | | | |
| 4. | Commission | N.A. | | | |
| | - as % of profit | N.A. | | | |
| | - others, specify | N.A. | | | |
| 5. | Others please specify - P.F. | N.A. | 21,600 | 21,600 | 43,200 |
| | Total | | 16,92,975 | 8,31,136 | 25,24,111 |

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

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 : 21.84 | 1 : 21.84 |

- (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 2016-17 is furnished below :

| Name of the person | % decrease in remuneration |
|------------------------|----------------------------|
| Mr. A. Ravikumar Reddy | 23.58 |
| Mrs. A. Nina Reddy | 23.58 |

The percentage increase in remuneration of the Chief Financial Officer is 2.07. The percentage increase in the remuneration of the Company Secretary 0.33%.

- © The percentage increase in the median remuneration of employees in the financial year : -1.37%
- (d) The number of permanent employees on the rolls of the company : 457
- (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 1.44% as compared to the decrease of 23.58% to the Managing Director and Joint Managing Director. The increment given to each individual employee is based on the employees' profile, experience and also their performance and contribution to the company's growth over a period of time and also considering the inflationary conditions.

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

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

-
- (A) No employee had drawn remuneration during the year 2016-17 in excess of ₹ 1,02,00,000/- (₹ 8,50,000 per month) in pursuance of Rule 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

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

TOP 10 EMPLOYEES OF THE COMPANY

(In ₹)

| i | Name of the Employee | Ravikumar Reddy. A | Nina Reddy .A | Mohan. N. S | Anthony Michael Lazarus | R. Dayakar Naidu | Mohana-krishnan .A.K | Radhish Kumar. B | Vivekanandan. K | Sivakumar. B | Siva Kumar. I |
|------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------------------------|-------------------------|------------------------------|----------------------|--------------------------------------------|------------------------------------|------------------------|-------------------------|
| ii | Designation | Managing Director | Joint Managing Director | Company Secretary | General Manager | Internal Auditor | Corporate Chef | Corporate HR Manager | Regional Manager-Sales & Marketing | F & B Manager - Events | Chief Financial Officer |
| iii | Remuneration received in ₹ | 3646600 | 3646600 | 1692975 | 1616284 | 1216800 | 1123623 | 1037309 | 984675 | 928374 | 831136 |
| iv | Nature of employment (whether contractual or otherwise) | Contractual | Contractual | Regular | Regular | Regular | Regular | Regular | Regular | Regular | Regular |
| v | Qualification and experience of the employee | B.E. (Mechanical) 33 years | B.A., DID., DIC.&HK - 19 years | M.Com., MBA., FCS, BGL, PGDFM - 23 years | B.A. - 37 years | B.Com., ACA - 37 years | DHMCCT - 27 years | B.A, PG D PM, PG D I.R, BGL, MA - 27 years | B. Sc - 36 years | M. Com - 31 years | B. Com - 36 years |
| vi | Date of commencement of employment | 28.09.1999 | 28.10.2003 | 6.5.2011 | 1.12.1996 | 11.11.2015 | 1.10.1993 | 3.11.1993 | 1.10.2010 | 6.8.1986 | 4.2.1981 |
| vii | Age of the employee | 60 | 57 | 53 | 56 | 62 | 48 | 49 | 53 | 55 | 58 |
| viii | Last employment held by such employee before joining the company | — | — | Tamilnad Mercantile Bank Ltd | Southern Explosives | CFO - Savera Industries Ltd. | Taj airport catering | US Consulate, Chennai | Jayam Software | — | — |
| ix | Percentage of Equity shares held by the Employee in the company | 13.45 | 17.57 | — | — | 0.017 | — | — | — | — | — |
| x | Whether any such employee is a relative of any Director or Manager of the company and if so, name of such Director or Manager | Mr.A.Ravikumar Reddy is the father of Mr.A.Tarun Reddy, Director and brother-in-law of Mrs.A.Nina Reddy | Mrs.A.Nina Reddy is the mother of Ms.A.Nivriti, Director | No | No | No | No | No | No | No | No |

Form No.MR.3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 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, 2017 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) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct and External Commercial Borrowings; (Not applicable to the Company during the Audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)
- (iv) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit period)
- (v) The Securities and Exchange Board of India (Issue and Listing of debt securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
- (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period) and
- (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period).

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

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

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

I have also examined the applicable clauses of the following:

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

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

I further report that:

- i) the Board of directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and Independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii) Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting and other business which are not included in the Agenda are considered under any other matters.
- iii) all the decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- iv) there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no instances of:

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

I further report based on the written representations received from the officials/executives of the Company that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Chennai
Date : 25.05.2017

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. I believe that the processes and practices, i followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial and tax records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai
Date : 25.05.2017

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

REPORT ON CORPORATE GOVERNANCE

(Annexure to the Report of the Directors)

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

Your company reviews its Corporate Governance practices to ensure that they reflect the latest developments in the corporate arena and thus positioning itself to 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 2016-17.

2. Board of Directors

- a) The composition of the Board is broad based and comprises of Executive, Non-Executive and Independent Directors. Totally there are three independent directors and four promoter directors as on the date of signing the Board's Report.

- b) Attendance of Directors at the Board Meeting held during financial year 2016-17 and last AGM is given below.

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

*Mr. G. Sitharaman resigned from the Board on 25.3.2017

- c) Number of other Board of Directors or committee in which a director is a member or chairperson.

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

*Mr. G. Sitharaman resigned from the Board on 25.3.2017

- d) The Board of the Company has also the various specialised committees constituted by it. Totally five meetings of the Board were held and the gap between two meetings did not exceed one hundred twenty days. The date on which the said meetings were held on 5.04.2016, 27.05.2016, 2.08.2016, 12.11.2016, and 13.02.2017 during the financial year 2016-17. The necessary quorum was present for all the meetings.

- e) Disclosure of relationships between directors inter-se

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

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

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

*Mr. G. Sitharaman resigned from the Board on 25.3.2017

- 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) The required information is circulated to the Directors, including the non-executive directors who have actively participated in the deliberations of the Board.
- k) The company has three independent directors. They are seniors and professionals knowing about the company, nature of industry and business model. The company has issued to them appointment order specifically defining their roles, rights & responsibilities in the company.
- l) Independent Directors :
- Independent Directors are not related to any director in any way

3. Audit Committee

The Company's Audit Committee is constituted in line with the regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It comprises entirely of Independent Directors and Non- Executive Directors. 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, w.e.f. from 1.04.2017 and Mr.G.Sitharaman, resigned from the office of the Director of the Company on 25.3.2017. 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 the company.

Approval of payment of statutory auditors for any other services rendered by the statutory auditors.

Reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval , with particular reference to :

- a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
- b) Changes, if any, in accounting policies and practices and reasons for the same.
- c) Major accounting entries involving estimates based on the exercise of judgment by the Management.
- d) Significant adjustments made in the financial statements arising out of audit findings.
- e) Compliance with listing and other legal requirements relating to financial statements.
- f) Disclosure of any related party transactions
- g) Qualifications in the draft audit report.
 - o Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 - o Reviewing with the management the statement of uses/application of funds raised through an issue (public, rights issue, preferential issue), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public and making appropriate recommendations to the Board to take up steps in this matter.
 - o Reviewing and monitoring auditor's independence and performance and effectiveness of audits process;
 - o Approval or any subsequent modification of transactions of the company with related parties.
 - o Scrutiny of inter-corporate loans and investments.
 - o Valuation of undertakings or assets of the company, wherever it is necessary.
 - o Evaluation of internal financial controls and risk management systems.
 - o Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - o Reviewing the adequacy of internal audit function, if any, including the structure of

the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- o Discussion with internal auditors of any significant findings and follow up thereon.
- o Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- o Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- o To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- o To review the functioning of the Whistle Blower Mechanism.
- o Approval of appointment of CFO after assessing the qualifications, experience and background, etc., of the candidate.
- o Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee meetings during the financial year 2016-17 were held on 5.04.2016, 27.05.2016, 2.08.2016, 12.11.2016, and 13.02.2017 The attendance of Members at the Audit Committee meeting held during financial year 2016-17 is furnished hereunder.

| S. No. | Name of the members | Category | Number of meetings during the year 2016-17 | |
|--------|----------------------------------|---------------------------------|--------------------------------------------|----------|
| | | | Held | Attended |
| 1 | Mr. G. Sitharaman - Chairperson* | Independent & Non Executive | 5 | 5 |
| 2 | Mr. A. Sudhakar Reddy | Independent & Non Executive | 5 | 5 |
| 3 | Mr.A.Tarun Reddy | Non independent & Non Executive | 5 | 4 |

*Mr. G. Sitharaman resigned from the Board on 25.3.2017 and Mr. S. Sridhara Rao was appointed as Chairman of the Audit Committee from 1.4.2017

4 & 5 Nomination and Remuneration Committee

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

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

*Mr. G. Sitharaman resigned from the Board on 25.3.2017

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

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- b) Formulation of criteria for evaluation of independent directors and the Board.
- c) Devising a policy on Board diversity
- d) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Extract of the Nomination and Remuneration Policy

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

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

Attendance of Members at the meeting of the Committee held during financial year 2016-17.

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

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

| S. No. | Name of the Directors | Category of Director | Salary Per annum | Bonus Stock Option, Pension Retirement Benefits etc | Sittings Fees for Board / Committee Meeting |
|--------|------------------------|----------------------|------------------|-----------------------------------------------------|---------------------------------------------|
| 1. | Mr. A. Ravikumar Reddy | MD - Executive | Rs.36,46,600 | Nil | Nil |
| 2. | Ms. A. Nina Reddy | JMD - Executive | Rs.36,46,600 | Nil | Nil |
| 3. | Mr. A. Tarun Reddy | Non - Executive | Nil | Nil | Rs. 60,000 |
| 4. | Ms. A. Nivruti | Non - Executive | Nil | Nil | Rs. 50,000 |
| 5. | Mr. G. Sitharaman* | Non - Executive | Nil | Nil | Rs. 75,000 |
| 6. | Mr. A. Sudhakar Reddy | Non - Executive | Nil | Nil | Rs. 75,000 |
| 7. | Mr. B. Ranga Reddy | Non - Executive | Nil | Nil | Rs. 50,000 |
| 8. | Mr. S. Sridhara Rao | Non - Executive | Nil | Nil | Rs. 50,000 |

*Mr. G. Sitharaman resigned from the Board on 25.3.2017

6. Stakeholders Relationship Committee

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

| Sl. No. | Name of the member | Category |
|---------|------------------------|-------------|
| 1 | Mr. A. Tarun Reddy | Chairperson |
| 2 | Mr. A. Sudhakar Reddy | Member |
| 3 | Mr. A. Ravikumar Reddy | Member |
| 4 | Ms. A. Nivruti | Member |

Roles and Powers:

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

- Name of non-executive director heading the committee : Mr. A. Tarun Reddy,
- Name and Designation of the Compliance Officer : Mr. N.S. Mohan, Company Secretary, and is also the Secretary to all the committees.
- 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 |
|-----------------------------------------------|----------------------------------------------------------------|------------------------------|
| — | — | — |

(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 31.03.2017. 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 2016-17 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 | 9 | 9 |
| 2 | Mr. B. Ranga Reddy - Member | 9 | 9 |

(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 2016-17. 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 |
|------------------------|-------------------------------------------------------------|------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2013-14 | The Music Academy, No.168, T.T.K. Road, Chennai - 600 014. | 22.09.2014 | 10.00 A.M. | <ul style="list-style-type: none"> ➤ Authority to borrow monies in excess of the paid up capital and free reserves of the company. ➤ Authority to the Board for mortgaging and/or charging of assets of the company. |
| 2014-15 | The Music Academy, No. 168, T.T.K. Road, Chennai - 600 014. | 28.09.2015 | 11.00 A.M. | Nil |
| 2015-16 | The Music Academy, No.168, T.T.K. Road, Chennai - 600 014. | 15.09.2016 | 10.00 A.M. | Nil |

The Resolutions of 47th Annual General Meeting held on 15.9.2016 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. G. Sitharaman attended the Annual General Meeting held on 15.09.2016.

There was no Postal Ballot process conducted during the year 2016-17. As of now the company has no proposal to pass any special resolution to be conducted through postal ballot.

8. Means of Communication :

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

The company presents all the relevant information to the Stock Exchanges from time to time as stipulated under the SEBI (LODR) Regulations, 2015.

9. General shareholder information

- a) The 48th Annual General Meeting of the members of the company will be held on the Friday, the 11th August, 2017 at 10.15 a.m. at The Music Academy, Mini Auditorium, 168, TTK Road, Chennai 600 014.
- b) Financial Calendar for the year 2016-17 (Tentative)

| Results for the quarter ended | Tentative date |
|--------------------------------------|--------------------------------------|
| JUNE 2017 | Before Second Week of August, 2017 |
| SEPTEMBER, 2017 | Before Second week of November, 2017 |
| DECEMBER, 2017 | Before Second week of February, 2018 |
| MARCH, 2018 | Before 30th May, 2018 |

- c) Date of Book Closure – 5th August, 2017 to 11th August, 2017 (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 in the following stock exchanges:
Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhai Towers Dalal Street, Mumbai - 400 001.
The Listing Fees for the financial year 2017-18 have been paid to the Bombay Stock Exchange Ltd.

e) Stock Code of the Company

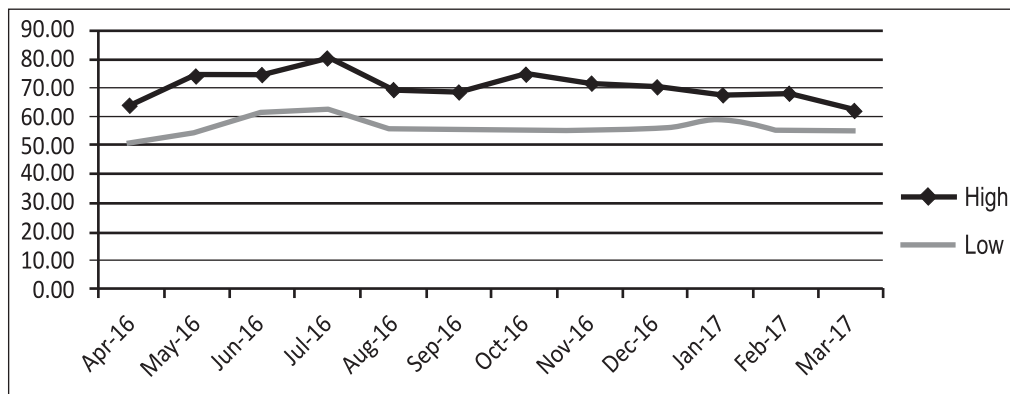
Bombay Stock Exchange : 512634

ISIN No. of the company : INE104E01014

f) Market price data - The highest price traded in Bombay Stock Exchange Limited, Mumbai per share was ₹ 80.85 and the lowest price per share was ₹ 52.00 during the year.

| Month | High Price ₹ | Low Price ₹ | Close Price ₹ | No. of shares | No. of Trades | Total Turnover |
|----------|-----------------|----------------|------------------|------------------|------------------|-------------------|
| Apr - 16 | 64.50 | 52.00 | 55.20 | 9126.00 | 150.00 | 5,24,387 |
| May - 16 | 75.00 | 55.00 | 64.00 | 61171.00 | 521.00 | 39,00,497 |
| Jun - 16 | 75.00 | 62.00 | 65.30 | 97497.00 | 490.00 | 64,16,416 |
| Jul - 16 | 80.85 | 63.05 | 71.45 | 33860.00 | 429.00 | 24,39,404 |
| Aug - 16 | 70.00 | 56.00 | 61.65 | 12637.00 | 316.00 | 7,85,739 |
| Sep - 16 | 68.90 | 56.15 | 60.00 | 11429.00 | 212.00 | 6,94,245 |
| Oct - 16 | 75.20 | 57.40 | 69.10 | 10832.00 | 263.00 | 6,81,238 |
| Nov - 16 | 71.95 | 55.00 | 68.00 | 1,20,455 | 257.00 | 80,96,984 |
| Dec - 16 | 71.00 | 57.00 | 60.05 | 59718.00 | 153.00 | 39,76,967 |
| Jan - 17 | 68.00 | 60.05 | 62.05 | 6410.00 | 137.00 | 4,05,586 |
| Feb - 17 | 68.60 | 56.00 | 58.95 | 44211.00 | 217.00 | 26,56,534 |
| Mar - 17 | 63.00 | 56.00 | 58.15 | 1,10,366 | 256.00 | 65,87,899 |

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 31.03.2017

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

| Share holding of Nominal Value | No. of holders | % to total No. of shareholders | Nominal value of shares (₹) | % to capital |
|--------------------------------|----------------|--------------------------------|-----------------------------|---------------|
| 10 - 5000 | 5561 | 90.79 | 6007580 | 5.03 |
| 5001 - 10000 | 266 | 4.34 | 2081900 | 1.75 |
| 10001 - 20000 | 126 | 2.07 | 2041930 | 1.71 |
| 20001 - 30000 | 40 | 0.65 | 1042320 | 0.87 |
| 30001 - 40000 | 21 | 0.34 | 765800 | 0.64 |
| 40001 - 50000 | 15 | 0.24 | 686810 | 0.58 |
| 50001 - 100000 | 35 | 0.57 | 2645910 | 2.22 |
| 100001 - above | 61 | 1.00 | 104007750 | 87.20 |
| Total | 6125 | 100.00 | 11,92,80,000 | 100.00 |

I) Shareholding Pattern as on 31.03.2017

| Category of Shareholders | No. of shareholders | Total No. of shares | No. of shares held in dematerialised form | % |
|------------------------------------------------------------------------------|---------------------|---------------------|-------------------------------------------|---------------|
| Promoter and Promoter Group | 13 | 7268765 | 7268765 | 60.94 |
| FI / Banks | 0 | 0 | 0 | 0 |
| Body Corporate | 79 | 395367 | 388367 | 3.31 |
| Individual shareholders holding nominal share capital up to Rs.1 lakh | 5879 | 1322931 | 841215 | 11.95 |
| Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 8 | 2166681 | 2048006 | 17.31 |
| Clearing member | 3 | 2889 | 2889 | 0.03 |
| HUF | 124 | 761036 | 761036 | 6.38 |
| NRIs | 17 | 10331 | 10331 | 0.08 |
| Trust | 0 | 0 | 0 | 0.00 |
| Total | 6123 | 11928000 | 11320609 | 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 94.91 % of the shareholdings of the Company have already been dematerialised as on 31st March, 2017.

n) UNIT LOCATIONS**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. Saveria Industries Limited New No.146, Dr. Radhakrishnan Road, Chennai - 600 004. Tamilnadu Tel. No. 044-28114700 Fax No. 044-28113475 Email: cs@saverahotel.com | M/s. Cameo Corporate Services Ltd., UNIT: Saveria Industries Limited 'Subramanian Building' No.1, Club House Road, Chennai - 600 002, Tamilnadu Tel. No. 044-28460390 Fax No. 044-28460129 Email: cameo@cameoindia.com |

10. Other Disclosures

- a) There is no material significant related party transactions that may have potential conflict with the interest of the company at large (as per the SEBI (LODR) Regulations, 2015. The policy for related party transactions has been posted on the Company website www.saverahotel.com
- 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 :

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

f) **Subsidiary of the company.**

The company is not having any subsidiary company.

g) **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.

h) **Policy on related party transactions.**

The company has framed a policy on related party transaction and posted the same on its website : www.saverahotel.com. The related party transactions were recommended by the Audit Committee and then placed before the Board for its approval. If the threshold limit exceeds, the company shall seek the members' approval.

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

12. Extent to which discretionary requirements are adopted.

a) **The Board :** The composition of the Board of Directors, Committees of the Board are in line with the provisions of SEBI (LODR) Regulations 2015, and other applicable laws.

b) **Shareholders Rights :**

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

c) **Modified opinion in audit report.**

There is no such modified opinion in the audit report.

d) **Separate posts of Chairperson & Chief Executive Officer.**

The company has already appointed the Managing Director who is chairing the meeting of the Board and member, except where he is interested.

e) **Reporting of Internal Auditor.**

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

13. a) Report on Corporate Governance :

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

b) MD / CFO Certification :

As required under regulation 17 (8) of SEBI (LODR) Regulations 2015 the Managing Director & Chief Financial Officer have furnished the necessary certificate to the Board of Directors with respect to the Financial Statements and the Cash Flow Statement for the year ended 31-03-2017.

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 31-03-2017. The Annual Report of the company contains a certificate issued by the Managing Director in this report.

d) Demat suspense account / unclaimed suspense account. : NIL

e) Dissemination of information on Company's website :

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

- Terms and conditions of appointment of Independent Directors.
- Composition of various committees of Board of Directors.
- Code of conduct of Board of Directors and Senior Management Personnel.
- Details of establishment of vigil mechanism / Whistle Blower Policy.
- No payment is made to the non executive director, other than sitting fees for attending the Board & Committee meeting.
- Policy on dealing with related party transactions
- Policy for determining 'material' subsidiaries.
- The three Independent Directors of the company are seniors and professionals knowing about the company, nature of industry and business model. The company has issued to them appointment order specifically defining their roles, rights & responsibilities in the company. Hence no familiarization programmes required for the Independent Directors and no details posted in the website.

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

To

The Members of
Savera Industries Limited

Pursuant to Regulation 26 (3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, I, A.Ravikumar Reddy, Managing Director of the company, hereby confirm that all the members of the Board and the Senior Management Personnel of the company, have confirmed the compliance to the Code of Conduct of the Company, during the year ended 31st March, 2017.

Place : Chennai
Date : 30th May, 2017

A. Ravikumar Reddy
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Savera Industries Limited.

We have examined the compliance of conditions of Corporate Governance by Savera Industries Limited for the year ended 31st March, 2017, as stipulated in schedule V (E) read with Regulation 34 (3) of SEBI (LODR) Regulations 2015 as referred to in Regulation 15 (2) of the Listing Regulations for the financial year 2016-17

The compliance of conditions of Corporate Governance is the responsibilities of the Management. Our examination was limited to the 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015, as applicable.

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

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

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

Place : Chennai.
Date : 30th May, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENTS

Tourism is the right vehicle for a developing country like India which is on the path of modern economic growth through structural transformation of the economy. The value-added effect of tourism is increasing. Sustainable tourism has vast scope in India by convergence of landscapes with financescapes, technoscapes, and mediascapes. India's tourism industry has witnessed upsurge in recent years, paying rich dividends to both consumers and producers. The role of Tourism is essential in the economic development of a country. Tourism is the second largest foreign exchange earner in India. The tourism industry employs a large number of people, both skilled and unskilled. Hotels, travel agencies, transport including airlines benefit a lot from this industry. Tourism promotes national integration. It generates foreign exchange. It promotes cultural activities. Tourism also promotes the traditional handicrafts sector. The tourist gets an insight into the rich and diverse cultural heritage of India. India is one of the popular tourist destinations in Asia. India offers a wide array of places to see and things to do. The delighting backwaters, hill stations and landscapes make India a beautiful country. Historical monuments, forts, beaches, places of religious interests, hill resorts, etc. add to the grandeur of the country. They attract tourists from all over the world. India is probably the only country that offers various categories of tourism. These include history tourism, adventure tourism, medical tourism, spiritual tourism, etc. India has a composite culture.

The Indian government's "Incredible India" tourism campaign and the information technology growth in India have been attracting millions of foreign tourists and business tourists to India. Medical tourism has also recently mushroomed in India. Tourism industry is a big foreign exchange earner in India. A large number of hotel management colleges, sports and adventure clubs, beach resorts etc have also contributed to the growth and development of this industry. Emphasis laid on HRD is clear. Upgrading of beaches, airports, tax incentives were also introduced. Besides creating an official website for the Tourism Ministry, now the calendar of events is planned. Even the new initiatives to encourage the NRIs and PIOs, through visit India programmes, Pravasi Bharatiya Divas celebration, Dual Citizenship to certain categories of diasporic Indians have given much fillip to tourism in India. Thanks also to the booming IT and outsourcing industry a growing number of business trips are made by foreigners to India, who will often add a weekend break or longer holiday to their trip. Foreign tourists, generally spend more in India than almost any other country worldwide. The Tourism Ministry has also played an important role in the development of the industry, initiating advertising campaigns such as the "Incredible India" campaign, which promoted India's culture and tourist attractions in a fresh and memorable way. The tourism industry has helped growth in other sectors as diverse as horticulture, handicrafts, agriculture, construction and even poultry. India's governmental bodies have also made a significant impact in tourism by requiring that each and every state of India have a corporation to administer support issues related to tourism. The tourism industry of India is based on certain core nationalistic ideals and standards which are: Swaagat or welcome, Sahyog or cooperation, Soochanaa or information, Sanrachanaa or infrastructure, Suvidha or facilitation, Safaai or cleanliness and Surakshaa or security.

Our country has strong market and economic fundamentals. The hotel industry will continue to evolve and there are lot more changes to come. With the government initiatives to continue, demand will improve in our country; as India is the best placed among other nations globally. The hospitality industry growth is enabled by the expanding middle class, infrastructure development, increase in the international tourist arrivals and extension of e-Visa to many more countries. It is expected that supply – demand both will grow. Currently, the domestic demand / MICE drive the growth and this trend is likely to continue.

OPPORTUNITIES AND FUTURE OUTLOOK

Consumer facing technology will influence guest behavior. The growth in online booking has changed the consumer booking habits enormously. As we go forward, online bookings will significantly impact offline business, with mobiles playing an important role. At the guests front, digital is going to influence the guests in choosing a brand. The increased use of technology is more closely observed with increased use of mobile / apps. With consumers connecting the brand more through touch points like website, OTA site, social media, mobiles keeping with the technology change and new tools will be the key to success.

Tier 1 and Tier 2 cities are fast emerging as the next destination for corporate / leisure travel.

“Make in India’ policy of Central Government will result in more economic activity which will reflect in improvement in the hotel industry.

With the introduction of Good and Service Tax (GST) w.e.f. 1.7.2017, the taxes for Room Rent and on Food Sales are likely to come down resulting in lesser cost to the guests, thereby the company hopes that the business would improve to a certain extent. Further it is likely that the higher tax on five star and above category hotels will burden those category of customers thereby a shift may take place in favour of hotels.

The Company is in the process of upgrading the software systems for accounting to meet the requirements of GST in furnishing the information to the Government and complying with the rules and regulations.

Ease of doing business is an added advantage.

THREATS, RISKS & CONCERNS

Medical tourism has also recently mushroomed in India. Tourism industry is a big foreign exchange earner in India, yet the industry still is hampered by several problems like – Poor transportation Lack of basic hygienic amenities at halting points Non-standardization of rates and fares Lack of sound marketing and promotion strategies Poor maintenance of heritages Issues regarding security and harassment Lack of passionate and trained professionals Inadequate capacity Costly travel – soaring fuel surcharges, poor flight management etc Lack of supportive infrastructure – bad roads, improper health and hygiene, communication gaps, etc Gap between demand and supply of manpower Lapses in security and safety – incidents of tout and harassment of tourists in some places Uneven progress – slow growth of village tourism, lack of information about tourist profile etc Non Implementation of Legislative Law. Excessive formalities for an issue of special permit to view restricted areas sites. Tourism development projects are usually developed by Indian Government without any discussion with community leaders and they are dumped to follow the ineffective projects blindly. Poor Administration & management. Absence of alternate site nearby and fair and festival creates a bottleneck problem in crowd management. Lack

of entrepreneurship opportunities also restrict youth to follow a career in Tourism such as opening a hotel resort or retail outlet or handicraft business to serve Tourism Industry in India. The government is often unable to secure enough land for developing tourism infrastructure because it adversely affects local farmers. An instance of this phenomenon is Orissa. It is very essential to promote Brand India as a tourist destination nationally as well as at the state level. However the tourism departments are always cash strapped, there is general apathy towards work along with aging manpower never works in favor of brand promotion. What we need today is dynamic manpower that is committed to take up tourism as a career and work up to really explore that Incredible India as well as make India a safe tourist destination.

India should make the most of its topography, natural resources and labor to develop not only traditional products but also non traditional products of tourism. 2. Rural tourism should be a byproduct of Indian tourism. At the Same time eco-tourism for sustainable livelihoods must be encouraged. 3. Enhancing security, stepping up investment and boosting (world class) infrastructural activities should be on the top of the agenda. Service quality – in hotels, Airports, railway stations, etc – needs to be upgraded. 4. Proper market segmentation should be done on the basis of criteria like demographic, socioeconomic and geographic variables. Yet a holistic approach should be the objective to project an Incredible and Inclusive India. Commercialization should not result in dehumanizing tourism. 5. Education, research and training are crucial cogs in the wheel of tourism. HRD should be given priority. Adequate importance should be given to inductive research on historical importance and contemporary relevance. Tour operators, guides must develop a good rapport with tourists. From touring to learn we should move to learning to tour.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE/BUSINESS PERFORMANCE

(₹ in lakhs)

| Particulars | 31-03-2017 | 31-03-2016 | % of change |
|------------------------|------------|------------|-------------|
| Room Income | 2440.38 | 2537.25 | -3.82 |
| Food & Beverage Income | 3339.50 | 3010.19 | 10.94 |
| Other Income | 1033.69 | 1092.36 | -5.41 |
| Total Income | 6813.57 | 6639.80 | 2.61 |
| Occupancy (%) | 78.2 | 81 | -3.46 |

Overall income increased by 2.61% from ₹ 6639.80 lakhs to ₹ 6813.57 lakhs. The occupancy decreased by 3.46% over last year. Room revenues decreased by 3.82% from ₹ 2537.25 lakhs to ₹ 2440.38 lakhs, while Food and Beverages income increased by 10.94%

from ₹ 3010.19 lakhs to ₹ 3339.50 lakhs. Other income decreased by 5.41 % from ₹ 1092.36 lakhs to ₹ 1033.69 lakhs.

Expenditure : As far as expenses are concerned, there is an increase by ₹ 92.52 lakhs from ₹ 6117.74 lakhs to ₹ 6210.26 lakhs in the total expenditure for the fiscal ended 31st March, 2017 which works out to 1.51 % hike over the corresponding period last year

Finance Charges : Interest cost amounted to ₹ 169.87 lakhs for the year ended 31.03.2017, as against ₹ 256.43 lakhs over the corresponding period last year.

Profit Before Tax : The profit before tax stood at ₹ 460.30 lakhs (after an exceptional item Impairment of loss of ₹ 196.44 lakhs) as compared to ₹ 573.24 lakhs over the corresponding period last year.

Profit After Tax : The profit after tax stood at ₹ 237.69 lakhs as compared to ₹ 243.09 lakhs last year

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT.

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

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

- Dental Camp.
- Eye screening camp.
- "Suicide Awareness" Programme.
- Medical check-up for all Women for Women's day.
- "AIDS Awareness" Programme.
- Diwali, Ayudha Pooja, Christmas, Krishna Jayanthi, Vinayaka Chaturthi, Pongal are celebrated with staff.
- Ramzan Iftar.
- Common Staff Birthday celebration every month.
- Star Performer of the year.
- The growth award.
- Parent's day.
- Debutant award.
- Woman's day celebration.
- Pongal Traditional Games.
- Sports Day.
- May Day.
- Founders Day-(Staff Family Day).

- Towel folding competition, Quiz Programme, Table Setting competition for F&B Department, Mock Tail, Cock Tail competition.
- Eye Donation Awareness Programme.
- First Aid Class, Safety and Fire Fighting awareness programmes for staff.
- Appreciation Award (Best Attendance, Best Comments from guest, Pat on the back) for staff.
- Long Service Award.
- Christmas Carol singing.
- World Heart Day-Awareness.
- Green Awareness Day.
- World Autism Day.
- Yoga class.
- Diabetes camp.
- Every month General Medical Check up.
- Corporate fun games.
- Nutrition and Diet Awareness.
- Food Hygiene awareness.
- Food wastage awareness.
- Self gradation programme by outside faculty.
- Safety, security and self protection programme for women.
- "Make up your Own" workshop for women.
- Star department of the year.

By giving these schemes, Welfare, counselling and training programmes, the employees become loyal to the company and thereby company is able to minimize the employee attrition rate. The overall attrition rate is 4.64%. Promotions and recognition awarding policies, training and development, skill program are used as effective tools by HR for improving employee productivity. The management also helps the staff to upgrade their educational qualification for their own betterment and for their future growth.

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

CAUTIONARY STATEMENT :

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

Financial Summary Highlights for the last 10 years.

(₹ in lakhs)

| | 31ST MARCH | | | | | | | | | |
|------------------------------------|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| INCOME | 6867.00 | 6,690.98 | 6,309.03 | 5,653.48 | 5,795.42 | 5,371.60 | 4,728.56 | 3,485.61 | 3,939.38 | 4,540.31 |
| OPERATING & GENERAL EXPENSES | 5595.39 | 5,419.18 | 5,096.52 | 4,495.61 | 4,509.86 | 3,874.84 | 3,394.57 | 2,535.81 | 2,956.25 | 3,090.79 |
| INTEREST | 169.87 | 256.43 | 315.47 | 361.23 | 384.40 | 322.12 | 234.42 | 252.96 | 373.96 | 288.69 |
| DEPRECIATION | 445.00 | 442.53 | 500.81 | 350.63 | 302.17 | 245.36 | 219.49 | 197.79 | 274.45 | 219.07 |
| PROFIT BEFORE TAX | *460.30 | 573.22 | 396.23 | 446.01 | 498.99 | 929.28 | 880.08 | 499.05 | 334.72 | 941.76 |
| TAXATION | 222.61 | 330.15 | 107.00 | *613.41 | 106.30 | 216.08 | 312.77 | 191.56 | 243.45 | 330.80 |
| PROFIT AFTER TAX | 237.69 | 243.07 | 289.23 | (167.40) | 392.69 | 713.20 | 567.31 | 307.49 | 91.27 | 610.96 |
| DIVIDEND, DIVIDEND TAX & SURCHARGE | 215.52 | 215.52 | 172.43 | 166.36 | 166.36 | 166.36 | 166.91 | 83.45 | 69.78 | 139.55 |
| DIVIDEND % | 15% | 15% | 12% | 12% | 12% | 12% | 12% | 12% | 10% | 20% |
| FIXED ASSETS NET | 6481.22 | 6,636.23 | 6,746.63 | 7,355.27 | 7,039.28 | 6,020.33 | 6,121.25 | 5,609.69 | 5,692.97 | 6,580.09 |
| SHARE CAPITAL | 1192.80 | 1,192.80 | 1,192.80 | 1,192.80 | 1,192.80 | 1,192.80 | 1,192.80 | 596.40 | 596.40 | 596.40 |
| RESERVES (INCLUDING REVALUATION) | 4161.14 | 3,928.03 | 3,905.05 | 2,508.25 | 4,195.83 | 3,980.95 | 3,445.58 | 3,653.02 | 3,440.42 | 3,430.39 |
| DEFERRED TAX LIABILITY | (43.96) | (9.85) | (121.00) | 384.59 | (14.41) | 85.62 | 68.40 | 41.05 | 39.50 | 36.69 |
| BONUS ISSUE | — | — | — | — | — | — | — | 1 : 1 | — | — |
| Earning per Equity Share | 1.99 | 2.04 | 2.42 | (1.40) | 3.29 | 5.98 | 4.76 | 5.16 | 1.53 | 10.24 |

*after exceptional item i.e. Impairment Loss

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
SAVERA INDUSTRIES LIMITED

Report on the standalone Financial Statements

1. We have audited the accompanying standalone financial Statements of Savera Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the standalone financial statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the

auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the annexure 'A', a statement on the matters specified in paragraphs 3 & 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, and the Cash flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a Director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of March 31, 2017.
 - b. Making provisions in its financial statements by the company, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts does not arise.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

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

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

Place : Chennai
Date : 30th May, 2017

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Audit Report containing the matters specified in Paragraph 3 & 4 of Companies (Auditors' Report) Order, 2017

- i) In respect of the fixed assets of the company:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management at reasonable intervals which is satisfactory depending on the size of the company. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, partnership deed, partnership dissolution deeds, encumbrance certificates, legal opinions, provided to us, we report that, the title deeds of all immovable properties are held in the name of the Company as on 31.3.2017. In respect of lease of immovable properties of land and buildings the lease agreements are in the name of the company as lessee.
- ii) As per the information and explanation given to us, the inventories were physically verified by the management at reasonable intervals and , no discrepancies were noticed on such verification.
- iii) The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act.
- iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) The Company has not accepted any deposit during the year and accordingly the question of complying with Sections 73 and 76 of the Companies Act, 2013 does not arise.
- vi) The provisions of clause 3 (vi) of the Order are not applicable to the company as the company is not covered by the Companies (Cost Records and Audit) Rules, 2014.

- vii) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- viii) The Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The company availed an additional CC Facility of Rs.50 lakhs from Central Bank of India during the year.
- x) No fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- 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 / Chit Fund / Mutual Benefit / Society.
- xiii) The Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. 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 the year.
- xv) The Company has not entered into any non-cash transactions with its directors or person connected with them.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place : Chennai
Date : 30th May, 2017

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

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

1. We have audited the internal financial controls over financial reporting of Savera Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Chennai
Date : 30th May, 2017

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

Balance Sheet as at 31st March, 2017

₹ In lakhs

| Particulars | Note | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----------------------------------------|----------|------------------|------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholder's Funds | | | |
| (a) Share Capital | 2 | 1,192.80 | 1,192.80 |
| (b) Reserves and Surplus | 3 | 4,161.14 | 3,928.05 |
| | | 5,353.94 | 5,120.85 |
| Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 4 | 635.93 | 1,154.76 |
| (b) Deferred Tax Liability (net) | 5 | 181.23 | 225.19 |
| (c) Other Non-Current Liabilities | 6 | 35.01 | 35.01 |
| | | 852.17 | 1,414.96 |
| Current Liabilities | | | |
| (a) Trade payables | 7 | 138.66 | 120.40 |
| (b) Other Current Liabilities | 8 | 1,352.46 | 1,328.18 |
| (c) Short term provisions | 9 | 100.36 | 193.17 |
| | | 1,591.48 | 1,641.75 |
| TOTAL | | 7,797.59 | 8,177.56 |
| ASSETS | | | |
| Non-Current Assets | | | |
| (a) Fixed assets | 10 | | |
| (i) Tangible assets | | 6,480.60 | 6,635.62 |
| (ii) Intangible assets | | 0.62 | 0.61 |
| (b) Non- Current Investments | 11 | 31.57 | 35.97 |
| (c) Long-term Loans and advances | 12 | 311.00 | 314.14 |
| | | 6,823.79 | 6,986.34 |
| Current Assets | | | |
| (a) Inventories | 13 | 20.39 | 18.46 |
| (b) Trade Receivables | 14 | 260.40 | 201.82 |
| (c) Cash and Bank Balances | 15 | 574.48 | 786.74 |
| (d) Short term loans and advances | 16 | 42.19 | 127.16 |
| (e) Other Current Assets | 17 | 76.34 | 57.04 |
| | | 973.80 | 1,191.22 |
| TOTAL | | 7,797.59 | 8,177.56 |
| Significant Accounting Policies | 1 | | |

For and on behalf of the Board

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

A. Ravikumar Reddy
 Managing Director

A. Nina Reddy
 Joint Managing Director

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

N.S. Mohan
 Company Secretary

I. Siva Kumar
 Chief Financial Officer

Place : Chennai
 Date : 30th May, 2017

Profit and Loss Statement for the Year Ended 31st March, 2017

₹ In lakhs

| Particulars | Note | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----------------------------------------------------------------|------|------------------|------------------|
| INCOME | | | |
| Revenue from Operations (Net off Excise Duty) | 18 | 6813.57 | 6,639.80 |
| Current Year : Rs.1,98,389 | | | |
| Previous Year : Rs.1,75,055 | | | |
| Other Income | 19 | 53.43 | 51.18 |
| Total Revenue | | 6,867.00 | 6,690.98 |
| EXPENSES | | | |
| Cost of Materials consumed | 20 | 1105.18 | 883.50 |
| Change in Inventory of Stock-in-trade (Alcoholic Beverages) | 21 | 106.04 | 102.76 |
| Employee benefit expenses | 22 | 1803.90 | 1,682.07 |
| Finance Cost | 23 | 169.87 | 256.43 |
| Depreciation | 24 | 445.00 | 442.53 |
| Other expenses | 25 | 2580.27 | 2,750.45 |
| Total Expenses | | 6,210.26 | 6,117.74 |
| Profit / (Loss) Before Extraordinary And Exceptional Items | | 656.74 | 573.24 |
| LESS : Impairment Loss | | 196.44 | — |
| PROFIT FOR THE YEAR | | | |
| Profit before Taxation | | 460.30 | 573.24 |
| Less : Provision for taxation | | | |
| Income Tax for the Current Year | | 275.00 | 340.00 |
| Income Tax for the Previous Years | | (8.42) | — |
| Deferred Tax | | (43.96) | (9.85) |
| | | 222.61 | 330.15 |
| Profit after Taxation | | 237.69 | 243.09 |
| Earnings per equity share: | | | |
| Basic and Diluted | | 1.99 | 2.04 |
| Significant Accounting Policies | 1 | | |

For and on behalf of the Board

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

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

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

N.S. Mohan
Company Secretary

I. Siva Kumar
Chief Financial Officer

Place : Chennai

Date : 30th May, 2017

Standalone Cashflow Statement for the Year Ended 31st March, 2017

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|------------------------------------------------------------|------------------|------------------|
| A. Cash flow from Operating Activities | | |
| Net profit before tax and extra ordinary items | 656.74 | 573.24 |
| Adjustments for | | |
| (a) (Profit)/Loss on sale of fixed assets | (1.04) | 0.40 |
| (b) Investment written off | — | 282.23 |
| (c) Renovation Expenses written off | — | — |
| (d) Interest Expenses | 169.87 | 256.43 |
| (e) Dividend/Interest Income | (28.05) | (50.76) |
| (f) Depreciation on fixed asset | 445.00 | 442.53 |
| | 585.78 | 930.83 |
| Operating profit before working capital changes | 1,242.52 | 1,504.05 |
| Adjustments for | | |
| (a) (Increase)/Decrease in Inventories | (1.94) | (5.06) |
| (b) (Increase)/Decrease in Trade Receivables | (58.58) | (24.15) |
| (c) (Increase)/Decrease in Short Term Loan Advance | 24.68 | (13.92) |
| (d) (Increase)/Decrease in Other Current Assets | (19.31) | 18.09 |
| (e) (Increase)/Decrease in Long Term Loans & Advance | (24.56) | 266.28 |
| (f) (Increase)/(Decrease) in Other Non-Current Liabilities | — | 0.12 |
| (g) (Increase)/(Decrease) in Trade Payable | 18.26 | 26.33 |
| (h) Increase/(Decrease) in Other Current Liabilities | 24.40 | 45.86 |
| (i) (Increase)/(Decrease) in Short Term Provisions | 9.45 | (26.21) |
| | (27.60) | 287.34 |
| Cash generated from Operations | 1,214.92 | 1,791.39 |
| Income taxes paid/Refund | (298.07) | (229.70) |
| Net cash from Operating Activities (A) | 916.85 | 1,561.69 |
| B. Cash flow from Investing Activities | | |
| Purchase of fixed assets | (434.34) | (413.30) |
| Capital Work in Progress | | (60.28) |
| Sale of fixed assets | 4.65 | 76.20 |
| Net (Increase)/Decrease in Long Term Advances | — | — |
| Net (Increase)/Decrease in Other Cash Balances | 210.47 | (140.82) |

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--------------------------------------------------------------------|------------------|-------------------|
| Dividend/Interest Income Received | 28.07 | 50.77 |
| Net Decrease in Non-Current Investments | 4.40 | (4.00) |
| Net cash from Investing Activities (B) | (186.75) | (491.44) |
| C. Cash flow from Financing Activities: | | |
| Repayment of borrowings | (508.64) | (498.11) |
| Dividend paid | (53.37) | (329.89) |
| Interest expense paid | (169.87) | (256.43) |
| Net cash used in financial activities (C) | (731.89) | (1,084.44) |
| Net increase in cash and cash equivalents (A)+(B)+(C) | (1.79) | (14.19) |
| Cash and cash equivalents at beginning of the period (see note 1) | 228.64 | 242.83 |
| Cash and cash equivalents at end of the period (see note 1) | 226.85 | 228.64 |

NOTES TO THE STATEMENT:**(1) Cash and Cash Equivalents**

Balance with Scheduled Banks

| | AS AT 31.03.2017 | AS AT 31.03.2016 | AS AT 31.03.2015 |
|-----------------------|------------------|------------------|------------------|
| - In Current Account | 186.38 | 170.92 | 183.61 |
| - Cash on Hand | 16.68 | 23.62 | 40.11 |
| - Other Bank Balances | 23.80 | 34.10 | 19.11 |
| | 226.85 | 228.64 | 242.83 |

- (1) Cash and Cash Equivalents consist of balances with banks. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.
- (2) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.
- (3) Previous year's figures have been regrouped wherever necessary to confirm to current year's classification.

For and on behalf of the Board

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

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

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

N.S. Mohan
Company Secretary

I. Siva Kumar
Chief Financial Officer

Place : Chennai

Date : 30th May, 2017

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements for the year ended 31st March, 2017

Note 1:

Significant Accounting Policies

A) Corporate Information:

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

B) Accounting Policies

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

a) Inventories

Stocks of food, beverages & Operating supplies inventories are valued at lower of cost and net realizable value

b) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprises cash at bank, cash in hand and short-term investments with an original maturity of three months or less

c) Revenue recognition :

Revenue is recognised upon rendering of the service, provided pervasive evidence of an arrangement exists, tariff / rates are fixed or are determinable and collectability is reasonably certain. Revenue comprises sale of rooms, food and beverages and allied services relating to hotel operations. Rebates and discounts granted to customers are reduced from revenue.

Interest: Interest income is accrued on a time proportion basis having regard to the amount outstanding and the rate applicable.

Dividend: Dividend income is recognised when the Company's right to receive the amount is established

d) Fixed Assets :

Tangible Fixed Assets : Fixed Assets are carried at historical cost or other amount substituted for historical cost less depreciation and amortization and impairment loss if any. Land, Building and Plant & Machinery were revalued on 31.03.1993

Intangible Fixed Assets: Intangible assets include acquired software and trademarks. Intangible assets are initially measured at acquisition cost including any directly attributable costs of preparing the asset for its intended use.

e) Depreciation

Depreciation is provided on straight-line basis over the estimated useful life of the asset. Depreciation on revalued assets to the extent of revaluation is debited to revaluation reserve. The estimated useful life of the assets are as follows:

| | (in years) |
|------------------------|------------|
| Building | 60 |
| Plant and Machinery | 10 |
| Office Equipment | 5 |
| Computers | 3 |
| Furniture and Fixtures | 8 |
| Vehicles | 8 |
| Intangible Assets | 10 |

f) Transactions in Foreign Exchange

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

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

g) Investments

Long Term Investments are carried at cost. Provision for decline in the value, other than temporary, has been made wherever necessary. Current Investments are carried at lower of cost or fair value.

h) Employee Benefits

Gratuity: The contribution to the Gratuity is determined using the projected unit credit method based on the statement / certificate furnished by LIC at each Balance Sheet date. The company has an arrangement with LIC for managing the Gratuity Fund. The demand raised from LIC is paid by the company towards discharge of the gratuity liability.

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

| | | |
|----------------------------------------------------------------|---|-------------|
| Opening Balance as on 1-04-2016 | ₹ | 2,64,42,979 |
| Add : Contribution to the Fund during the year under review | ₹ | 34,92,920 |
| Add: Interest to the Fund | ₹ | 21,28,202 |
| Total | ₹ | 3,20,64,107 |
| Less: Disbursements | ₹ | 38,50,296 |
| Less: Finance costs | ₹ | 2,32,677 |
| Balance Fund as on 31-03-2017 | ₹ | 2,79,81,128 |
| Actuarial value of accrued gratuity liability as on 31-03-2017 | ₹ | 3,07,20,127 |
| The Fund with LIC | ₹ | 2,79,81,128 |
| The Provision for Contribution towards the Fund | ₹ | 27,38,999 |

The said amount of ₹ 27,38,999/-will be paid before the due date for filing the Return of Income.

Provident Fund: 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

ESI: 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

Bonus: Bonus is provided in the books and the payment shall be made before the due date of filling of the Income Tax Return i.e.30.09.2017.

i) Borrowing Costs

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

j) Segment Reporting

The company's only business is Hoteliering and hence disclosure of segment wise information is not applicable under Accounting Standard (AS) 17 "Segment Information notified by the Company's (Accounting Standards) Rules, 2006. There is no Geographical segment to be reported since all the operations are undertaken in one geographical area.

k) Leases

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

l) Earnings per share (EPS):

Earnings Per Share is calculated by dividing the Net Profit after Tax /Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted Earning Per Share, the Net Profit /Loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

m) Taxes on Income:

Deferred Tax is computed in accordance with Accounting Standard 22 (AS-22) "Accounting for Taxes on Income". Tax expenses are accounted in the same period to which the revenue and expenses relate. Provision for current income tax is made on the tax liability payable on taxable income after considering tax allowances; deductions and exemptions determined in accordance with the prevailing tax laws. The differences between taxable income and the net profit before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liability is recorded for timing differences, i.e. differences that originate in one accounting period and reversed in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on applicable tax rates. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date.

n) Impairment of Assets

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

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

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

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

Contingent Assets are not recognized in the financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 2: SHARE CAPITAL

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---------------------------------------------------------|---------------------|---------------------|
| (i) Authorised Share Capital | | |
| 1,20,00,000 equity shares of ₹10 each (Previous year) | 1,200.00 | 1,200.00 |
| 1,20,00,000 | | |
| Equity Shares of ₹10 each) | | |
| (ii) Issued, Subscribed and Paid up | | |
| 1,19,28,000 Equity Shares of ₹10/- each | 1,192.80 | 1,192.80 |
| (Previous year 1,19,28,000 Equity Shares of ₹10/- each) | | |
| | 1,192.80 | 1,192.80 |

(a) Reconciliation of Equity shares

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--------------------------------------------------|---------------------|---------------------|
| | No. of Shares | No. of Shares |
| Shares outstanding at the beginning of the year | 11,928,000 | 11,928,000 |
| Shares outstanding at the end of the year | 11,928,000 | 11,928,000 |

Rights attached to Equity Shareholders:

The company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount, in proportion to their shareholdings.

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

| Name of the shareholder | AS AT 31.03.2017 | | AS AT 31.03.2016 | |
|-------------------------|------------------|--------------|------------------|--------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| A. Nina Reddy | 2,095,812 | 17.57% | 2,095,812 | 17.57% |
| A. Ravikumar Reddy | 1,603,840 | 13.45% | 1,603,840 | 13.45% |
| Lalit Modi | 702,280 | 5.89% | 702,280 | 5.89% |
| A. Priyamvadhya | 687,600 | 5.76% | 687,600 | 5.76% |

NOTE 3 : RESERVES AND SURPLUS

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----------------------------------------------------------------|---------------------|---------------------|
| Revaluation Reserve | | |
| As per last Balance Sheet | 1,334.86 | 1,339.43 |
| Less: Depreciation for the year | 4.57 | 4.57 |
| (A) | 1,330.28 | 1,334.86 |
| General Reserve | | |
| As per last Balance Sheet | 659.13 | 659.13 |
| Closing Balance (B) | 659.13 | 659.13 |
| Surplus / (Deficit) in the Statement of Profit and Loss | | |
| As per last Balance Sheet | 1,934.04 | 3,134.08 |
| Add: Hyderabad | — | (1,227.59) |
| Current Year profit | 237.69 | 243.09 |
| | 2,171.73 | 2,149.56 |
| Less: Appropriations | | |
| Less: Transfer to General Reserve | — | — |
| Less: Proposed dividend (Interim) | — | 143.14 |
| Less: Tax on Proposed dividend (Interim) | — | 29.31 |
| Less: Proposed Dividend (Final) | — | 35.78 |
| Less: Dividend Distribution Tax (Final) | — | 7.29 |
| (C) | 2,171.73 | 1,934.04 |
| TOTAL (A+B+C) | 4,161.14 | 3,928.05 |

NOTE 4 : LONG TERM BORROWINGS

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|------------------------------------------------------------------------------------------|---------------------|---------------------|
| Non- Current portion of: | | |
| Term Loan | | |
| From Banks (Refer Note (i) and (ii) below) | 629.42 | 1,151.50 |
| Long-term Finance lease obligations - Hire Purchase (Refer note (iii) and (iv) below) | 6.51 | 3.26 |
| | 635.93 | 1,154.76 |

(I) Secured by First Charge on entire Land & Building, Movable & Immovable Assets of the Company situated at Door No. 146, Dr. Radhakrishnan Road, Chennai – 4.

(ii) Maturity profile of term loans

Term loan from Banks @ 11.50%

(a) not later than one year

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

(c) later than three years

**As at March
2017**

514.15

384.32

245.10

(iii) Finance Lease obligations are secured against leased assets

(iv) Maturity profile of Finance lease obligations

**As at March
2017**

ICICI Bank

(a) not later than one year

12.93

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

6.51

(c) later than five years

—

NOTE 5 : DEFERRED TAX LIABILITY

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|-------------------------------------------------------------------------------------|---------------------|---------------------|
| Related to Fixed Assets | 181.23 | 225.19 |
| Less: Deferred tax impact on transition to Schedule II of the companies Act 2013 | — | — |
| | 181.23 | 225.19 |

NOTE 6 : OTHER LONG TERM LIABILITIES

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----------------------------|---------------------|---------------------|
| Rental Deposit - Unsecured | 4.79 | 4.79 |
| Other Deposit | 30.22 | 30.22 |
| | 35.01 | 35.01 |

NOTE 7 : TRADE PAYABLES

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|------------------------------------------------------------------|---------------------|---------------------|
| Trade payables other than Micro, Small and Medium Enterprises | 138.66 | 120.40 |
| | 138.66 | 120.40 |

NOTE 8 : OTHER CURRENT LIABILITIES

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|-----------------------------------------------------------------------------------------------|---------------------|---------------------|
| Current maturities of Long-term borrowings (Refer note 4.2) | 514.15 | 511.87 |
| Current maturities of Long-term Finance Lease Obligations - Hire Purchase (Refer note 4.4) | 12.93 | 5.03 |
| Unaccrued Income realisable in next 12 Months | 202.90 | 136.06 |
| Creditors for expenses | 276.55 | 345.04 |
| Statutory dues | 118.02 | 115.40 |
| Unclaimed Dividend | 23.80 | 34.10 |
| Advance from customers | 61.44 | 73.81 |
| Loan repayable on demand | — | — |
| From Banks (Refer Note 8.1) | 142.67 | 106.87 |
| | 1,352.46 | 1,328.18 |

8.1 Secured by Hypothecation of Domestic Trade receivables and inventories

NOTE 9 : SHORT TERM PROVISIONS

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----------------------------------------------------------------------------------|---------------------|---------------------|
| Provision for employee benefits - Bonus | 69.39 | 59.93 |
| Provision net off against Advance tax and TDS for the assessment year 2016-17 | 30.97 | 90.17 |
| Provision for dividend - Final | — | 43.07 |
| | 100.36 | 193.17 |

Note 10 : STANDALONE FIXED ASSETS

| PARTICULARS | ORIGINAL COST | | | DEPRECIATION BLOCK | | | | | NET BLOCK | | ₹ In lakhs |
|-------------------------|--------------------|-----------------|--------------------|--------------------|-----------------------|-----------------|--------------------|--------------------|--------------------|--------------------|------------|
| | ASAT 01.04.2016 | DEDUC- TIONS | ASAT 31.03.2017 | UPTO 01.04.2016 | DEPR. FOR THE YEAR | DEDUC- TIONS | UPTO 31.03.2017 | Impairment loss | ASAT 31.03.2017 | ASAT 31.03.2016 | |
| | | | | | | | | | | | |
| Tangible Assets: | | | | | | | | | | | |
| 1. LAND | 3,312.41 | 377.38 | — | 3,689.80 | — | — | — | — | 3,689.80 | 3,312.41 | |
| 2. BUILDINGS | 1,369.32 | — | — | 1,369.32 | 448.23 | 24.96 | — | 473.19 | 896.13 | 921.09 | |
| 3. PLANT & MACHINERY | 3,091.43 | 78.31 | — | 3,169.75 | 1,845.60 | 169.12 | — | 2,014.72 | 1,059.81 | 1,245.83 | |
| 4. OFFICE EQUIPMENTS | 119.81 | 5.44 | — | 125.25 | 111.99 | 4.60 | — | 116.58 | 8.31 | 7.83 | |
| 5. FURNITURE & FITTINGS | 2,537.45 | — | — | 2,537.45 | 1,481.50 | 223.68 | — | 1,705.18 | 733.36 | 1,055.95 | |
| 6. VEHICLES | 213.06 | 33.48 | 21.34 | 225.20 | 120.54 | 27.23 | 17.72 | 130.05 | 93.20 | 92.52 | |
| Sub-Total | 10,643.49 | 494.62 | 21.34 | 11,116.76 | 4,007.86 | 449.58 | 17.72 | 4,439.72 | 196.44 | 6,480.60 | 6,635.62 |
| Intangible Assets: | 12.15 | 0.01 | — | 12.16 | 11.54 | — | — | 11.54 | — | 0.62 | 0.61 |
| Total | 10,655.64 | 494.63 | 21.34 | 11,128.92 | 4,019.40 | 449.58 | 17.72 | 4,451.27 | 196.44 | 6,481.22 | 6,636.23 |
| Previous year - 2015-16 | 10,330.11 | 413.31 | 87.79 | 10,655.63 | 3,583.48 | 447.11 | 11.19 | 4,019.40 | — | 6,636.23 | 6,746.63 |

NOTE 11: NON CURRENT INVESTMENTS

₹ In lakhs

| Particulars | Face Value | Holdings As at 31st March 2017 | AS AT 31.03.2017 | AS AT 31.03.2016 |
|------------------------------------------------------------|------------|--------------------------------|------------------|------------------|
| Non - Trade Investments (Valued at cost) | | | | |
| Investment in quoted Equity Shares | | | | |
| Oriental Hotels Limited | ₹ 1/- | 3,510 | 0.05 | 0.05 |
| I.T.C. Limited | ₹ 1/- | 40,320 | 0.03 | 0.03 |
| Indian Hotels Co. Ltd. | ₹ 1/- | 3,432 | 0.45 | 0.45 |
| Apollo Hospitals Ltd. | ₹ 5/- | 4,000 | 0.30 | 0.30 |
| Central Bank of India | ₹ 10/- | 295 | 0.30 | 0.30 |
| Indian Hotels Co. Ltd. | ₹ 1/- | 1,330 | 0.73 | 0.73 |
| | | | 1.87 | 1.87 |
| Investment in Unquoted Shares of Subsidiary Company | | | | |
| Elkhill Agrotech P Ltd | | | | |
| Investment in Unquoted Shares of Other Companies | | | | |
| 297.000 Clarion Wind Farms Pvt. Ltd. | ₹ 10/- | 297.000 | 29.70 | 34.10 |
| | | | 29.70 | 34.10 |
| | | | 31.57 | 35.97 |
| (i) Aggregate amount of Quoted Investments | | | 1.87 | 1.87 |
| (ii) Market Value of Quoted Investments | | | 165.73 | 147.06 |
| (iii) Aggregate amount of Unquoted Investments | | | 29.70 | 34.10 |

NOTE 12: LONG TERM LOANS AND ADVANCES

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Capital advance | | |
| Unsecured Considered Good | — | — |
| Loans and Advances to Related parties (Refer Footnote (i) below) | | |
| Unsecured Considered Good | — | — |
| Loans and Advances to others | | |
| Unsecured Considered Good | — | 0.17 |
| Security Deposits | | |
| Unsecured Considered Good | 311.00 | 286.27 |
| Advance tax, TDS excess of Provision for Income tax for the period preceding AY 2016-17 | — | 27.70 |
| | 311.00 | 314.14 |

| (i) Name of the Related Party | Relationship | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----------------------------------|--------------|---------------------|---------------------|
| Elkhill Agrotech private Limited | Subsidiary | — | — |
| | | — | — |

NOTE 13: INVENTORIES

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--------------------------------------------|---------------------|---------------------|
| (At lower of average cost or market value) | | |
| Food & Beverages | 9.63 | 5.88 |
| Wines & Liquor | 10.76 | 12.58 |
| | 20.39 | 18.46 |

NOTE 14: TRADE RECEIVABLES

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---------------------------------------------------|---------------------|---------------------|
| Debts outstanding for a period exceeding 6 months | | |
| Unsecured Considered good | — | 4.20 |
| Other debts | | |
| Unsecured Considered good | 260.40 | 197.62 |
| | 260.40 | 201.82 |

NOTE 15: CASH AND BANK BALANCES

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|--------------------------------------------------------|---------------------|---------------------|
| Balance with Banks | | |
| Current Account | 186.38 | 170.92 |
| Cash on Hand | 16.68 | 23.62 |
| Other Bank Balances | | |
| Dividend Account | 23.80 | 34.10 |
| Margin Money | 3.97 | 3.97 |
| Deposits with original maturity more than three months | 343.65 | 554.13 |
| | 574.48 | 786.74 |

NOTE 16: SHORT TERM LOANS AND ADVANCES

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----------------------------|---------------------|---------------------|
| Project advance | | |
| Unsecured Considered Good | — | 60.28 |
| Loan and advances to staff | 42.19 | 66.88 |
| | 42.19 | 127.16 |

NOTE 17: OTHER CURRENT ASSETS

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|------------------------------------|---------------------|---------------------|
| Prepaid expenses | 57.15 | 32.19 |
| Interest Accrued on Fixed Deposits | 12.39 | 19.67 |
| Advance to suppliers | 6.80 | 5.18 |
| | 76.34 | 57.04 |

NOTE 18: REVENUE FROM OPERATIONS

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|-----------------------------------------|---------------------|---------------------|
| (i) Rooms and Restaurants | | |
| Rooms | 2,440.38 | 2,537.25 |
| Foods and Beverages | 2,898.84 | 2,591.28 |
| Wines and Liquor | 442.64 | 420.66 |
| | 55.77 | 81.02 |
| | 5,837.63 | 5,630.21 |
| (ii) Banquets and Other services | | |
| Other Services | 129.04 | 175.02 |
| Gym Collections | 709.90 | 731.42 |
| Spa Collection | 111.98 | 104.90 |
| Royalty | 27.00 | — |
| | 977.92 | 1,011.34 |
| Less: Excise Duty | 1.98 | 1.75 |
| | 6,813.57 | 6,639.80 |

NOTE 19: OTHER INCOME

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|-------------------------------|---------------------|---------------------|
| Interest Income | 25.76 | 48.60 |
| Dividend Income | 2.30 | 2.17 |
| Profit on sales of Assets | 1.04 | (0.40) |
| Others | | |
| Miscellaneous Income | 23.40 | 0.43 |
| Foreign Exchange Fluctuations | 0.93 | 0.38 |
| | 53.43 | 51.18 |

NOTE 20: COST OF MATERIALS CONSUMED

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|----------------------------------------|---------------------|---------------------|
| <i>Foods and Beverages</i> | | |
| Opening Stock | 5.88 | 4.88 |
| Add: Purchases | 1,083.60 | 862.58 |
| Less: Closing Stock | 9.63 | 5.88 |
| | 1,079.85 | 861.58 |
| <i>Crockeries and Cutleries</i> | | |
| Opening Stock | — | — |
| Add: Purchases | 25.33 | 21.92 |
| Less: Closing Stock | — | — |
| | 25.33 | 21.92 |
| | 1,105.18 | 883.50 |

NOTE 21: CHANGE IN INVENTORY OF STOCK IN TRADE

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|---------------------|---------------------|---------------------|
| Opening Stock | 12.58 | 8.51 |
| Add: Purchase | 104.22 | 106.83 |
| Less: Closing Stock | 10.76 | 12.58 |
| | 106.04 | 102.76 |

NOTE 22: EMPLOYEE BENEFIT EXPENSES

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|-------------------------------------------|---------------------|---------------------|
| Salary, Wages, Bonus and Allowances | 1,451.79 | 1,352.70 |
| Contribution to provident and other funds | 163.28 | 142.80 |
| Staff Welfare | 188.83 | 186.57 |
| | 1,803.90 | 1,682.07 |

NOTE 23: FINANCE COST

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|-------------------|---------------------|---------------------|
| Interest expenses | 169.87 | 256.43 |
| | 169.87 | 256.43 |

NOTE 24: DEPRECIATION AND AMORTIZATION EXPENSES

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|-----------------------------------------------------------------------------|---------------------|---------------------|
| Depreciation on Fixed Assets | 449.57 | 447.10 |
| Less: Depreciation on Revalued Assets Transferred to revaluation reserve | (4.57) | (4.57) |
| | 445.00 | 442.53 |

NOTE 25: OTHER EXPENSES

₹ In lakhs

| Particulars | AS AT 31.03.2017 | AS AT 31.03.2016 |
|------------------------------------------------------|---------------------|---------------------|
| (a) Power and Fuel | 540.24 | 565.63 |
| (b) Repairs and Maintenance | — | — |
| (i) Buildings | 108.39 | 74.31 |
| (ii) Plant and Machinery | 147.66 | 132.81 |
| (iii) Vehicles | 22.37 | 21.42 |
| (iv) Others | 115.60 | 76.66 |
| (c) Sales Promotion Expenses | 333.40 | 286.47 |
| (d) Rental Expenses | 329.37 | 303.94 |
| (e) Upkeep and Service Cost | 231.26 | 254.26 |
| (f) Professional Charges | 155.43 | 129.04 |
| (g) Stewarding Services-dishwash / Body Lyrics Wages | 93.43 | 98.91 |
| (h) Security Services | 86.29 | 79.51 |
| (i) Rates & taxes | 76.85 | 114.76 |
| (j) Spa Expenses | 70.27 | 69.37 |
| (k) Sundry Expenses | 196.63 | 198.16 |
| (l) Insurance | 28.01 | 24.58 |
| (m) Royalty | 18.51 | 6.97 |
| (n) CSR expenses | 12.96 | 8.97 |
| (o) Donation | 4.09 | 12.80 |

| | | |
|----------------------------|-----------------|-----------------|
| (p) Payment to Auditors | — | — |
| (i) As Auditors | 3.00 | 3.00 |
| (ii) For Taxation Matters | 3.00 | 3.00 |
| (q) Sitting Fees | 3.51 | 3.65 |
| (r) Investment written off | — | 282.23 |
| | 2,580.27 | 2,750.45 |

26. Disclosure pursuant to Accounting Standard 11 – “The Effects of changes in Foreign Exchange Rates”:

I) Earnings in Foreign Exchange: (₹ in lakhs)

| Particulars | Current Year 2016-17 | Previous Year 2015-16 |
|--------------------------|-------------------------|--------------------------|
| Sale of Rooms/F&B Income | 487.04 | 370.26 |
| | 487.04 | 370.26 |

ii) Expenditure in Foreign Currency (₹ in lakhs)

| Particulars | Current Year 2016-17 | Previous Year 2015-16 |
|--------------------------|-------------------------|--------------------------|
| Membership Fee | 1.54 | 1.44 |
| Travel Agency Commission | 40.58 | 43.33 |
| | 42.12 | 44.77 |

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

(₹ in lakhs)

| Particulars | Current Year 2016-17 | Previous Year 2015-16 |
|----------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------|
| Company’s contribution to PF | 90.82 | 85.43 |
| ESI | 24.64 | 21.01 |
| Gratuity | 47.39 | 35.94 |
| Company’s contribution to PF for Key Management Personnel viz., Managing Director & Joint Managing Director | 0.43 | 0.43 |
| | 163.28 | 142.81 |

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

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

1) List of Related Parties are as follows :

| S.No. | Name of the related party | Nature of Relationship |
|-------|----------------------------------|-------------------------------------------------------------------------------|
| 1. | Mr. A. Ravikumar Reddy | Key Management Personnel – Managing Director |
| 2. | Mrs. A. Nina Reddy | Key Management Personnel - Joint Managing Director |
| 3 | Amaravathi Restaurants Pvt. Ltd | Enterprise over which Key Management Personnel exercise significant influence |
| 4 | Shyam Hotels and Restaurants | Enterprise over which Key Management Personnel exercise significant influence |
| 5 | Ruchi Agro Products Pvt. Ltd. | Enterprise over which Key Management Personnel exercise significant influence |
| 6 | Shyam Enterprises Pvt. Limited | Enterprise over which Key Management Personnel exercise significant influence |
| 7 | Savera Anthuriums Pvt. Ltd | Enterprise over which Key Management Personnel exercise significant influence |
| 8 | Amaravathi Enterprises (Chennai) | Enterprise over which Key Management Personnel exercise significant influence |
| 9 | Shyam Investments | Enterprise over which Key Management Personnel exercise significant influence |

| Name of the related party | Enterprises over which Key Management Personnel exercise significant influence (in Rs.) | Key Management Personnel (in Rs.) |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------|
| Purchase of Goods | 32,11,776 | — |
| Purchase of Fixed Assets | 2,45,62,000 | 1,08,22,500 |
| Royalty on Franchise | 19,84,516 | — |
| Remuneration | — | 72,50,000 |
| Balance in Trade Payable at the end of the year | 13,10,525 | — |
| Balance in Other Current Liabilities at the end of the year | — | 8,33,636 |

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

(₹ in lakhs)

| Particulars | Current Year 2016-17 | Previous Year 2015-16 |
|--------------------------------------|-------------------------|--------------------------|
| Profit after tax | 237.69 | 243.09 |
| Nominal Value of Shares | 10 | 10 |
| No. of Equity Shares | 11,928,000 | 11,928,000 |
| Earnings per share-Basic and Diluted | 1.99 | 2.04 |

30. Micro and Small Enterprises:

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

| Particulars | 31-03-2017 Rs. | 31-03-2016 Rs. |
|----------------------------------------------------------------------------------|-------------------|-------------------|
| (a) (i) Principal amount remaining unpaid to any supplier as on 31st March 2017. | — | — |
| Trade Creditor | — | — |
| Capital Creditor | — | — |
| (ii) Interest on (a) (i) above | — | — |
| (b) (i) The amount of principal paid beyond the appointed date | — | — |
| (ii) The amount of interest paid beyond the appointed date | — | — |
| (c) Amount of interest due and payable on delayed payments | — | — |
| (d) Amount of interest accrued and due as at 31st March 2017 | — | — |
| (e) Total outstanding dues of Micro Enterprises and Small Enterprises | — | — |

31. Disclosure pursuant to Accounting Standard 22 “Accounting for Taxes on Income”

(₹ in lakhs)

| Particulars | 31.03.2017 Rs. | 31.03.2016 Rs. |
|------------------------|-------------------|-------------------|
| Deferred Tax Liability | | |
| On timing difference | | |
| - Depreciation | 1,81,23,039 | 2,25,19,482 |

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

(₹ in lakhs)

| Particulars | Current Year 2016-17 | Previous Year 2015-16 |
|-----------------------------------------------------|-------------------------|--------------------------|
| Salary & Perquisites | | |
| Managing Director : Salary – 5% on net profit | 36.25 | 47.50 |
| Joint Managing Director : Salary – 5% on net profit | 36.25 | 47.50 |

33. Disclosure pursuant to Accounting Standard 29- “Provisions, Contingent Liabilities and Contingent Assets”
Income Tax Matters:
Assessment Year 2006-07

The Assessment was reopened beyond a period of 4 years from the end of the assessment year which in the opinion of company's tax consultants is not valid in law. The Writ Petition filed by the company in the Madras High Court questioning the validity of the reopening was dismissed along with other appeals though the reasons for reopening the assessment were different from other cases. The Writ filed by the company before the Supreme Court and the same was disposed off by the Supreme Court directing the High Court to dispose off the case on merits

In the meanwhile, Assessing Officer(AO) completed the assessment demanding Rs.30.96 lakhs. The appeal filed against this before the CIT (A) was decided in our

favour. Against this, CIT (A)'s order, department filed an appeals before the ITAT. The same was decided by ITAT in favour of the Company.

Assessment Year 2010-11

The Commissioner of Income Tax passed an Order under section 263 setting aside the earlier assessment to consider the allowability of renovation expenses and pre-operative expenses aggregating to ₹ 143.36 lakhs. The appeal filed before the Tribunal was decided in our favour. It is not known whether the department filed an appeal in the High Court. The department filed an appeal before the High Court of Madras and the company understand from the council that the case was disposed off by the High Court in our favour in the open Court but the order is yet to be received.

Assessment Year 2012-13

AO disallowed the expenditure of ₹ 63.96 lakhs resulting in a demand of ₹ 19.77 lakhs. The appeal filed before CIT (A) was decided in our favour. The department filed an appeal before the ITAT. The same was decided by ITAT in favour of the Company.

Proposed Dividend

The Board of Directors have proposed a final dividend of ₹ 1.5 per equity share amounting to ₹ 2,15,34,453 /- inclusive of corporate dividend tax. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance Sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, dated 30 March 2016, proposed dividend is not recognized as a liability as on 31 March 2017. Accordingly, the balance of Reserves and surplus is higher by ₹ 2,15,34,453 /- (including corporate dividend tax) and the balance of Short term provisions is lower by an equivalent amount as on 31 March 2017.

34. Disclosure on the details of Specified Bank Notes held and transacted during 8.11.2016 to 30.12.2016

(₹)

| | SBN | OTHER DENOMINATION NOTES | TOTAL |
|------------------------------------------|---------|--------------------------------|---------|
| CLOSING CASH IN HAND AS ON 8/11/2016 | 2450500 | 1107835 | 3558335 |
| (+) PERMITTED RECEIPTS | 0 | 7894051 | 7894051 |
| (-) PERMITTED PAYMENTS | 75500 | 5096938 | 5172438 |
| (-) AMOUNT DEPOSITED IN BANK | 2375000 | 1460000 | 3835000 |
| CLOSING CASH IN HAND AS ON 30.12.2016 | — | 2444948 | 2444948 |

35. The figures have been rounded off to the nearest rupee.

36. Previous year figures have been re-grouped wherever necessary.

37. Third party balances are subject to confirmation.



SAVERA INDUSTRIES LIMITED

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

ADMISSION SLIP

48th Annual General Meeting August 11, 2017

Name of the Shareholder(s) / Proxy

Address

Regd. Folio / Client ID, DP ID

No. of shares held

I hereby record my presence at 48th Annual General Meeting of the Company, to be held on Friday, the 11th August, 2017, at 10.15 a.m. at The Music Academy Mini Auditorium, No.168, T.T.K. Road, Chennai - 600 014.

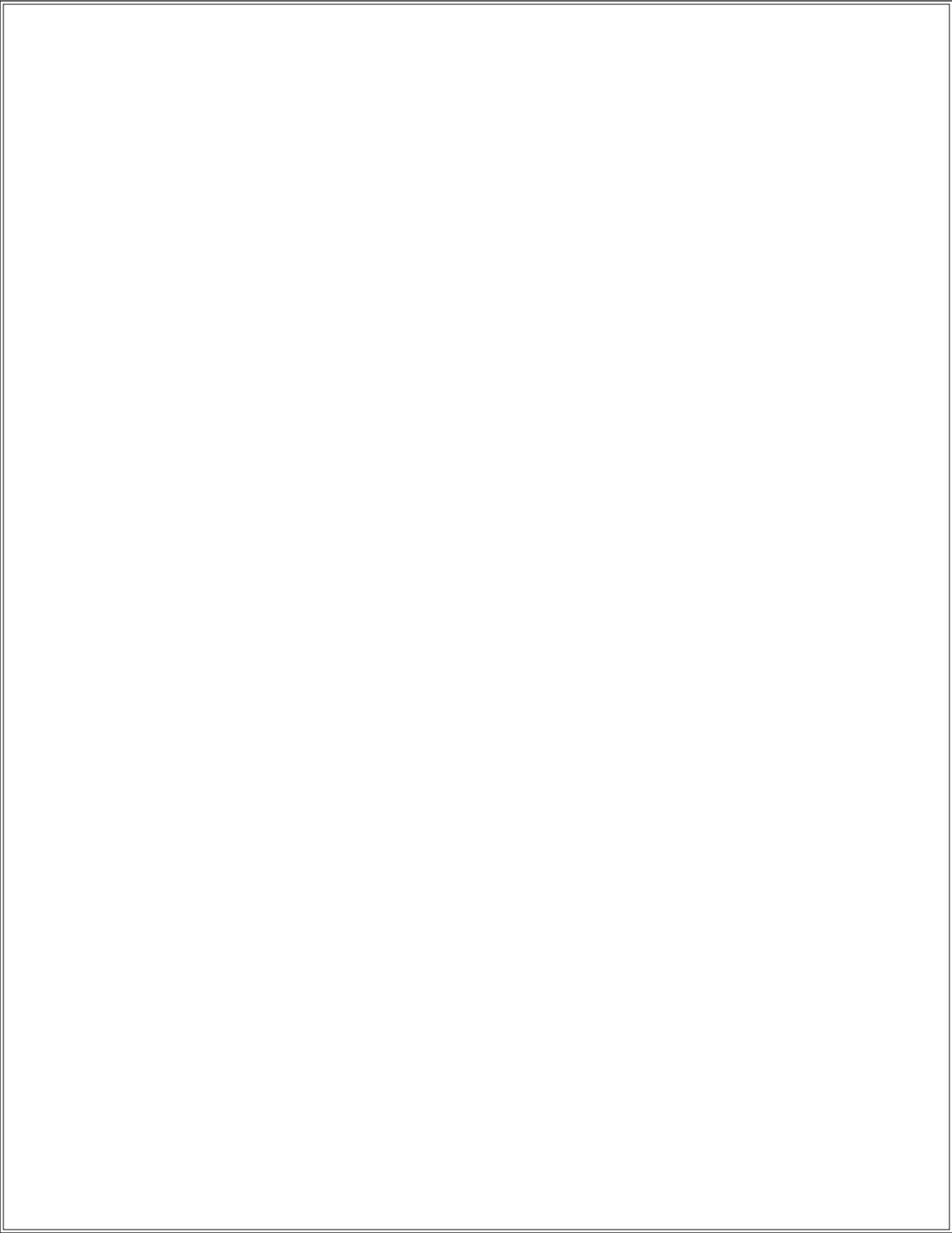


Signature of the member / Proxy

.....
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 2016-17 along with the Notice, attendance slip and proxy form is being sent to all the members, who have not registered their email ID.
- iii. Members are requested to bring their copy of the Annual Report which were sent in permitted mode to all the members whose e-mail is not registered or have requested for a hard copy.





SAVERA INDUSTRIES LIMITED

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

CIN L55101TN1969PLC005768

Form No.MGT 11

PROXY FORM

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

48th Annual General Meeting August, 11, 2017

Name of the member(s)

| |
|--|
| |
|--|

Registered address

| |
|--|
| |
| |
| |

Email ID

| |
|--|
| |
|--|

Folio no. / Client ID

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

DP ID

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

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

1) Name : Email ID

Address :

..... Signature :

or failing him

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 48th Annual General Meeting of the Company, to be held on the 11th day of, August, 2017, at 10.15 a.m. at The Music Academy Mini Auditorium, No.168 T.T.K. Road, Chennai 600 014 and at any adjournment thereof in respect of such resolutions as are indicated below :

| S. No. | Description | Type of Resolution | Optional * | | |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------|---------|---------|
| | | | For | Against | Abstain |
| ORDINARY BUSINESS | | | | | |
| 1 | Adoption of Audited Financial Statements for the year ended 31 / 03 / 2017 together with the reports of the Directors and Auditors thereon | Ordinary | | | |
| 2 | Declaration of Dividend | Ordinary | | | |
| 3 | Appointment of Ms. A. Nivruti as a Director. | Ordinary | | | |
| 4 | Appointment of Statutory Auditors and fixation of their remuneration. | Ordinary | | | |
| SPECIAL BUSINESS | | | | | |
| 5 | Appointment of Mr. B. Ranga Reddy as an Independent Director | Special | | | |
| 6 | Appointment of Mr. S. Sridhara Rao as an Independent Director | Special | | | |

Signed this day of 2017.

.....
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 48th 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.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

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