

51st ANNUAL REPORT

2019 - 2020



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BOARD OF DIRECTORS

Sri A. Ravikumar Reddy	Managing Director
Smt A. Nina Reddy	Joint Managing Director
Sri A. Tarun Reddy	Director
Smt A. Nivruti Reddy	Director
Sri A. Sudhakar Reddy	Independent Director
Sri S. Sridhara Rao	Independent Director

SAVERA MISSION STATEMENT

We are a company striving to achieve excellence in

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

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

OUR VISION

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

Financial Summary Highlights for the last 10 years.

(₹ in lakhs)

	31ST MARCH									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
INCOME	6790.06	7258.42	7311.89	6917.27	6690.98	6309.03	5696.44	5844.69	5371.6	4764.91
OPERATING & GENERAL EXPENSES	5663.48	5933.45	6063.86	5569.25	5418.78	5096.52	4531.29	4667.38	3874.84	3402.84
INTEREST	55.44	51.12	110.16	169.87	256.43	315.47	361.23	385.92	322.12	235.79
DEPRECIATION	458.17	347.44	360.39	449.58	442.53	500.81	357.7	310.94	245.36	233.01
PROFIT BEFORE TAX	590.38	926.41	679.93	532.12	573.24	396.23	446.22	480.45	929.28	893.27
TAXATION	162.64	298.20	166.53	218.36	330.15	107.00	613.41	106.30	216.08	312.77
PROFIT AFTER TAX	427.74	628.21	513.43	313.76	243.07	289.23	(167.17)	374.15	713.20	580.5
OTHER COMPREHENSIVE INCOME #	-18.99	27.41	-25.48	22.59						
DIVIDEND, DIVIDEND TAX & SURCHARGE	172.56	172.56	387.62	# 43.07	215.52	172.43	166.36	166.36	166.36	166.91
DIVIDEND %	12%	12%	25%	15%	15%	12%	12%	12%	12%	12%
FIXED ASSETS NET	5624.61	5911.75	6147.96	6480.6	6636.23	6746.63	7405.2	7096.27	6020.33	6279.98
CAPITAL	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80	1192.80
*RESERVES (INCLUDING REVALUATION) / OTHER EQUITY	4882.62	4675.19	4350.30	4249.98	3928.05	3905.05	3610.6	3953.97	3980.95	3252.61
DEFERRED TAX LIABILITY	43.97	93.78	141.61	242.16	225.19	235.04	384.59	(14.41)	85.62	68.41
BONUS ISSUE	-	-	-	-	-	-	-	-	-	-
Earning per Equity Share	3.59	5.27	4.30	2.63	2.04	2.42	(1.40)	3.14	5.98	4.87

As per Ind-AS

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

~ As per Ind-As Apr 2019 Implemented Lease liability Interest booked

CORPORATE INFORMATION

Registered Office	:	No.146 Dr.Radhakrishnan Road, Mylapore, Chennai 600 004. Phone : 044 - 28114700
Key Managerial Personnel		
Managing Director	:	Mr.A.Ravikumar Reddy
Company Secretary	:	Mr. N. S. Mohan
Mail ID & Phone	:	cs@saverahotel.com / 044 - 2811 4700
Chief Financial Officer	:	Mr. CH. Mahesh Kumar
Bankers	:	Central Bank of India Egmore Branch 48/49 Montieth Road, Chennai - 8
Statutory Auditors	:	M/s. S.Venkatram & Co., LLP Chartered Accountants 218 T T K Road Alwarpet, Chennai 600 018
Secretarial Auditor	:	M/s. A.K. Jain & Associates Company Secretaries No.2, (New No.3), Raja Annamalai Road, 1st Floor, Purasawalkam, Chennai - 600 084.
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 fifty first (51st) Annual General Meeting of Saveria Industries Limited will be held on Monday, the 21st September, 2020, at 3:00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in conformity with the regulatory provisions and circulars issued by the Ministry of Corporate Affairs, Govt. of India to transact the following business:

ORDINARY BUSINESS :

1. **Adoption of Audited Financial Statements for the year ended 31 / 03 / 2020 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, 2020 including audited Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.

2. **Confirmation of payment of interim Dividend.**

To confirm the payment of Interim Dividend of Rs.1.20 paise (Rupee one and paise twenty only) per equity share for the financial year 2019-20.

3. **Appointment of Mrs.A.Nivruti, as a Director.**

To appoint a Director in the place of Mrs.A.Nivruti, (Din No. 00576167) who retires by rotation and being eligible, offers herself for re-appointment.

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

To consider and if thought fit to pass without modification the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. S.Venkatram & Co., LLP, Chartered Accountants, (Firm Regn. No.004656S/S200095) as Statutory Auditors of the company for a term of five years i.e. from the conclusion of the 48th Annual General Meeting (AGM) till the conclusion of 53rd Annual General Meeting which was subject to ratification at every AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of the 52nd AGM of the company to be held in the year 2021, at such remuneration as may be mutually agreed between the Board of Directors of the company and the Statutory Auditors.

SPECIAL BUSINESS

5. **Revision in remuneration of Mr.A.Ravikumar Reddy, Managing Director.**
To consider and if thought fit to pass without modification, the following resolution as a Special Resolution :

“Resolved that in partial modification to the special resolution passed through the Postal Ballot Process on 9.1.2019 for fixation of remuneration of the sum equal to 7.5% of the net profits of the company for each financial year computed in the manner prescribed under provisions of section 198 of the Companies Act, 2013, to Mr.A.Ravikumar Reddy, Managing Director (DIN 00145372) of the company for a period of 5 years w.e.f.01.02.2019, pursuant to the provisions of section 197 and 198 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, the Companies (Amendment) Act, 2017, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI (LODR) Regulations, 2015 including any statutory modifications or re-enactment thereof or any amendment thereto, the approval of the company be and is hereby accorded to the payment of the remuneration of the sum not exceeding Rs.90 lakhs (Rupees ninety lakhs only) per financial year when the company has no profits or its profits are inadequate or the sum equivalent to 7.5% of net profit of the company for each financial year computed in the manner prescribed under the provisions of section 198 of the Companies Act, 2013, whichever is higher, to Mr. A.Ravikumar Reddy, Managing Director for a period of 3 years w.e.f. from 1.4.2020 to 31.3.2023, with the liberty to the Board of Directors to alter or vary the terms and conditions of such remuneration, in such a manner as may be agreed between the company and Mr. A. Ravikumar Reddy.

Resolved further that the Board of Directors be and is hereby authorised to take such steps as the Board may consider necessary or expedient to give effect to this Resolution.”

6. **Revision in remuneration of Mrs.A.Nina Reddy, Joint Managing Director.**

To consider and if thought fit to pass without modification, the following resolution as a Special Resolution :

“Resolved that in partial modification to the special resolution passed through the Postal Ballot Process on 9.1.2019 for fixation of remuneration of the sum equal to 7.5% of the net profits of the company for each financial year computed in the manner prescribed under provisions of section 198 of the Companies Act, 2013, to Mrs.A.Nina Reddy, Joint Managing Director (DIN 00144797) of the company for a period of 5 years w.e.f.28.10.2018 , pursuant to the provisions of section 197 and 198 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, the Companies (Amendment) Act, 2017, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI (LODR) Regulations, 2015 including any statutory modifications or re-enactment thereof or any

amendment thereto, the approval of the company be and is hereby accorded to the payment of the remuneration of the sum not exceeding Rs.90 lakhs (Rupees ninety lakhs only) per financial year when the company has no profits or its profits are inadequate or the sum equivalent to 7.5% of net profit of the company for each financial year computed in the manner prescribed under the provisions of section 198 of the Companies Act, 2013, whichever is higher, to Mrs. A. Nina Reddy, Joint Managing Director for a period of 3 years w.e.f. from 1.4.2020 to 31.3.2023, with the liberty to the Board of Directors to alter or vary the terms and conditions of such remuneration, in such a manner as may be agreed between the company and Mrs. A. Nina Reddy.

Resolved further that the Board of Directors be and is hereby authorised to take such steps as the Board may consider necessary or expedient to give effect to this Resolution.”

By Order of the Board
For Savera Industries Limited

Chennai – 600 004
29th June, 2020

N.S.Mohan
Company Secretary
(Membership No.F3751)

NOTES:

1. Pursuant to the circulars issued by MCA and SEBI allowing the companies to conduct the AGM via Video Conferencing / Other Audio Visual Means, in view of the pandemic prevailing in the country, the company is sending the Annual report and notice to the 51st AGM via email to the shareholders instead of physical despatch of the Annual reports, as was the practice till last year. Hence shareholders who have not registered their email id, hitherto, will have to register their email ids with the company/RTA in order to receive the Annual report and notices for the General Meetings.

Furthermore, the Finance Act, 2019 had made the dividend declared from 01st April 2020, taxable in the hands of shareholders, where the dividend exceeds Rs.5000 in a financial year. This has created a requirement for the shareholders to submit Form 15G/15H in case if you would like to be exempted from deduction of tax from your dividend, in future.

To meet the said requirements, the Company's Registrar & Transfer Agents M/s. Cameo Corporate Services Limited had developed web module viz. <https://investors.cameoindia.com> wherein the shareholders can log in and register their email-ID and mobile numbers against the folio No. in which they hold the shares. Besides they can also submit Form 15G/15H to avail the exemption from TDS for your dividend, in future.

2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 which sets out details relating to item No. 5 & 6 of Special Business at the meeting is annexed hereto.

3. As per the provisions of Clause 3.A.III. of the General Circular No. 20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 5 and 6 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
4. Since the 51st AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. The Register of Members and the Share Transfer books of the Company will remain closed from 15.09.2020 to 21.09.2020 (both days inclusive) for the purpose of the 51st Annual General Meeting.
6. 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.
7. 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, if any in future. 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, if any, in future are requested to write to the Company.
8. 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.
9. 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.

Financial year	Date of declaration of Dividend	Date of transfer to IEPF
2012-13	26.09.2013	02.11.2020
2013-14	22.09.2014	28.10.2021
2014-15	28.09.2015	02.11.2022
2015-16(interim)	11.03.2016	16.04.2023
2015-16 (Final)	15.09.2016	16.10.2023
2016-17	11.08.2017	10.09.2024
2017-18 (Interim)	14.02.2018	16.03.2025
2017-18 (Final)	20.09.2018	23.10.2025
2018-19 (Interim)	13.02.2019	16.03.2026
2018-19 (Final)	05.09.2019	11.10.2026
2019-20 (Interim)	14.11.2019	16.12.2026

10. Further, the company shall not be in a position to entertain the claims of shareholders for the unclaimed dividends once the amount is transferred. 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.
11. 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.
12. 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.
13. Members may also note that the Notice of the 51st Annual General Meeting and the Annual Report for 2019-20 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. The company reserves the right to restrict the number of speakers depending upon the availability of time in the AGM.

16. CDSL e-Voting System – For Remote e-voting and e-voting during 51st Annual General Meeting

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming 51st AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing 51st AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 51st AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the 51st AGM will be provided by CDSL.
3. The Members can join the 51st AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 51st AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the 51st AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the 51st AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this 51st AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the 51st AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 51st AGM has been uploaded on the website of the Company at www.saverahotel.com. The Notice can also be accessed from the

websites of the Stock Exchange i.e. BSE Limited. The 51st AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the 51st AGM) i.e. www.evotingindia.com.

7. The 51st AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 17.09.2020 (9.00 a.m.) and ends on 20.09.2020 (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 of 14.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasiusing yourlogin credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

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

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(xii) Click on the EVSN for the relevant company name viz. Saver Industries Limited on which you choose to vote.

(xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE 51ST AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the 51ST AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days (16.09.2020) prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@saverahotel.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days (16.09.2020) prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@saverahotel.com. These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE 51ST AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the 51ST AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the 51ST AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the 51stAGM.
3. If any Votes are cast by the shareholders through the e-voting available during the 51ST AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the 51stAGM. However, they will not be eligible to vote at the 51st AGM.

(xx) 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 in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer viz evoting@akjainassociates.com and to the Company at the email address viz; cs@saverahotel.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

17. 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 14th September, 2020.
- b. M/s. A K Jain Associates, Company Secretaries have been appointed as the Scrutinizer to scrutinize the remote e-voting as well as electronic voting at the time of 51stAGM
- c. Scrutinizer shall within a period not exceeding forty eight hours of the conclusion of the voting at the 51stAGM will submit a consolidated voting results considering all mode of voting (i.e.remote e-voting and electronic at the AGM) based on the votes cast in favour or against, if any, forthwith to the Managing Director of the company.

18. Members who wish to inspect the relevant documents referred in the Notice can send an email to cs@saverahotel.com up to the date of this Annual General Meeting.
19. The members may inspect the Register of Directors, Key Managerial Personal and their shareholding maintained under section 170 of the Companies Act, 2013 and the Register of Contract and Arrangements in which Directors are interested maintained under section 189 of the Companies Act, 2013 during AGM, with prior intimation.

Chennai.
29th June, 2020

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

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

N.S.Mohan
Company Secretary

EXPLANATORY STATEMENT

Section 102 of the Companies Act, 2013 relating to item No.5 & 6

Item No.5 :

The company through the postal ballot process on 9.1.2019 passed the Special Resolution for reappointment of Mr.A.Ravikumar Reddy as Managing Director for a period of five years w.e.f 01.02.2019 and fixed the remuneration of a sum equivalent to 7.5.% of net profit of each financial year computed in the manner prescribed under the provisions of section 198 of the Companies Act, 2013. The terms of remuneration were in conformity with the provisions of Companies Act, 2013 read with Schedule V to the Companies Act, 2013. In the said Special Resolution, it was further resolved that notwithstanding anything contained above, where, in any financial year during the currency of the tenure of the Managing Director, the company has no profits or its profits are inadequate, it may pay him remuneration by way of salary and perquisites and commission equivalent to the maximum permissible limit under Schedule V of the Companies Act, 2013 or any statutory modifications or re-enactments thereof.

However, in the explanatory statement, the general information of the Schedule V has not been furnished to the members for passing the special resolution on 9th January, 2019, as the company fixed the remuneration pursuant to provisions of section 197 and 198 of the Companies Act, 2013 and not on effective capital basis. When the remuneration is fixed based on the effective capital as per schedule V of the Companies Act, 2013, general information is required to be furnished to the shareholders.

Now, keeping in view the lockdown on account of COVID19, which has impacted the revenue and ultimately the profitability of the company and taking into account that there will

be inadequate profit in the ensuing years, it was decided by the Board on the recommendation of the Nomination and Remuneration Committee which met on 29.06.2020 to fix the remuneration based on the limit mentioned in the Schedule V of the Companies Act 2013 which is as under.

Where the effective capital is	Limit of yearly remuneration payable shall not exceed (Rupees)
5 crores and above but less than 100 crores	84 Lakhs

The company 's effective capital as on 31.3.2018 is Rs.4288.29 lakhs calculated on the basis of definition of Effective Capital as per Schedule V of the Companies Act, 2013 and the same (basis year) was taken in line with the provisions of Schedule V of the Companies Act, 2013. i.e. the effective capital is calculated as on the last date of the financial year preceding the financial year in which the appointment of the Managing Director is made. In Savera Industries Limited, Mr.A.Ravikumar Reddy Managing Director was appointed on 1.2.2019. In accordance with the above, the effective capital was calculated. Based on the said effective capital, the company can pay remuneration to the Managing Director, Mr. A. Ravikumar Reddy to the extent of Rs. 84 lakhs per financial year by passing an Ordinary Resolution in case the company has no profits or its profits are inadequate. If the company wants to pay more than Rs.84 lakhs as above, special resolution is required to be passed. Similarly if the company wants to pay more than 5% of the net profit of the company to a managerial person for each financial year, special resolution is required to be passed. Further as per Regulation 17(6) (e) of SEBI (LODR) Regulations, 2015 if the annual remuneration payable to promoter Executive Director exceeds 2.5% of the net profits of the company, special resolution is required to be passed.

Accordingly, the Board at its meeting held on 29.06.2020 approved the payment of the remuneration of the sum not exceeding Rs.90 lakhs per financial year when the company has no profits or its profits are inadequate or the sum equivalent to 7.5% of net profit of the company for each financial year computed in the manner prescribed under the provisions of section 198 of the Companies Act, 2013, whichever is higher, to Mr. A. Ravikumar Reddy, Managing Director for a period 3 years w.e.f. from 1.4.2020 to 31.3.2023.

Further, the following additional information as required under the Schedule V of the Companies Act, 2013 is given under.

I. General Information:

- (1) Nature of Industry: The company is engaged in the business of hoteliering since 1969.
- (2) Date or expected date of commencement of commercial production: 17-11-1969.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable as it is an existing company.
- (4) Financial performance based on given indicators:

(Rs. in lakhs)

PARTICULARS	CURRENT FINANCIAL YEAR 2019-20	PREVIOUS FINANCIAL YEAR 2018-19
Revenue From Operations	6728.46	7187.15
Other income	61.60	71.27
Profit/loss before Depreciation, Finance Costs, Exceptional Items and Tax Expenses	1126.58	1324.97
Less : Depreciation / Amortisation / Impairment	458.17	347.44
Profit / loss before Finance Costs, Exceptional items and Tax Expenses	668.41	977.53
Less : Finance Costs	55.44	51.12
Profit / loss before Exceptional items and Tax Expenses	612.97	926.41
Add : (less) Exceptional Items	-22.59	-
Profit / loss before Tax Expenses	590.38	926.41
Less : Tax Expenses (current & Deferred)	162.64	298.20
Profit / loss for the year (1)	427.74	628.21
Total Comprehensive Income / loss (2)	-18.99	27.41
Total (1 + 2)	408.75	655.62
Balance of profit / loss for earlier years	3853.46	3596.85
Less : Transfer to Reserve	--	40.87
Less : Dividend paid on Equity Shares	167.00	274.34
Less : Dividend Distribution Tax	34.32	56.39
Balance Carried Forward	4079.88	3853.46

(5) Foreign investments or collaboration if any : The company has not made any foreign investments and neither entered into any collaboration during the last year.

II. Information about the appointee:

- (1) Background details: Sri.A.Ravikumar Reddy is a qualified Engineer with an experience of 35 years in various industries including hotel industry. He is aged about 63 years. He devoted himself in the day today affairs of the management of the company. He has been on the Board of Savera Industries Limited since June 1994.
- (2) Past remuneration: During the financial year 2019-20, he was paid the remuneration of Rs.51.00 lakhs
- (3) Recognition or awards: Nil

- (4) Job Profile and his suitability: Mr. A. Ravikumar Reddy is entrusted with role and responsibilities relating to management of the day today affairs of the company. He has been on the Board of the company since June, 1994. He is innovative, creative and energetic director Mr.A.Ravikumar Reddy is a member of Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Share Transfer Committee With his knowledge and experience, he took the four star hotel to a greater height over a period of twenty five years thus suitable to the position of Managing Director.
- (5) Remuneration proposed: The remuneration of the sum not exceeding Rs.90 lakhs per financial year when the company has no profits or its profits are inadequate or the sum equivalent to 7.5% of net profit of the company for each financial year computed in the manner prescribed under the provisions of section 198 of the Companies Act, 2013, whichever is higher.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person :
Taking into account the size of the company, knowledge, profile,skills and responsibilities took by Mr. A.Ravikumar Reddy, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any. Besides the remuneration proposed to be paid to Mr. A.Ravikumar Reddy, he does not have any other pecuniary relationship directly or indirectly with the company except that he is the father of Mr. A. Tarun Reddy, who is also one of the directors of the company and that he is related to Mrs. A. Nina Reddy, Joint Managing Director, who is the wife of his brother.

III. Other Information:

- (1) Reasons of loss or inadequate profits: In view of lockdown on account of Covid19 pandemic, as per the Central and State Government's order, the hotel's operations were stopped except rendering services to the guests who held up in the hotel. This has impacted the revenue and profitability of the company.. For the financial year 2020-21, the company forecasts fall in its revenue and profit.
- (2) Steps taken or proposed to be taken for improvement. Once the lockdown on account of Covid19 pandemic is lifted, the hotel will resume operations as per the guidelines of Central and State Governments.
- (3) Expected increase in productivity and profits in measurable terms. Once the normalcy is restored, the company is expected to achieve reasonable turnover and profits.

IV. Disclosures: The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the corporate governance report which forms part of the Annual Report.

Your Directors recommend the Special Resolution for approval of the members.

Except Mr. A. Ravikumar Reddy and Mr. A. Tarun Reddy, who, being a director of the company, is the son of Mr. A. Ravikumar Reddy, none of the other directors, key managerial personnel of the company or their relatives are in any way concerned or interested in the said resolution.

Item No. 6:

The company through postal ballot process on 9.1.2019 passed the Special Resolution for reappointment of Mrs.A.Nina Reddy as Joint Managing Director for a period of five years w.e.f 28.10.2018 and fixed the remuneration of a sum equivalent to 7.5.% of net profit of each financial year computed in the manner prescribed under the provisions of section 198 of the Companies Act, 2013. The terms of remuneration were in conformity with the provisions of Companies Act, 2013 read with Schedule V to the Companies Act, 2013. In the said Special Resolution, it was further resolved that notwithstanding anything contained above, where, in any financial year during the currency of the tenure of the Joint Managing Director, the company has no profits or its profits are inadequate, it may pay her remuneration by way of salary and perquisites and commission equivalent to the maximum permissible limit under Schedule V of the Companies Act, 2013 or any statutory modifications or re-enactments thereof.

However, in the explanatory statement, the general information of the Schedule V has not been furnished to the members for passing the special resolution on 9th January, 2019, as the company fixed the remuneration pursuant to provisions of section 197 and 198 of the Companies Act, 2013 and not on effective capital basis. When the remuneration is fixed based on the effective capital as per schedule V of the Companies Act, 2013, general information is required to be furnished to the shareholders.

Now keeping in view the lockdown on account of COVID 19, which has impacted the revenue and ultimately the profitability of the company and taking into account that there will be inadequate profit in the ensuing years, it was decided by the Board on the recommendation of the Nomination and Remuneration Committee which met on 29.06.2020 to fix the remuneration based on the limit mentioned in the Schedule V of the Companies Act 2013 which is as under.

Where the effective capital is	Limit of yearly remuneration payable shall not exceed (Rupees)
5 crores and above but less than 100 crores	84 Lakhs

The company 's effective capital as on 31.3.2018 is Rs.4288.29 lakhs calculated on the basis of definition of Effective Capital as per Schedule V of the Companies Act, 2013 and the same (basis year) was taken in line with the provisions of Schedule V of the Companies Act, 2013 i.e. the effective capital is calculated as on the last date of the financial year preceding the financial year in which the appointment of the Joint Managing Director is made. In Savera Industries Limited, the Joint Managing Director Mrs.A.Nina Reddy was appointed on 28.10.2018. In accordance with the above, the effective capital was calculated. Based on the said effective capital, the company can pay remuneration to the Joint Managing Director, Mrs. A. Nina Reddy to the extent of Rs. 84 lakhs per financial year by passing an Ordinary Resolution, in case the company has no profits or its profits are inadequate. If the company wants to pay more than Rs.84 lakhs as above, special resolution is required to be passed. Similarly if the company wants to pay more than 5% of the net profit of the company to a managerial person for each financial year, special resolution is required to be passed. Further as per Regulation 17(6) (e) of SEBI (LODR) Regulations, 2015 if the annual remuneration payable to promoter Executive Director exceeds 2.5% of the net profits of the company, special resolution is required to be passed.

Accordingly, the Board at its meeting held on 29.06.2020 approved the payment of the remuneration of the sum not exceeding Rs.90 lakhs per financial year when the company has no profits or its profits are inadequate or the sum equivalent to 7.5% of net profit of the company for each financial year computed in the manner prescribed under the provisions of section 198 of the Companies Act, 2013, whichever is higher, to Mrs. A. Nina Reddy, Joint Managing Director for a period 3 years w.e.f. from 1.4.2020 to 31.3.2023.

Further, the following additional information as required under the Schedule V of the Companies Act, 2013 is given under.

I General Information:

- (1) Nature of Industry: The company is engaged in the business of hoteliering since 1969.
- (2) Date or expected date of commencement of commercial production: 17-11-1969.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable as it is an existing company.
- (4) Financial performance based on given indicators:

(Rs. in lakhs)

PARTICULARS	CURRENT FINANCIAL YEAR 2019-20	PREVIOUS FINANCIAL YEAR 2018-19
Revenue From Operations	6728.46	7187.15
Other income	61.60	71.27
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Less : Depreciation / Amortisation / Impairment	458.17	347.44
Profit / loss before Finance Costs, Exceptional items and Tax Expenses	668.41	977.53
Less : Finance Costs	55.44	51.12
Profit / loss before Exceptional items and Tax Expenses	612.97	926.41
Add : (less) Exceptional Items	-22.59	-
Profit / loss before Tax Expenses	590.38	926.41
Less : Tax Expenses (current & Deferred)	162.64	298.20
Profit / loss for the year (1)	427.74	628.21
Total Comprehensive Income / loss (2)	-18.99	27.41
Total (1 + 2)	408.75	655.62
Balance of profit / loss for earlier years	3853.46	3596.85
Less : Transfer to Reserve	--	40.87
Less : Dividend paid on Equity Shares	167.00	274.34
Less : Dividend Distribution Tax	34.32	56.39
Balance Carried Forward	4079.88	3853.46

(5) Foreign investments or collaboration if any : The company has not made any foreign investments and neither entered into any collaboration during the last year.

II. Information about the appointee:

- (1) Background details: Mrs. A. Nina Reddy is Bachelor in Arts. Besides, she has qualifications viz., D.I.D. D.C.I and H.K. She is specialized in Interior decoration and House Keeping. She has been in the hotel industry for more than 22 years.
- (2) Past remuneration: During the financial year 2019-20, she was paid the remuneration of Rs.51 lakhs
- (3) Recognition or awards: She has got the awards such as (a) The Hindu Entrepreneur award (b) Indywood Business Excellence Award.
- (4) Job Profile and her suitability: Mrs. A. Nina Reddy is entrusted with role and responsibilities relating to operations of the company. She has been on the Board of the company since January, 1999. She is innovative, creative and energetic director. She holds position in the Corporate Social Responsibility committee. With her knowledge and experience, she took the four star hotel to a greater height over a period of eighteen years thus suitable to the position of Joint Managing Director.

(5) Remuneration proposed: The remuneration of the sum not exceeding Rs.90 lakhs per financial year when the company has no profits or its profits are inadequate or the sum equivalent to 7.5% of net profit of the company for each financial year computed in the manner prescribed under the provisions of section 198 of the Companies Act, 2013, whichever is higher.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person :

Taking into account the size of the company, knowledge, profile, skills and responsibilities shouldered by Mrs. A. Nina Reddy, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any.

Besides, the remuneration proposed to be paid to Mrs. A. Nina Reddy, she does not have any other pecuniary relationship directly or indirectly with the company except that she is the mother of Mrs. A. Nivruti, who is also one of the directors of the company and that she is related to Mr. A. Ravikumar Reddy, Managing Director, who is her brother-in-law.

III Other Information:

(1) Reasons of loss or inadequate profits: In view of lockdown on account of Covid19 pandemic, as per the Central and State Government's order, the hotel's operations were stopped except rendering services to the guests who held up in the hotel. This has impacted the revenue and profitability of the company.. For the financial year 2020-21, the company forecasts fall in its revenue and profit.

(2) Steps taken or proposed to be taken for improvement. Once the lockdown on account of Covid19 pandemic is lifted, the hotel will resume operations as per the guidelines of Central and State Governments.

(3) Expected increase in productivity and profits in measurable terms. Once the normalcy is restored, the company is expected to achieve reasonable turnover and profits.

IV Disclosures: The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the corporate governance report which forms part of the Annual Report.

Your Directors recommend the Special Resolution for approval of the members.

Except Mrs. A. Nina Reddy and Mrs. A. Nivruti Reddy, who, being a director of the company, is the daughter of Mrs. A. Nina Reddy, none of the other directors, key managerial personnel of the company or their relatives are in any way concerned or interested in the said resolution.

Chennai .
29th June, 2020

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

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

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
Mrs.A.Nivruti	<p>Mrs.A.Nivruti is a B.Sc., Management (Hons.) Graduate from Warwick university, London, UK and has a rich exposure in hotel industry for more than 13 years. She is a creative and energetic executive. She has been in the Board since 31.1.2007.</p> <p>Mrs.A.Nivruti is a member of Stakeholders Relationship committee.</p> <p>Mrs.A.Nivruti is holding 2,91,820 equity shares in the company.</p>	2	<p>Amaravathi Restaurants Pvt Ltd</p> <p>Ruchi Agro Products Pvt Ltd.</p>

DIRECTORS' REPORT

To the members of Savera Industries Ltd,

The Directors have pleasure in presenting the 51st Annual Report of Savera Industries Ltd (the company), along with the audited financial statements under Ind AS for the financial year ended 31st March, 2020.

(Rs. in lakhs)

PARTICULARS	CURRENT FINANCIAL YEAR 2019-20	PREVIOUS FINANCIAL YEAR 2018-19
Revenue From Operations	6728.46	7187.15
Other income	61.60	71.27
Profit/loss before Depreciation, Finance Costs, Exceptional Items and Tax Expenses	1126.58	1324.97
Less : Depreciation / Amortisation / Impairment	458.17	347.44
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Add : (less) Exceptional Items	-22.59	-
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Profit / loss for the year (1)	427.74	628.21
Total Comprehensive Income / loss (2)	-18.99	27.41
Total (1 + 2)	408.75	655.62
Balance of profit / loss for earlier years	3853.46	3596.85
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Less : Dividend paid on Equity Shares	167.00	274.34
Less : Dividend Distribution Tax	34.32	56.39
Balance Carried Forward	4079.88	3853.46

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

The Indian tourism and hospitality industry have emerged as one of the key drivers of growth among the services sector in India. Tourism in India has significant potential considering the rich cultural and historical heritage. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country. Indian hospitality industry is the most digitally advanced traveller nation in terms of digital tools being used for planning, booking and experiencing a journey, India's rising

middle class and increasing disposable incomes has continued to support the growth of domestic and outbound tourism.

At the end of the financial year, the lockdown on account of Covid19 pandemic was announced by the Central / State Governments. The Company's hotel and restaurants have been closed from day one of the first lock down (in March 2020) announced by the Central/ State Governments, except for housing guests who are at the hotel on the date of announcement of the lock down. This position continues even today and is expected to continue till detailed guidelines are issued by the government for reopening. The lockdown has had a massive cascading effect with essentially zero revenues while having to bear with fixed costs with a ripple effect on the Company's other operations such as restaurants, gyms, spa etc. The Company has taken steps to meet its working capital demands and is also planning to take steps for cost optimisation at operational levels once the lockdown is lifted and the operations commence. From a financial perspective, the Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of its assets. For this purpose, the Company has considered internal and external sources of information up to the date of approval of the Financial Results on 29.6.2020. Based on the current estimates, the Company does not expect any significant impact on such carrying values. However, the actual impact of COVID-19 on the Company's financial position may differ from that estimated as at the date of approval of Financial Results on 29.6.2020.

STATE OF COMPANY'S AFFAIRS

During the year under review the company achieved a turnover of Rs.6790.06 lakhs against the corresponding previous year turn over of Rs.7258.42 lakhs. Total expenditure for the period ended as at 31st March, 2020 amounted to Rs.6177.09 lakhs decreased by Rs.154.92.lakhs (2.45%) as compared to the previous year. The Profit (EBITDA) before depreciation, finance cost and tax for the year ended 31st March, 2020 amounted to Rs.1126.58 lakhs as against Rs.1324.97 lakhs over the corresponding period last year. The tax expense including deferred tax for the year ended 31st March, 2020 amounted to Rs.162.64 lakhs. The Profit after tax for the year ended 31st March, 2020 stood at Rs.427.74 lakhs as against profit of Rs.628.21 lakhs over the corresponding period last year. No amount was transferred to General Reserve during the year under review. The company has adopted Ind-AS from the financial year 2017-18.

DIVIDEND

The Board of Directors of the Company has declared an Interim Dividend of Rs.1.20 (12%) per equity share for the financial year ended 31.03.2020 on 14th November, 2019. The total outflow towards interim dividend stood at Rs.172.56 lakhs. No final dividend has been recommended by the Board for the financial year 2019 - 20.

INVESTOR EDUCATION & PROTECTION FUND

During the year under review, unclaimed dividend of Rs.3,50,571.60 and 17902 number of shares were transferred to Investor Education and Protection Fund.

Mr.N.S.Mohan, Company Secretary of the company is appointed as Nodal Officer and Mr.A.C.Murali, Finance Officer is appointed as Deputy Nodal Officer, as per the provisions of Companies Act, 2013 relating to IEPF and the above details are available in the official website of the company i.e. www.saverahotel.com.

DEPOSIT FROM PUBLIC

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

FINANCIAL HIGHLIGHTS OF THE COMPANY

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

FINANCIAL INFORMATION AND DETAILS OF ASSOCIATE COMPANY

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors met five (5) times during the year under review and the meeting dates are on 29.05.2019, 13.08.2019, 14.11.2019, 23.01.2020, and 14.02.2020.

The Audit Committee was constituted by the company with three members. The audit committee consists of two Independent Directors and one Non Executive and non Independent Director. Mr.S.Sridhara Rao, is the Chairman of the committee and Mr.A.Sudhakar Reddy and Mr.A.Tarun Reddy are the members of Audit Committee. The Committee met five times during the year under review on 29.05.2019, 13.08.2019, 14.11.2019, 23.01.2020, and 14.02.2020.

Pursuant to the provisions of the Companies Act, 2013, Mrs.A.Nivruti, Director retires by rotation and is eligible for reappointment. The Board has recommended 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. CH Mahesh Kumar, Chief Financial Officer. During the year under review, Mr.D.V.M.Sambasiva Rao retired as Chief Financial Officer on 31.7.2019. In his place, Mr.CH. Mahesh Kumar was appointed as Chief Financial Officer w.e.f. 1.8.2019 by promotion from the existing position of Accounts Officer.

DIRECTORS' RESPONSIBILITY STATEMENT

On the basis of internal financial controls and systems relating to compliance maintained by the company, work done by the internal, statutory and secretarial auditors, the reviews performed by the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2019-20.

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 2019-20, 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, 2020 and of the profit of the company for that period;
- iii. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating properly;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL & SYSTEM

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

VIGIL MECHANISM

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

SECRETARIAL STANDARDS

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

SECRETARIAL AUDITOR

Mr.R.Balasubramaniam, Practicing Company Secretary has been appointed as the Secretarial Auditor during the year. But due to his sudden demise, M/s. A.K.Jain Associates, Company Secretaries have been appointed as the Secretarial Auditor to carry out the Secretarial Audit for the year 2019-20. The Secretarial Audit Report given by them shall form part of this report.

STATUTORY AUDITORS

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

SIGNIFICANT AND MATERIAL ORDERS

There were no significant and material orders passed by the regulators or courts or tribunals affecting the going concern status and future operations of the company. However, an inspection under section 206(5) of the Companies Act, 2013 was carried out by the Ministry of Corporate Affairs and the Company has replied to the queries raised by the Inspecting Officer and regularized the non-compliances by making an application for compounding of offences to the Regional Director, Ministry of Corporate Affairs, who passed the necessary Orders.

INDEPENDENT DIRECTORS DECLARATION

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

STATUTORY AND SECRETARIAL AUDITORS REPORT

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

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

The company has not borrowed any loan, has not given any guarantee and has not made any investment during the year under review

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 31-3-2020 were on an arm's length basis and in the ordinary course of business. The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 are furnished in Form AOC-2.

RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY.

The CSR Policy of the company and the details about the initiatives taken by the company on CSR during the year as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed in Annexure 1 to this Report. Further details of composition of the Corporate Social Responsibility Committee and other details are provided therein. During the year under review. The CSR Committee meetings were held on 29.05.2019, 13.08.2019, 14.11.2019, and 14.02.2020.

NOMINATION AND REMUNERATION POLICY

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

BOARD EVALUATION

The performance evaluation of the Board as a whole, performance of non independent directors, and the performance of the Board Chairman were conducted and the same was based on the questionnaire and feed back from all directors on the Board.

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

Important key criteria for performance evaluation are as follows.

Directors performance evaluation

Attendance at Board or Committee Meetings

Contribution at Board or Committee Meetings

Guidance/support to management outside Board/Committee meetings.

Performance evaluation of Board and Committees

Structure of the Board and Board composition

Establishment and delineation of responsibilities to Committees.

Effectiveness of Board processes, information and functioning.

Board culture and dynamics

Quality of relationship between Board and management.

Efficacy of communication with external stakeholders.

LISTING

The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE), and the listing fees have been paid.

CORPORATE GOVERNANCE

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

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

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

The company is exercising the eco practices and has changed almost 99% of its lighting with LED lights reducing power consumption by 85% and the heat emission energy becomes very low thereby through the STP, the sewerage and sewage water is treated and the treated water is recirculated for flushing system, cooling towers and gardens. The company also installed rain water harvesting system for collecting the rain water. The company also installed organic waste convertor machine in which the organic wastes are converted into composite manure

Hotel being a service industry, technology absorption, transfer etc., are not applicable. The Resilience of the company's Backbone Systems consists of Servers, VPN and Many Tools

in company's disposal made possible to successfully do the Day to Day Operations sailed smoothly despite severe restrictions placed on movement of Staff during Lockdown period.

The company solemnly pledged to exceed the expectations in every front serving the company's Valuable Clients Experience the Premiumness as always.

Earnings in convertible foreign exchange for the year amounted to Rs. 405.46 lakhs for the services rendered to Foreign Tourists (Previous year Rs. 422.78 lakhs). Expenditure in Foreign Currency is Rs. 56.67 lakhs (Previous Year Rs. 44.68 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 2019-20.

Number of complaint received during the year	– NIL
Number of Complaint disposed of during the year	– NIL

EXTRACT OF THE ANNUAL RETURN

As Provided under section 92(3) of the Act, the extract of annual return is given in Annexure 2. in the prescribed form MGT -9 which forms part of this report. A copy of the Annual Return 2018-19 is placed on the website of the company and can be accessed via weblink [https://www.saverahotel.com/wp-content/uploads/2020/07/Form_MGT-7_9_Cssd\(2\)FINAL.pdf](https://www.saverahotel.com/wp-content/uploads/2020/07/Form_MGT-7_9_Cssd(2)FINAL.pdf)

PARTICULARS OF EMPLOYEES

The information required under section 197(12) of the Act, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in the Annexure 3 to this report

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

GENERAL :

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

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

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

ACKNOWLEDGEMENTS

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

FOR AND ON BEHALF OF THE BOARD

CHENNAI
29th June, 2020

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
Joint Managing Director

AOC 2

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

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

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

(a)	Names of the related party and nature of relationship	M/S. Shyam Hotels & Restaurants, a partnership Firm. - Promoter Directors are interested	M/s. Amaravathi Restaurants Pvt Ltd. - Promoter Directors are interested	M/s. Amaravathi Restaurants Pvt Ltd. - Promoter Directors are interested	Mr.A.Tarun Reddy - Promoter Director is interested
(b)	Nature of Contract / arrangements / transactions	Renewal of Contract for supply of packaged drinking water to the company	Renewal of Franchise Contract using the Trade Mark "Malgudi" for the Restaurant of the company	The company took the various brands owned by the Amaravathi Restaurants Pvt Ltd on Franchise basis as a Master Franchisee to use the trade marks for its own use and also will look for the suitable franchisee for the franchise of such brands-	Using of Banquets Halls together with Food & Beverages and around 30 guest rooms for celebrating his wedding reception during 1st week of December, 2019 and one time in the financial year 2019-20.
(c)	Duration of Contract / arrangements / transactions	Contract for a period of 3 years from 5.11.2017 to 4.11.2020	Franchise Contract for a period of 3 years from 5.11.2017 to 4.11.2020	Duration of 10 years and renewable as may be decided by M/s. Amaravathi Restaurants Pvt Ltd.	Using of Banquets Halls together with food & beverages and around 30 guest rooms for specific usage of marriage reception function.

(d)	Salient terms of the contract / arrangements / transactions including the value, if any.	Supply of packaged drinking water to the company not exceeding Rs.45,00 akhs in value per financial year	Franchisee fee for use of the said trade mark is 3% on each month sales exclusive of GST but subject to deduction of tax at source	"The Clause 2 & 4 in the said Master Franchise Agreement were amended as follows by the Board of Directors at their meeting held on 14.2.2020. Revised Clause 2. Based on the request from the Master Franchisee (Savera Industries Limited), the Brand Owner M/s. Amaravathi Restaurants Pvt Ltd granted exemption to pay to the Brand Owner a Royalty of 3% on turn over without taxes with a holiday period of one year for two units viz., Chengampally & Ulundhurpet. Revised Clause 4 The details of one time Fees and Royalty payable to the owner are as follows: The Royalty collected from the Franchisee by the Master Franchisee shall be shared between the Master Franchisee and Brand Owner in the ratio of 50 : 50 One time Franchise Fee shall be shared between the Master Franchisee and the Brand Owner in the ratio of 50:50."	The management of Savera Industries Limited in a regular course of business, is proposing to buy for own use the food items. In this regard, the M/s. Amaravathi Restaurants Pvt Ltd intends to sell the Pickles, Sweets, Food Items and Bakery items to the company at the prevailing market price for the value not exceeding Rs.40,00 lakhs per financial year.	For the value not exceeding Rs.10.00 lakhs in the year 2019-20. The manner of determining the price is in line with the prevailing market price with the outside customers and the transaction is at arms length basis.
(e)	Justification for entering into such contracts / arrangements / transactions	Uninterrupted supply of the best quality water at a competitive rate prevailing in the market	In Restaurants Business the brand equity image is one of the main factors, which attract the public with pre-determined assumption of taste and service.	The Brand Owner at the request of the Master Franchisee granted exemption to pay the Royalty as above	Uninterrupted supply of the best quality Pickles, Sweets, F food items to the company	Since Mr. A Tarun Reddy, is one of the Promoters of the company as well as the Director on the Board of the company, he would like to celebrate his wedding reception in the hotel premises.
(f)	Date of approval by the Board if any	18.11.2017	18.11.2017	14.02.2020	14.11.2019	14.11.2019
(g)	Amount paid as advances, if any	NIL	NIL	NIL	NIL	NIL

Place : Chennai
Date : 29.06.2020

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
Joint Managing Director

ANNUAL REPORT ON CSR ACTIVITIES

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

The company's objective is to manage the business processes to produce an overall positive impact on our society and create wellness. Taking corporate social responsibility ('CSR') as a strategic social investment, the company aims to integrate its resources with society's development needs for better future. For achieving the company's objective, vision and mission, the CSR activities are being undertaken by the company independently. The activities are centred on education and skills development to the under privileged. The company's activities will be carried out in promoting education to the under-privileged. The company is running this educational activity in the name of Savera Hotel Academy. (SHA). Besides, the company undertakes activities in the area

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

- 9) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- 10) Rural development projects.
- 11) Slum area development.”
- 12) Weblink to the CSR policy is :

<https://www.saverahotel.com/wp-content/uploads/2018/02/15-09-14-12-10-13-CSR-2015.pdf>

2. The composition of the CSR committee :

Mr. A. Ravikumar Reddy, Managing Director

Mrs. A. Nina Reddy, Joint Managing Director

Mr.A.Sudhakar Reddy Independent director

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

	2018-19	2017-18	2016-17
Net profit as per Sec 198	924.12	775.30	654.85
Average net profit	Rs. 784.76 lakhs		

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) :**Rs15.70 lakhs**

5. Details of CSR spent during the financial year

a. Total amount spent for the financial year 2019-20 : **Rs.17.59 lakhs**

b. Amount unspent : NIL

c. Manner in which the amount spent during the financial year.

- i. Education to the under privileged & skill development
- ii. Environment sustainability & Conservation of natural resources
- iii. Rain water harvest
- iv. Women empowering
- v. Medical Awareness
- vi. Animal Welfare
- vii. Living Heritage of Indian Art.

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

i. There was no unspent money for the financial year 2019-20

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

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

Place : Chennai
Date : 29.06.2020

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
Joint Managing Director

**Form No. MGT 9
EXTRACT OF ANNUAL RETURN**

(ANNEXURE TO DIRECTORS REPORT)

As on the financial year ended on March 31, 2020

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

1	REGISTRATION AND OTHER DETAILS				
i	CIN	L55101TN1969PLC005768			
ii	Registration Date	17/11/1969			
iii	Name of the Company	Savera Industries Limited			
iv	Category/Sub Category of the Company	Public company/listed by equity shares			
v	Address of the Registered office and contact details	No.146,Dr.Radhakrishnan Road, Chennai 600 004, Tamil Nadu. Tel : 044 28114700 Fax : 044 28113475 Email : info@saverahotel.com			
vi	Whether listed company	Yes			
vii	Name, address and contact details of the Registrar and Share Transfer Agent, if any	M/s. Cameo Corporate Services Limited 'Subramaniam Building' No.1, Club House Road, Chennai 600 002 Tel :044 28460390 Fax :044 28460129 Email : cameo@cameoindia.com			
II	PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY. All the business activities contributing 10% or more of the total turnover of the company shall be stated :				
	S.No	Name and Description of main products/services	NIC Code of the product / service	% to total turnover of the company	
	1	Hoteliering	55 Accommodation & Food Service 56 Food & Beverages service activities	50.79% 49.21%	
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) Categorywise shareholding

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

2) Non- Institutions									
a) Bodies Corp.									
i) Indian	609455	6100	615555	5.16	611704	6100	617804	5.18	0.01
ii) Overseas									
b) Individual									
i) Individual share holders holding nominal share capital upto Rs.1 lakh	996997	473249	1470246	12.33	1010478	428048	1438526	12.06	-0.26
ii) Individual share holders holding nominal share capital in excess of.1 lakh	2259047	16400	2275447	19.08	2214595	16400	2230995	18.70	0.37
c) Others (Specify)									
i) Clearing Member	962	-	962	0.01	915		915	0.0076	0.00
ii) Hindu Undivided Families	212323	-	212323	1.78	244235		244235	2.04	0.26
iii) IEPF	65783	-	65783	0.55	93540		93540	0.78	0.23
iv) Non Resident Indians	18919	-	18919	0.16	33220		33220	0.28	0.11
Sub total B (2)	297987	-	297987	2.50	371910		371910	3.12	0.61
Total public share- holding B=B(1)+B(2)	4163486	495749	4659235	39.06	4208687	450548	4659235	39.06	0.00
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	-	-	-	-					-
GRAND TOTAL (A+B+C)	11432251	495749	11928000	100.00	11477452	450548	11928000	100.00	0

(ii) Shareholding of Promoters

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

(III) Change in Promoters' share holding.

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

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	KETAN A SHAH				
	At the beginning of the year 30-Mar-2019	144000	1.2072	144000	1.2072
	Purchase 22-Nov-2019	3974	0.0333	147974	1.2405
	Purchase 26-Nov-2019	1977	0.0165	149951	1.2571
	Purchase 29-Nov-2019	16114	0.1350	166065	1.3922
	Purchase 06-Dec-2019	4386	0.0367	170451	1.4289
	Purchase 13-Dec-2019	40	0.0003	170491	1.4293
	Purchase 20-Dec-2019	71240	0.5972	241731	2.0265
	Sale 27-Dec-2019	-18877	0.1582	222854	1.8683
	Sale 03-Jan-2020	-26854	0.2251	196000	1.6431
	Sale 10-Jan-2020	-18753	0.1572	177247	1.4859
	Sale 17-Jan-2020	-89462	0.7500	87785	0.7359
	Sale 24-Jan-2020	-27785	0.2329	60000	0.5030
	Sale 31-Jan-2020	-35976	0.3016	24024	0.2014
	Purchase 07-Feb-2020	241	0.0020	24265	0.2034
	Sale 14-Feb-2020	-1852	0.0155	22413	0.1879
	Purchase 21-Feb-2020	3115	0.0261	25528	0.2140
	Purchase 28-Feb-2020	2851	0.0239	28379	0.2379
	Purchase 06-Mar-2020	10980	0.0920	39359	0.3299
	Purchase 13-Mar-2020	3016	0.0252	42375	0.3552
	Purchase 20-Mar-2020	2625	0.0220	45000	0.3772
	Purchase 27-Mar-2020	5000	0.0419	50000	0.4191
	Purchase 31-Mar-2020	857	0.0071	50857	0.4263
	At the end of the Year 31-Mar-2020	50857	0.4263	50857	0.4263
5	A.CHAITANYA KUMAR REDDY				
	At the beginning of the year 30-Mar-2019	113360	0.9503	113360	0.9503
	At the end of the Year 31-Mar-2020	113360	0.9503	113360	0.9503
6	NISHITHA REDDY				
	At the beginning of the year 30-Mar-2019	113360	0.9503	113360	0.9503
	At the end of the Year 31-Mar-2020	113360	0.9503	113360	0.9503

SI. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	DHEERAJ KUMAR LOHIA				
	At the beginning of the year 30-Mar-2019	109262	0.9160	109262	0.9160
	At the end of the Year 31-Mar-2020	109262	0.9160	109262	0.9160
8	SATHYAMOORTHI DEVARAJULU				
	At the beginning of the year 30-Mar-2019	108639	0.9107	108639	0.9107
	At the end of the Year 31-Mar-2020	108639	0.9107	108639	0.9107
9	JITENDER KUMAR LALWANI				
	At the beginning of the year 30-Mar-2019	104562	0.8766	104562	0.8766
	At the end of the Year 31-Mar-2020	104562	0.8766	104562	0.8766
	HAVING SAME PAN				
9	JITENDRA KUMAR LALWANI				
	At the beginning of the year 30-Mar-2019	20642	0.1730	20642	0.1730
	At the end of the Year 31-Mar-2020	20642	0.1730	20642	0.1730
10	RAJ KUMAR LOHIA				
	At the beginning of the year 30-Mar-2019	90128	0.7556	90128	0.7556
	At the end of the Year 31-Mar-2020	90128	0.7556	90128	0.7556
	NEW TOP 10 AS ON (31-Mar-2020)				
11	PAUL ARVINDH PANDIAN				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 31-Dec-2019	36044	0.3021	36044	0.3021
	Purchase 03-Jan-2020	625	0.0052	36669	0.3074
	Purchase 10-Jan-2020	28831	0.2417	65500	0.5491
	Purchase 17-Jan-2020	10500	0.0880	76000	0.6371
	Purchase 24-Jan-2020	24000	0.2012	100000	0.8383
	Purchase 31-Jan-2020	12000	0.1006	112000	0.9389
	Purchase 06-Mar-2020	4000	0.0335	116000	0.9725
	At the end of the Year 31-Mar-2020	116000	0.9725	116000	0.9725

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MR.A.RAVIKUMAR REDDY, Managing Director & KMP --At the Beginning of the year -- Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc) --At the end of the year	1603840 0 1603840	13.45 0 13.45	1603840 0 1603840	13.45 0 13.45
2	MRS.A.NINA REDDY, Joint Managing Director --At the Beginning of the year -- Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc) --At the end of the year	2095812 0 2095812	17.57 0 17.57	2095812 0 2095812	17.57 0 17.57
3	MR.A.TARUN REDDY, Director --At the Beginning of the year -- Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc) --At the end of the year	432800 0 432800	3.63 0 3.63	432800 0 432800	3.63 0 3.63

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	MRS.A.NIVRUTI Director --At the Beginning of the year -- Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc) --At the end of the year	291820 0 291820	2.45 0 2.45	291820 0 291820	2.45 0 2.45
5	MR.A.SUDHAKAR REDDY Director --At the Beginning of the year -- Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc) --At the end of the year	580 0 580	0 0 0	580 0 580	0 0 0
6	MR.S.SRIDHARA RAO Director --At the Beginning of the year -- Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc) --At the end of the year	0 0 0	0 0 0	0 0 0	0 0 0

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	MR.N.S.MOHAN Company Secretary - KMP --At the Beginning of the year -- Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc) --At the end of the year	0	0	0	0
8	MR.CH MAHESH KUMAR Chief Financial Officer - KMP --At the Beginning of the year -- Date wise increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment / transfer / bonus / sweat equity etc) --At the end of the year	0	0	0	0

V. INDEBTEDNESS :

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

(Amount in ₹)

	secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal amount	2,86,32,649	1,10,116	--	2,87,42,765
(ii) Int. due but not paid	2,34,113	—	--	2,34,113
(iii) int. accrued but not due	—	—	—	—
Total (i) + (ii) + (iii)	2,88,66,762	1,10,116	--	2,89,76,878
Change in indebtedness during the financial year				
--Addition				
--Reduction	2,49,05,290	1,10,116	--	2,50,15,406
Net Change	2,49,05,290	1,10,116	--	2,50,15,406
Indebtedness at the end of the financial year				
(i) Principal amount	37,27,359	--	--	37,27,359
(ii) Int. due but not paid				
(iii) int. accrued but not due				
Total (i + ii + iii)	37,27,359	--	--	37,27,359

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		A. Ravikumar Reddy Managing Director	A. Nina Reddy Joint Managing Director	
1.	Gross Salary	51,00,000	51,00,000	1,02,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961			
	(b) Value of perquisites u/s.17 (2) of Income Tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of Salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		A. Ravikumar Reddy Managing Director	A. Nina Reddy Joint Managing Director	
2.	Stock option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify -	Nil	Nil	Nil
5.	Others please specify (PF & retirement benefits)	Nil	Nil	Nil
	Total (A)	51,00,000	51,00,000	1,02,00,000
	Ceiling as per the Act	51,00,000	51,00,000	1,02,00,000

B. Remuneration to other directors. (₹)

S. No.	Particulars of Remuneration	Name of Directors		Total amount
		A. Sudhakar Reddy	S. Sridhara Rao	
1.	Independent Directors Fee for attending Board, Committee meetings	75,000	97,500	1,72,500
2.	Commission	0	0	0
3.	Others, please specify	0	0	0
	Total - 1	75,000	97,500	1,72,500
S. No.	Particulars of Remuneration	A. Tarun Reddy	A Nivruti	Total Amount
1.	Other Non-Executive Directors Fee for attending Board, Committee meetings	45,000	50,000	95,000
2.	Commission	0	0	0
3.	Others, please specify	0	0	0
	Total - 2	45,000	50,000	95,000
	Total B = (1)+(2)			2,67,500
	Total Managerial Remuneration A + B			1,04,67,500
	Overall Ceiling as per the Act,			1,04,67,500

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.	20,21,264	9,11,600	29,32,864
	(b) Value of Perquisites U/s. 17(2) of the Income Tax Act, 1961	N.A.	2,32,252	--	2,32,252
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	N.A.			
2.	Stock option	N.A.	Nil	Nil	Nil
3.	Sweat Equity	N.A.	Nil	Nil	Nil
4.	Commission	N.A.			
	- as % of profit	N.A.	Nil	Nil	Nil
	- others, specify	N.A.			
5.	Others please specify - P.F.	N.A.	21,600	21,600	43,200
	Total		22,75,116	*9,33,200	32,08,316

*Mr.D.V.M. Sambasiva Rao, CFO retired on 31.7.2019 Salary, Rs.2,76,600 PF Rs. 7,200
Mr.CH. Mahesh Kumar, appointed as CFO on 1.8.2019 Salary, Rs.6,35,000, PF Rs.14,400

VII	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES	The compounding of offence against the Company, Managing Director, Company Secretary Former Statutory Auditor and former Company Secretaries was made during the year
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ANNEXURE – 3**Particulars of Remuneration**

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

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

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

Mr. A. Ravikumar Reddy, Managing Director	Mrs. A. Nina Reddy, Joint Managing Director
1 :28.61	1 :28.61

- (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 2019-20 is furnished below :

Name of the person	% increase in remuneration
Mr. A. Ravikumar Reddy	1.92%
Mrs. A. Nina Reddy	7.27%

The percentage increase / decrease in the remuneration of the Chief Financial Officer (CFO) is NIL, as the CFO was appointed only on 01.08.2019 due to retirement of then CFO. The percentage increase in the remuneration of the Company Secretary is 14.69 %.

- (c) The percentage increase in the median remuneration of employees in the financial year : 8.67%
- (d) The number of permanent employees on the rolls of the company : 611

- (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 6.31% as compared to the decrease of 1.92% to the Managing Director and 7.27% to Joint Managing Director. The increment given to each individual employee is based on the employees' profile, experience and also their performance and contribution to the company's growth over a period of time and also considering the inflationary conditions.
- (f) Affirmation that the remuneration is as per the remuneration policy of the company.

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

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- (A) No employee had drawn remuneration during the year 2019-20 in excess of Rs.1,02,00,000/- (Rs.8,50,000/- per month) in pursuance of Rule 5 (2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.
-

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

TOP 10 EMPLOYEES OF THE COMPANY (In ₹)

i	Name of the Employee	Nina Reddy, A	Ravikumar Reddy, A	Mohan. N. S	Radhish Kumar. B	Mohana Krishnan. A.K	Viveka nandan. K	Sivakumar. B	B. Kumar	D.Sampath Kumar	Vanitha Lourdes. S
ii	Designation	Joint Managing Director	Managing Director	Company Secretary	GM-HR & Admn	GM - Food - R & D	GM - Operations	GM-Events & Outdoor Catering	Corporate Purchase Manager	F & B Manager	Rooms Division Manager
iii	Remuneration received in ₹	5100000	5100000	2275116	1431366	1381767	1311229	1246462	1201324	1103387	1042736
iv	Nature of employment (whether contractual or otherwise)	Contractual	Contractual	Regular	Regular	Regular	Regular	Regular	Regular	Regular	Regular
v	Qualification and experience of the employee	B.A., DID., DIC.&HK - 22 years	B.E. (Mechanical) 36 years	M.Com., MBA., FCS, BGL, PGDFM - 26 years	B.A., PG D PM, PG D I.R, BCL, MA - 30 years	DHMCT - 30 years	B.Sc - 39 years	M. Com - 34 years	M.Com, MHRM - 29 Years	B.Sc - Hotel and Catering Management 22 years	B.Com - 21 Years
vi	Date of commencement of employment	28.10.2003	28.09.1999	06.05.2011	03.11.1993	01.10.1993	01.10.2010	06.08.1986	01.05.1993	14.08.2006	01.04.2002
vii	Age of the employee	60	63	56	52	51	56	58	51	43	41
viii	Last employment held by such employees before joining the company	-	-	Tamilnad Mercantile Bank Ltd	US Consulate, Chennai	Taj airport catering	Jayam Software	-	-	Le Royal Meridian Hotel, Chennai	Hotel Maps Inn - T.Nagar
ix	Percentage of Equity shares held by the Employee in the company	17.57	13.45	-	-	-	-	-	-	-	-
x	Whether any such employee is a relative of any Director or Manager of the company and if so, name of such Director or Manager	Mrs.A.Nina Reddy is the mother of Ms.A.Nivvuti, Director	Mr.A.Ravikumar Reddy is the father of Mr.A.Tarun Reddy, Director and brother-in-law of Mrs.A. Nina Reddy	No	No	No	No	No	No	No	No

Form No. MR.3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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.

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and rules made thereunder;
- (iii) The Depositories Act, 1996 and regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct and External Commercial Borrowings, if any.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit period)**
- (iv) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit period)**
- (v) The Securities and Exchange Board of India (Issue and Listing of debt securities) Regulations, 2008; **(Not applicable to the Company during the Audit period)**
- (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit period)** and
- (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit period)**.
- (ix) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We 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.

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

We 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.

We 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.

We further report that an Inspection under Section 206(5) of the Companies Act, 2013 was carried on by the Ministry of Corporate Affairs and the Company had replied to the queries raised by the inspecting officer and regularized the non-compliances by making an application for Compounding of offences to the Regional Director, Ministry of Corporate Affairs who passed the necessary orders.

We 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.

We 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.

For A K JAIN & ASSOCIATES
Company Secretaries

PANKAJ MEHTA

Partner

M.No.A29407

C.P. No. 10598

UDIN: A029407B000354171

Place: Chennai
Date: 18.06.2020

ANNEXURE A to Form No. MR-3

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

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, We have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our 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.

For A K JAIN & ASSOCIATES
Company Secretaries

Place: Chennai
Date:18.06.2020

PANKAJ MEHTA
Partner
M.No.A29407
C.P. No. 10598
UDIN: A029407B000354171

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 2019-20.

2. Board of Directors

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

- b. Attendance of Directors at the Board Meeting held during financial year 2019-20 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	4	Present
3	Mr. A. Tarun Reddy	5	3	Present
4	Mrs. A. Nivruti	5	5	Present
5	Mr. A. Sudhakar Reddy	5	5	Absent
6	Mr.S.Sridhara Rao	5	5	Present

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

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

- 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 29.05.2019, 13.08.2019, 14.11.2019, 23.01.2020 and 14.02.2020 during the financial year 2019-20.

e. Disclosure of relationships between directors inter-se

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

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

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

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

h. During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole, to review the performance of the Chairperson of the company taking into account the views of executive directors and non- executive directors and to assess the quality quantity and timeliness of flow of information between the company management and the board that is necessary for the board to effectively and reasonably perform their duties.

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

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

S.No	Name of Directors	The Skills / Expertise / Competence
1	Mr.A.Ravikumar Reddy	Sri.A.Ravikumar Reddy is a qualified Engineer with an experience of 36 years in hotel industry. He is aged about 63 years. He devoted himself in the day today affairs of the management of the company. He is the present Managing Director of the company
2	Mrs.A.Nina Reddy	Mrs.A.Nina Reddy possesses BA., DID., DCI & HK and particularly specialization in Interior Decoration and House Keeping. She is the present Joint Managing Director of the Company and devoted herself in the day today affairs of the management of the company.
3	Mr.A.Sudhakar Reddy	Mr.A.Sudhakar Reddy, ia a Graduate and having rich experience in hoteliering business for more than two and half decades.
4	Mr.S.Sridhara Rao	Mr.S.Sridhara Rao is an eminent Chartered Accountant and he is in practice for more than two decades.

5	Mr.A.Tarun Reddy	Mr.A.Tarun Reddy is a B.Tech (Industrial Bio-Tech), PGDHM (S.H.M.S, Switzerland) is an Engineer and has good experience in hotel industry for more than 13 years. He is a dynamic and innovative person
6	Mrs.A.Nivruti	Mrs A. Nivruti is a BSc Management (Hons) Graduate from Warwick Univeristy, London, UK and has a rich exposure in hotel industry for more than 13 years. She is a creative and energetic executive.

k. Confirmation :

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

- l. The required information is circulated to the Directors, including the non-executive directors who have actively participated in the deliberations of the Board.
- m. The company has two independent directors as at 31.3.2020. 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
- n. Independent Directors :
- Independent Directors are not related to any director in any way

3. Audit Committee

The Company's Audit Committee is constituted in line with the regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It comprises entirely of Independent Directors and Non- Executive Director. Each member of the committee has the relevant experience in the field of finance and accounting. The Chairman of the Audit Committee is Mr.S.Sridhara Rao, Chartered Accountant. The primary objective of the Audit Committee is to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

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

Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommendation for appointment, remuneration and terms of appointment of auditors of the company.

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

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

- a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
- b) Changes, if any, in accounting policies and practices and reasons for the same.
- c) Major accounting entries involving estimates based on the exercise of judgment by the Management.
- d) Significant adjustments made in the financial statements arising out of audit findings.
- e) Compliance with listing and other legal requirements relating to financial statements.
- f) Disclosure of any related party transactions
- g) Qualifications in the draft audit report.
 - Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 - Reviewing with the management the statement of uses/application of funds raised through an issue (public, rights issue, preferential issue), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public and making appropriate recommendations to the Board to take up steps in this matter.
 - Reviewing and monitoring auditor's independence and performance and effectiveness of audits process;
 - Approval or any subsequent modification of transactions of the company with related parties.
 - Scrutiny of inter-corporate loans and investments.
 - Valuation of undertakings or assets of the company, wherever it is necessary.
 - Evaluation of internal financial controls and risk management systems.
 - Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

- To review the functioning of the Whistle Blower Mechanism.
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc., of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee meetings held on 29.05.2019, 13.08.2019, 14.11.2019, 23.01.2020 and 14.02.2020 during the financial year 2019-20. The attendance of Members at the Audit Committee meeting held during financial year 2019-20 is furnished hereunder.

S. No.	Name of the members	Category	Number of meetings during the year 2019-20	
			Held	Attended
1	Mr.S.Sridhara Rao Chairperson	Independent & Non Executive	5	5
2	Mr.A.Sudhakar Reddy	Independent & Non Executive	5	5
3	Mr.A.Tarun Reddy	Non independent & Non Executive	5	3

4 & 5 Nomination and Remuneration Committee

In line with the provisions of section 178 of the Companies Act, 2013, the company has the Nomination and Remuneration Committee with the following members, whose attendance also is furnished. The Nomination and Remuneration Committee meetings were held on 29.05.2019, 14.11.2019, and 14.02.2020 during the financial year 2019-20

S.No.	Name of the members	Category	No. of meeting held	Meeting attended
1	Mr.S.Sridhara Rao	Independent & Non Executive	3	3
2	Mr.A.Sudhakar Reddy	Independent & Non Executive	3	3
3	Mr.A.Tarun Reddy	Non Independent & Non Executive	3	2

The Chairman of the Nomination and Remuneration Committee is Mr.S.Sridhara Rao.

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

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- b) Formulation of criteria for evaluation of independent directors and the Board.

- c) Devising a policy on Board diversity
- d) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Extract of the Nomination and Remuneration Policy

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

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

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

S. No.	Name of the Directors	Category of Director	Salary Per annum	Bonus Stock Option, Pension Retirement Benefits etc	Sittings Fees for Board / Committee Meeting
1.	Mr. A. Ravikumar Reddy	MD - Executive	Rs.51,00,000	Nil	Nil
2.	Ms. A. Nina Reddy	JMD - Executive	Rs.51,00,000	Nil	Nil
3.	Mr. A. Tarun Reddy	Non - Executive	Nil	Nil	Rs.45,000
4.	Mrs. A. Nivruti	Non - Executive	Nil	Nil	Rs.50,000
5.	Mr. A. Sudhakar Reddy	Non - Executive	Nil	Nil	Rs.75,000
6.	Mr. S. Sridhara Rao	Non - Executive	Nil	Nil	Rs.97,500

Further, as required under the provisions of Schedule V of the Companies Act, 2013 in relation to revision in remuneration to Mr.A.Ravikumar Reddy, Managing Director and Mrs.A.Nina Reddy, Joint Managing Director approved by the Board in its meeting held on 29.6.2020 subject to the approval of the shareholders the following disclosures are furnished .

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors

The Board at its meeting held on 29th June, 2020 approved the revision in remuneration to Mr. A. Ravikumar Reddy, Managing Director, and Mrs. A. Nina Reddy, Joint Managing Director, of the sum not exceeding Rs.90 lakhs per financial year when the company has no profits or its profits are inadequate or the sum equivalent to 7.5% of the net profit of the company for each financial year computed in the manner prescribed under the provisions of section 198 of the Companies Act, 2013, whichever is higher for a period of three years with effect from 1-4-2020 to 31-03-2023. Other four directors are only paid sitting fees for attending the Board and Committee Meetings.

(ii) Details of fixed component, and performance linked incentives along with the performance criteria:

The remuneration being paid to Mr. A. Ravikumar Reddy, Managing Director and Mrs. A. Nina Reddy, Joint Managing Director is fixed component. There is no performance linked incentives for them.

(iii) service contracts, notice period, severance fees:

As far as service contract is concerned, the Managing Director Mr. A. Ravikumar Reddy, was appointed for a period of 5 years from 1-2-2019 to 31-01-2024 as per the Special Resolution which was passed by the members on 9th January 2019. Similarly, the Joint Managing Director Mrs.A.Nina Reddy was appointed for a period of 5 years from 28-10-2018 to 27-10-2023 as per the Special Resolution which was passed by the members on 9th January, 2019.

There is no notice period and severance fees for the Managing Director and Joint Managing Director.

(iv) stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The company has not issued any stock option during the year under review.

6. Stakeholders Relationship Committee

The company has the Stakeholders Relationship Committee (SRC) both in compliance with corporate governance requirements and section 178 (5) of the Companies Act, 2013. The committee consists of the following members. The meeting of the Stakeholders Relationship Committee (SRC) was held on 14.02.2020.

Sl. No.	Name of the Members	Category	No. of meetings held	No. of meetings attended
1	Mr. A. Tarun Reddy	Chairperson	1	1
2	Mr. A. Sudhakar Reddy	Member	1	1
3	Mr. A. Ravikumar Reddy	Member	1	1
4	Mrs. A. Nivruti	Member	1	1

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, regarding the matter on the issue of the duplicate share certificates

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

Number of Complaints received during the year	Number of complaints solved to the satisfaction of shareholder	Number of pending complaints
-	-	-

(a) Share Transfer Committee

The transfer deed requests / the transmission documents 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 31.03.2020. 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 2019-20 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	6	6
2	Mr.A.Sudhakar Reddy	6	6

(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 the first three quarters of the financial year 2019-20 and for the last quarter was carried out by M/s. A.K. Jain & Associates, Practicing Company Secretaries. The reconciliation of share capital audit report was submitted to the stock exchanges where the company's shares are listed and placed before the Board.

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
2016-17	The Music Academy, No.168, T.T.K. Road, Chennai - 600 014.	11.08.2017	10.15 A.M.	1) Appointment of Mr. B. Ranga Reddy as an Independent Director for the second term for a period of five years w.e.f. 22.9.2017. 2) Appointment of Mr. S. Sridhara Rao as an Independent Director for the second term for a period of five years w.e.f. 22.9.2017
2017-18	The Music Academy, No.168, T.T.K. Road, Chennai - 600 014.	20.09.2018	03.00 PM	Nil
2018-19	The Music Academy, No.168, T.T.K. Road, Chennai - 600 014.	05.09.2019	03.15 PM	Re-appointment of Mr.A.Sudhakar Reddy as an Independent Director.

The Resolutions of 50th Annual General Meeting held on 05.09.2019 were passed by means of E-Voting and the votes cast by the members of the company who were present at the meeting. The resolutions were passed with requisite majority.

The Chairman of the Audit Committee Mr. S.Sridhara Rao attended the Annual General Meeting held on 05.9.2019.

8. Details of Postal Ballot Process conducted during the year 2019-20

During the year under review, the Company has not conducted any "Postal Ballot" under Section 110 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014.

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

Procedure of Postal Ballot.**Procedure to be Followed for Conducting Business Through Postal Ballot**

- a. To send a notice to all the shareholders, along with a draft resolution explaining the reasons therefor and requesting them to send their assent or dissent in writing on a postal ballot because postal ballot means voting by post or through electronic means within a period of thirty days from the date of dispatch of the notice.
- b. The notice shall be sent either (a) by Registered Post or speed post, or (b) through electronic means like registered e-mail id or (c) through courier service for facilitating the communication of the assent or dissent of the shareholder to the resolution within the said period of thirty days.
- c. An advertisement shall be published at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, about having dispatched the ballot papers and specifying therein, inter alia, the following matters, namely:-
 - i. a statement to the effect that the business is to be transacted by postal ballot which includes voting by electronic means;
 - ii. the date of completion of dispatch of notices;
 - iii. the date of commencement of voting;
 - iv. the date of end of voting;
 - v. the statement that any postal ballot received from the member beyond the said date will not be valid and voting whether by post or by electronic means shall not be allowed beyond the said date;
 - vi. a statement to the effect that members, who have not received postal ballot forms may apply to the company and obtain a duplicate thereof; and
 - vii. contact details of the person responsible to address the grievances connected with the voting by postal ballot including voting by electronic means.
- d. The notice of the postal ballot shall also be placed on the website of the company forthwith after the notice is sent to the members and such notice shall remain on such website till the last date for receipt of the postal ballots from the members.
- e. The Board of directors shall appoint one scrutinizer, who is not in employment of the company and who, in the opinion of the Board can conduct the postal ballot voting process in a fair and transparent manner.
- f. The scrutinizer shall be willing to be appointed and be available for the purpose of ascertaining the requisite majority.
- g. Postal ballot received back from the shareholders shall be kept in the safe custody of the scrutinizer and after the receipt of assent or dissent of the shareholder in writing on a postal ballot, no person shall deface or destroy the ballot paper or declare the identity of the shareholder.
- h. The scrutinizer shall submit his report as soon as possible after the last date of receipt of

postal ballots but not later than seven days thereof;

- i. The scrutinizer shall maintain a register either manually or electronically to record their assent or dissent received, mentioning the particulars of name, address, folio number or client ID of the shareholder, number of shares held by them, nominal value of such shares, whether the shares have differential voting rights, if any, details of postal ballots which are received in defaced or mutilated form and postal ballot forms which are invalid.
- j. The postal ballot and all other papers relating to postal ballot including voting by electronic means, shall be under the safe custody of the scrutinizer till the chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall return the ballot papers and other related papers or register to the company who shall preserve such ballot papers and other related papers or register safely.
- k. The assent or dissent received after thirty days from the date of issue of notice shall be treated as if reply from the member has not been received.
- l. The results shall be declared by placing it, along with the scrutinizer's report, on the website of the company.

9. Means of Communication :

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

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

10. General shareholder information

- a) 51st Annual General Meeting of the Company for the financial year 2019-20 will be held on Monday, the 21st September, 2020 at 3.00 P.M. through Video Conferencing Mode in conformity with the regulatory provisions and circulars issued by the Ministry of Corporate Affairs, Govt. of India.
- b) **Financial Calendar for the year 2020-21 (Tentative)**

Results for the quarter ended	Tentative date
JUNE 2020	Before Second Week of August, 2020
SEPTEMBER, 2020	Before Second week of November, 2020
DECEMBER, 2020	Before Second week of February, 2021
MARCH, 2021	Before 30th May, 2021

- c) Date of Book Closure –15.09.2020 to 21.09.2020 (both days inclusive)).

- d) Your company's shares are listed / traded in the following stock exchanges:

Bombay Stock Exchange Ltd.,
Phiroze Jeejeebhai Towers Dalal Street,
Mumbai 400 001.

The Listing Fees for the financial year 2020-21 will be paid to the Bombay Stock Exchange Ltd.

- e) Stock Code of the Company

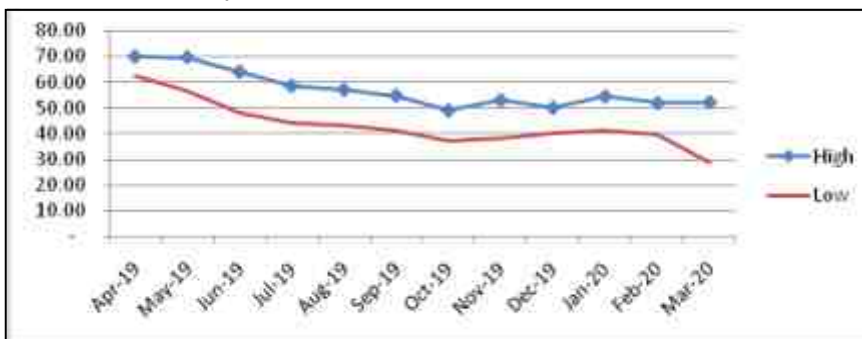
Bombay Stock Exchange : 512634

ISIN No. of the company : INE104E01014

- f) Market price data - The highest price traded in Bombay Stock Exchange Limited, Mumbai per share was Rs.70.00 (18.04.2019) and the lowest price per share was Rs.28.70 (24.03.2020) during the year.

Month	High Price ₹	Low Price ₹	Close Price ₹	No. of shares	No. of Trades	Total Turnover
Apr-19	70.00	62.40	65.00	4,819.00	161.00	3,17,782.00
May-19	69.70	56.40	60.00	31,001.00	450.00	19,25,439.00
Jun-19	64.00	48.15	50.40	50,291.00	368.00	27,38,862.00
Jul-19	58.45	44.00	46.00	9,182.00	165.00	4,61,096.00
Aug-19	57.00	43.00	45.00	26,783.00	367.00	12,35,559.00
Sep-19	54.70	41.00	45.00	63,686.00	499.00	30,33,736.00
Oct-19	48.95	37.20	43.60	77,018.00	520.00	32,05,564.00
Nov-19	52.90	38.00	44.50	62,507.00	454.00	27,24,037.00
Dec-19	49.95	40.10	45.10	1,59,281.00	322.00	71,96,958.00
Jan-20	54.35	41.10	45.00	2,34,777.00	552.00	1,05,69,265.00
Feb-20	51.75	39.50	42.55	51,576.00	409.00	22,82,023.00
Mar-20	52.00	28.70	32.80	46,259.00	384.00	17,69,645.00

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



h. The securities are not suspended from trading.

i.& J. Registrars & Share Transfer Agents and Share Transfer System

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

k. Distribution of share holdings as on 31.3.2020

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

k. Distribution of share holdings as on 31.3.2020

Share holding of Nominal Value	No. of holders	% to total No. of shareholders	Nominal value of shares (₹)	% to capital
10 - 100	4055	62.23	102215	0.86
101 - 500	1862	28.58	453617	3.80
5001 - 10000	273	4.19	218349	1.83
10001 - 20000	119	1.83	194356	1.63
20001 - 30000	51	0.78	127528	1.07
30001 - 40000	22	0.34	80132	0.67
40001 - 50000	17	0.26	79391	0.67
50001 - 100000	45	0.69	338284	2.75
100001 - above	72	1.10	10344128	86.72
Total	6516	100.00	11928000	100.00

I. Shareholding Pattern as on 31.03.2020 (PAN Based)

Category of Share holders	No. of shareholders	Total No. of shares	No. of shares held in dematerialised form	%
Promoter and Promoter Group	13	7268765	7268765	60.94
FI / Banks	--	--	--	--
Body Corporate	48	617804	611704	5.18
Individual shareholders holding nominal share capital up to Rs.2 lakh	5291	1751148	1306700	14.68
Individual shareholders holding nominal share capital in excess of Rs.2 lakh	22	1918373	1918373	16.08
Clearing member	8	915	915	0.01
HUF	148	244235	244235	2.05
NRIs	31	33220	33220	0.28
Trust	--	--	--	--
IEPF	1	93540	93540	0.78
Total	5562	11928000	11477452	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 96.22% of the shareholdings of the Company have already been dematerialised as on 31st March, 2020.

n. UNIT LOCATION
SAVERA HOTEL

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

o. Address for Correspondence

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

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

Foreign Exchange Risk :

Foreign Exchange can influence the company as follows:

Drop in exchange rates can affect the:

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

Credit Ratings : Agency Name : CRISIL

Long Term loan – CRISIL BBB/Stable

Short Term Loan– CRISILA3+

11. Other Disclosures

- a. There is no material significant related party transactions that may have potential conflict with the interest of the company at large (as per the SEBI (LODR) Regulations, 2015. The policy for related party transactions has been posted on the Company's website www.saverahotel.com. The related party transactions were recommended by the Audit Committee and placed before the Board for its approval. If the threshold limit exceeds, the company shall seek the members approval.
- b. (i) 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 had not imposed penalties.
 (ii) Further the inspection under section 206 (5) of the Companies Act, 2013 was

carried out by the Ministry of Corporate Affairs, and the company had replied to the queries raised by the Inspecting officers and regularizing the non compliances by making an application for Compounding of offences to the Regional Director , Ministry of Corporate Affairs, who passed the necessary orders.

c. The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behaviour. The company affirms that no person has been denied access to the chairman of the audit committee. The Whistle blower policy has been posted on the Company's website www.saverahotel.com

d. Compliances of Mandatory / Non-mandatory Requirements

Mandatory Requirements

The company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under SEBI (LODR) Regulations 2015. The company has not adopted any non mandatory requirements

e. Policy on Material subsidiary :

Though the company has framed a policy on material subsidiary and posted the same on its website : www.saverahotel.com., presently there is no subsidiary for the company.

f. Risk Management Committee

The provisions of Risk Management Committee shall not apply to our company. However as per the Companies Act, 2013, the company has policy on Risk Management and is mitigating risks periodically.

g. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). : N.A.

h. A certificate from a company secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. : YES

i. Where the board had not accepted any recommendation of any committee of the Board which is mandatorily required , in the relevant financial year, the same to be disclosed along with reasons thereof : NIL

j. Total fees for all services paid by the company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part : Total amount paid to the Statutory Auditor is Rs.9.60 lakhs (for Statutory audit fee Rs.8.80 lakhs and for other services Rs.0.80 lakhs)

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

No. of Complaints filed during the financial year : Nil

No. of complaints disposed of during the financial year : Nil

No. of complaints pending as at the end of the financial year : Nil

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

13. Extent to which discretionary requirements are adopted.

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

b) Shareholders Rights :

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

c) Modified opinion in audit report.

There is no such modified opinion in the audit report.

d) Separate posts of Chairperson & Chief Executive Officer.

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

e) Reporting of Internal Auditor.

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

14. a. Report on Corporate Governance:

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

b. MD / CFO Certification :

As required under regulation 17 (8) of SEBI (LODR) Regulations 2015 the Managing Director & Chief Financial Officer have furnished the necessary certificate to the Board of Directors with respect to the Financial Statements and the Cash Flow Statement for the year ended 31-3-2020.

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-

2020. The Annual Report of the company contains a certificate issued by the Managing Director in this report.

d. Demat Suspense account / unclaimed suspense account : NIL

e. Dissemination of information on Company's website :

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

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

**SECRETARIAL COMPLIANCE REPORT
OF M/s. SAVERA INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 31.03.2020**

We, AK JAIN & ASSOCIATES, have examined:

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

for the year ended 31.03.2020 in respect of compliance with the provisions of:

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

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

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

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

and circulars/ guidelines issued thereunder;

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

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

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
None			

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

Sr. No	Action taken by	Details of violation	Details of Action taken E.g. fines, warning letter, debarment, etc.	Observations/Remarks of the Practicing Company Secretary, if any
1.	BSE Limited	Regulation 17(1)	The Company has received letter from BSE Ltd dated 02.05.2019 levying fine for non-compliance pertaining to the composition of the Board	The Company vide its reply letter dated 08.05.2019 had clarified that inadvertently the Company did not mention the cessation of a Director in the Corporate Governance report. The revised corporate governance report was submitted on 08.05.2019

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

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

Place: Chennai
Date:13.06.2020

For **A K JAIN & ASSOCIATES**
Company Secretaries

PANKAJ MEHTA
Partner
M.No.A29407
C.P. No. 10598
UDIN: A029407B000339871

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its Officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

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

For **A K JAIN & ASSOCIATES**
Company Secretaries

Place: Chennai
Date: 17.06.2020

PANKAJ MEHTA
Partner
M.No.A29407
UDIN: A029407B000350167

**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, 2020.

Place : Chennai
Date : 29.6.2020

A.Ravikumar Reddy
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Savera Industries Limited.

1. We have examined the compliance of conditions of corporate governance by M/s. Savera Industries Limited ("the Company") for the year ended 31st March 2020, as prescribed in regulation 17 to 27, clauses of regulation 46 and paras C, D and E of Schedule V to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR")
2. We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company
3. In our opinion, and to the best of our information and according to the explanations given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For A K JAIN & ASSOCIATES
Company Secretaries

PANKAJ MEHTA
Partner
M.No.A29407
UDIN:A029407B000405288

Place: Chennai
Date: 01/07/2020

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Developments

The travel and tourism industry is the largest industry in the world. The structure of the tourism industry is quite complex, involving many components of tourism. With many different types of tourism and types of businesses operating within the tourism industry, from private companies to charities and NGOs, the structure of the tourism industry is made up of many different segments and components. The components of tourism make up the entire tourism system. There are several integral components of tourism. Without these components, the tourism industry would struggle to function. This was demonstrated, for example, during the Coronavirus pandemic, which halted air travel around the world. Travel services are a vital component of tourism and without these services being operational, the tourism industry struggled to survive! There are six major components of tourism, These are: tourist boards, travel services, accommodation services, conferences and events, attractions and tourism services.

Impact of Pandemic Covid19 on Tourism Industry In India

The corona virus pandemic could deal a crippling blow to the Indian travel and tourism industry, especially with the government suspending all visas, with the economic impact being assessed to run into thousands of crores of rupees. According to industry chamber, this is the one of the worst crisis ever to hit the Indian tourism industry impacting all its geographical segments - inbound, outbound and domestic, almost all tourism verticals - leisure , adventure, heritage, MICE, cruise, corporate and niche segments. The whole tourism value chain across hotels, travel agents, tour operations, destinations, restaurants, family entertainment venues and air, land and sea transportation have been hit.

CII assessment report said, "The forward bookings for the inbound season of October 2020-March 2021 which should have started picking are all muted. These are showing highly discouraging signs with cancellations of important global travel marts which are marketplaces for contracting for the next season." It further said there are reports of large scale forward cancellations from NRI segment from developed markets, which account for over 60 per cent during April to September inbound visits. "Unless the progression of the virus stops, almost the entire value for the remainder of 2020 season is at risk," the report added.

India is a land of great tourism potential. From Kashmir to Kanyakumari, from Arunachal Pradesh to Gujarat, every region has its own uniqueness and flavour - be it cold/hot desert (Ladakh/Rajasthan), rivers (Ganges and Brahmaputra), forests (Niligiri & North East), islands (Andaman and Nicobar) each landform bound to mesmerize tourists. Moreover, the wide variety in the landscape offers a range of choices to tourists from within India and the abroad.

Opportunities and Outlook

India is a land of great tourism potential. From Kashmir to Kanyakumari, from Arunachal Pradesh to Gujarat, every region has its own uniqueness and flavour - be it cold/hot desert

Ladakh/Rajasthan), rivers (Ganges and Brahmaputra), forests (Niligiri & North East), islands (Andaman and Nicobar) each landform bound to mesmerize tourists. Moreover, the wide variety in the landscape offers a range of choices to tourists from within India and the abroad. Apart from the natural landscapes, the cultural heritage spread across the country also offers huge potential for the development of tourism in the country.

India is the second most populous country in the world with over 1.25 billion populations.

Outlook

The Indian tourism market is fast-growing with immense potential due to the country's rich cultural and geographical diversity. It is one of the major sectors contributing to GDP of the country and is driven by steady economic growth. India has been promoting tourism under the Incredible India 2.0 campaign and has been conducting road shows and other marketing campaigns, while the states have also been promoting tourism state-wise under separate campaigns similar to the Incredible India campaign. Also, due to the continuous growth in number of tourists from both domestic and international markets, and an increasing demand for unique experiences by different tourist segments, especially millennial tourists, the industry is seeing a shift from destination-based tourism to experience-based tourism and development of niche tourism products and services for tourists.

A few key tourism offerings that attract tourists to India are medical tourism, business tourism, adventure tourism, spiritual tourism, heritage tourism, cultural tourism, eco tourism and rural tourism. This has been possible due to India's diverse geography and cultural heritage. Amongst the states, Tamil Nadu, Maharashtra, and Uttar Pradesh have been attracting a large number of tourists compared to the other states.

The Government also plans to develop tourism infrastructure across the country to provide a better tourism experience for tourists. Schemes such as Swadesh Darshan, PRASHAD, and Adopt a Heritage are expected to gain momentum and boost overall tourism growth. In order to project India as a 365- day tourist destination globally, the Ministry of Tourism is exploring newer destinations and also actively promoting under-developed tourism destinations through development of infrastructure and better connectivity. This is expected to create growth opportunities for different stakeholders such as hotels, restaurants, tour operators, etc.

Increasing Foreign Tourist Arrivals and domestic tourists, rise in household incomes, fast-growing internet and smartphone penetration are some factors that encourage growth of the industry. Tourists are likely to demand more personalization and customization, especially in the case of millennials. This is expected to increase the tourism industry's reliance on technology start-ups.

Tourism not only creates jobs in the tertiary sector, it also encourages growth in the primary and secondary sectors of industry.

Threats, Risks & Concerns

Lack of Infrastructure: It is a major challenge for the Indian tourism sector. Tourism-associated economic and social infrastructure – hotels, connectivity, human resources, hygiene, health facilities, etc are largely under developed in India. The poor quality of

infrastructure is reflected in India's 112nd rank in the ICT readiness component and 104th rank in the health and hygiene components of the WEF's Travel and Tourism Competitiveness Index 2017.

Accessibility: Majority of the tourist spots in the country are not accessible to poor, women and elderly. This is because of high costs of travelling, poor connectivity and a series of permissions required for various reasons.

IMPACT OF COVID 19 TO OUR HOTEL

On 25th March, 2020, the lockdown on account of Covid19 pandemic was announced by the Central / State Governments. The Company's hotel and restaurants have been closed from day one of the first lock down (in March 2020) announced by the Central/ State Governments, except for housing guests who are at the hotel on the date of announcement of the lock down. This position continues even today and is expected to continue till detailed guidelines are issued by the government for reopening. The lockdown has had a massive cascading effect with essentially zero revenues while having to bear with fixed costs with a ripple effect on the Company's other operations such as restaurants, gyms, spa etc. The Company has taken steps to meet its working capital demands and is also planning to take steps for cost optimisation at operational levels once the lockdown is lifted and the operations commence. From a financial perspective, the Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of its assets. For this purpose, the Company has considered internal and external sources of information up to the date of approval of the Financial Results on 29.6.2020. Based on the current estimates, the Company does not expect any significant impact on such carrying values. However, the actual impact of COVID-19 on the Company's financial position may differ from that estimated as at the date of approval of Financial Results on 29.6.2020.

Adequate safety measures are taken at our hotel units based on the guidelines issued by the Central/ State/Municipal authorities such as sanitisation, social distancing, mandatory mask wearing, thermal check at the gate, and maintaining proper hygiene at the work place. The company has taken proper precautionary measures to ensure the safety and health of our employees and in-house guests.

SEGMENT WISE PERFORMANCE :

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

Total turnover for the year ended 31st March, 2020 amounted to Rs.6790.06 lakhs decreased by Rs.468.36 lakhs as compared to the previous year turnover of Rs.7258.42 lakhs. Total expenditure for the year ended 31st March, 2020 amounted to Rs.6177.09 lakhs decreased by Rs.154.92 lakhs (2.45%) as compared to the previous year. The Profit (EBITDA) before depreciation, finance cost and tax for the year ended 31st March, 2020 amounted to Rs.1126.28 lakhs as against Rs.1324.97 lakhs over the corresponding period last year. The tax expense including deferred tax for the year ended 31st March, 2020 amounted to Rs.162.64 lakhs. The Profit after tax for the year ended 31st March, 2020 stood

at Rs.427.74 lakhs as against profit of Rs.628.21 lakhs over the corresponding period last year.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your company has in place an adequate internal control system. The internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations, protecting the assets from unauthorized use of losses. The internal controls are supplemented by the programme of internal audit.

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

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019	% of change
Food and Beverages	3247.90	3237.71	0.31
Rooms	2625.17	2855.62	-8.07
Banquets Halls	81.22	92.24	-12.04
Spa Collections	142.06	158.27	-10.24
Gym Collections	439.13	594.98	-26.19
Franchise	99.19	162.13	-38.82
Other Services	93.77	86.20	8.78
Other Income	61.60	71.27	-13.57
Overall Income	6790.06	7258.52	-6.45
Occupancy (%)	77%	85.4%	-8.4%

Overall income decreased by Rs.468.36 lakhs from Rs.7258.42 lakhs to Rs.6790.06 lakhs. Occupancy decreased by 8.4% from 85.40.% to 77%

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT.

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

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

- Appreciation award (Best Attendance, Best Comments from Guest)
- Blood Donate Camp
- ✍ Christmas Carol Singing – Kids Carnival

-  Common Staff Birthday Celebration Every Month
-  Communication Class
-  Corporate Fun Games / Team Building Group Activities
-  Diabetes Camp
-  Diwali, Ayudha Pooja, Christmas, Krishna jayanthi, Vinayaka Chathurthi, Pongal are Celebrated with Staff
-  First Aid Class
-  Food Handlers Medical Check up as per FSSAI Act
-  Food Hygiene Awareness
-  Food Safety Certificate Program
-  Food Wastage Awareness
-  Green Awareness Day & Kitchen Garden setup
-  Hygiene Rating Training
-  International Chef Day Celebration
-  Lifetime Achievement Award
-  Managerial development Program
-  Short Film Contest
-  Pongal Traditional Games (Parambariya Vilayattukal)
-  Safety & Preventive Maintenance Training
-  Towel folding competition, quiz program
-  Train the Trainer
-  Womens Day celebration

By giving these schemes, caring, supporting and training programmes, the employees become loyal to the company and thereby the employee attrition rate is minimized. The overall attrition rate is 4.98%.

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

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

Key Financial Ratios	31.03.2020	31.03.2019	Difference
Debtors Turn Over	17.28	13.65	3.63
Inventory Turnover	48.76	45.61	3.15
Interest Coverage Ratio	11.65	19.12	-7.47
Current Ratio	1.38	0.88	0.50
Debt Equity Ratio	0.01	0.06	-0.05
Operating Profit Margin (%)	28.20%	30.79%	-2.59%
Net Profit Margin(%)	6.36	8.74%	-2.38%
Return on Network	0.09	0.14	-0.05

Explanation for change in the key financial ratios :

Debtors Turn Over	:Change is due to increase in receivables
Interest Coverage Ratio	:Change is due to reduction in debt
Current Ratio	:Change is due to increase in Current Assets
Debt Equity Ratio	:Change is due to decrease in debt.

CAUTIONARY STATEMENT :

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

INDEPENDENT AUDITORS' REPORT

To the members of Savera Industries Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of **M/s. Savera Industries Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the Significant Accounting Policies and other explanatory information (herein after referred to as "financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, and its Profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw your attention to Note no. 43(viii) to the annual financial results, which describes the uncertainties due to outbreak of novel coronavirus (COVID-19) that has caused significant business disruptions worldwide. The extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments which are highly uncertain.
5. Our opinion is not modified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in

forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How our audit addressed the key audit matter
<p>Adoption of Ind AS 116 Leases</p> <p>As described in Note 1(n) to the financial statements, the Company adopted Ind AS 116 Leases ('Ind AS 116') on 01st April 2019.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition</p>	<p>To test the Company's implementation of the new leasing standard, we performed the following procedures:</p> <ul style="list-style-type: none"> • an evaluation of the completeness of the population of contracts meeting the definition of a lease under Ind AS 116, • testing the accuracy of the Company's computation of initial right-of-use assets and lease liabilities, • Examining the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition in the standalone financial statements.

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

7. The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the financial statements and our auditor's report thereon.
8. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
9. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
10. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for Financial Statements

11. The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
13. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b. Obtain an understanding of internal control relevant to the audit in order to design

audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
 - d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

19. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
20. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'.
 - g. With respect to 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 explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in Note 43(i)(B) of its financial statements.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
21. With respect to other matters to be included in the Auditors Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

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

Place : Chennai.
Date : 29th June, 2020

S. Sundarraman
Partner
M.No : 201028
UDIN: 20201028AAAET2224

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our report to the members of Savera Industries Limited (the "Company") on the financial statements for the year ended 31st March,2020, we report based on the information and explanation produced/furnished to us by the Company and based on such checks we considered appropriate and necessary that:

1. In respect of Fixed Assets:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. There is a regular program of physical verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. With respect to immovable properties of acquired land and buildings that are freehold, the title deeds of immovable properties are held in the name of the Company.
2. Inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has not granted any loan, secured or unsecured to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii) of paragraph 3 of CARO 2016 are not applicable to the Company.
4. The Company has complied with the provisions of 186 of the Act, in respect of making investments. The Company has not given any loan or guarantee or provided any security to any party covered under Section 185 and 186 of the Act.
5. In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Therefore, the provisions of clause (v) of Paragraph 3 of the CARO 2016 are not applicable to the Company.
6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause (vi) of paragraph 3 of the CARO 2016 is not applicable to the Company.

7. In respect of Statutory Dues:

- a. The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Duty of Customs, Duty

of Excise, Value Added Tax, Goods and Services Tax and any other material statutory dues with the appropriate authorities during the year and there are no undisputed statutory dues as at 31st March, 2020, for a period of more than six months from the date they became payable.

- b. There are no dues of Income-tax or Sales tax or Service tax or duty of Customs or duty of Excise or Value added tax or Goods and Services tax have not been deposited with the appropriate authorities on account of any dispute except TDS outstanding as per TRACES amounting to Rs. 0.52 Lakhs (Refer Note No. 43(i)(B)(a) to the Accounts).
8. The Company has not defaulted in repayment of loans or borrowings to any financial institution or banks. The Company has not taken any loan from the Government or debenture holders.
9. The Company has not raised any monies by way of Initial Public offer or further public offer. The term loans have been applied by the Company for the purposes for which they were raised.
10. No material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. 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.
12. As the Company has neither carried on the business of nidhi nor reported as a nidhi company, paragraph 3(xii) of the Order is not applicable.
13. The Company has complied with provisions of section 177 and section 188 of the Companies Act, 2013 and disclosed all transactions with related parties in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. The Company has not entered any non-cash transactions with its directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. As the Company is not carrying on the business of Non-Banking Finance, the Company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

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

Place : Chennai.
Date : 29th June, 2020

S.Sundarraman
Partner
M.No : 201028
UDIN: 20201028AAAET2224

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls with reference to aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (20)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. We have audited the internal financial controls with reference to financial statements of M/s. Savera Industries Limited (the "Company") as of 31st March, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statement, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Place : Chennai.
Date : 29th June, 2020

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

S. Sundarraman
Partner
M.No : 201028
UDIN: 20201028AAAET2224

Balance Sheet as at 31st March, 2020

Particulars	Note No.	As at 31.03.2020 Rs. in Lakhs	As at 31.03.2019 Rs. in Lakhs
ASSETS			
1 Non Current Assets			
(a) Property, Plant & Equipment	1	5,624.61	5,911.75
(b) Right of Use Assets	2	241.02	-
(c) Capital Work in Progress	3	-	13.77
(d) Investment Property			
(e) Other Intangible Assets	4	2.97	0.62
(f) Financials Assets			
(i) Investments	5	150.39	210.43
(ii) Loans	6	112.99	163.32
(iii) Other Financial Assets	7	22.20	88.45
(g) Other Non-Current Assets		-	-
Sub Total - A		6,154.18	6,388.34
2 Current Assets			
(a) Inventories	8	26.17	21.13
(b) Financial Assets		-	-
(i) Investments	-	-	-
(ii) Trade receivables	9	109.74	141.74
(iii) Cash and Cash Equivalents	10	254.79	219.90
(iv) Bank balances (other than above)	10	516.24	208.03
(v) Loans	11	76.03	63.04
(vi) Other Financials Assets	12	49.10	80.63
(c) Current tax Assets (Net)	13	7.82	3.59
(d) Other Current Assets	14	87.43	114.20
(e) Contract Assets	43 ii.B.	2.81	10.78
Sub Total - B		1,130.13	863.04
Total Assets (A + B)		7,284.31	7,251.38
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	1,192.80	1,192.80
(b) Other equity	16	4,882.62	4,675.19
Sub Total - A		6,075.42	5,867.99
LIABILITIES			
1 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	22.30	162.84
(ii) Lease Liabilities	18	191.42	-
(iii) Other Financial Liabilities	19	34.80	34.80
(b) Provisions	20	97.85	115.74
(c) Deferred tax liabilities (net)	40	43.97	93.78
(d) Other non-current liabilities		-	-
Sub Total - B		390.34	407.16
2 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	14.19	41.55
(ii) Trade Payables	22		
-Total outstanding dues of Micro Enterprises and Small Enterprises		2.63	3.69
-Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		116.92	124.82
(iii) Lease Liabilities	23	68.80	-
(iv) Other Financial Liabilities	24	295.04	481.40
(b) Current tax Liabilities (Net)	25	-	-
(c) Other Current Liabilities	26	91.79	55.86
(d) Contract Liabilities	43 ii.B.	153.72	200.54
(e) Provisions	27	75.46	68.37
Sub Total - C		818.55	976.23
Total Equity and Liabilities (A + B + C)		7,284.31	7,251.38

As per our attached Report of even date

For and on behalf of the Board

For S. VENKATRAM & CO. LLP

Chartered Accountants

Firm Regd No.004656S/ S200095

(S. Sundarraman)

Partner (M.No. 201028)

Place : Chennai

Date: 29th June, 2020

A. Ravikumar Reddy
Managing Director (DIN : 00145372)N.S. Mohan
Company SecretaryA. Nina Reddy
Joint Managing Director (DIN: 00144797)CH Mahesh Kumar
Chief Financial Officer

Statement of Profit and Loss Account for the period ended 31st March, 2020

Particulars	Note	As at 31.03.2020 Rs. in Lakhs	As at 31.03.2019 Rs. in Lakhs
INCOME			
I Revenue from Operations	28	6,728.46	7,187.15
II Other Income	29	61.60	71.27
III Total Income (I+II)		6,790.06	7,258.42
IV EXPENSES			
Cost of Materials Consumed	30	1,050.53	1,067.51
Change in inventory of Stock-in-trade	31	102.59	117.65
Employee Benefit Expenses	32	2,045.75	2,024.45
Finance Cost	33	55.44	51.12
Depreciation & Amortization	34	458.17	347.44
Provision For Doubtful Debts		2.88	21.22
Operating and Other Expenses	35	2,461.73	2,702.62
Total Expenses (IV)		6,177.09	6,332.01
V Profit /(Loss) before exceptional items and tax (III-IV)		612.97	926.41
VI Exceptional items		(22.59)	-
VII Profit/(Loss) before tax (V-VI)		590.38	926.41
VIII Tax expense			
(i) Current Tax	36 (i)	212.45	346.03
(ii) Deferred Tax	36 (ii)	(49.81)	(47.83)
IX Profit /(Loss) for the period (VII-VIII)		427.74	628.21
X Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss:			
-Remeasurement of defined benefit plans		34.66	13.05
-Equity Instruments through Other Comprehensive Income		(60.04)	24.92
(ii) Income tax relating to items that will not be reclassified to profit or loss		6.39	(10.56)
B (i) Items that will not be reclassified to profit or loss:			
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XI Total Comprehensive Income for the period (IX + X)		408.75	655.62
XII Earnings per share			
(1) Basic		3.59	5.27
(2) Diluted		3.59	5.27

As per our attached Report of even date
For S. VENKATRAM & CO. LLP
Chartered Accountants
Firm Regd No.004656S/ S200095
(S. Sundarraman)
Partner (M.No. 201028)
Place : Chennai
Date: 29th June, 2020

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director (DIN : 00145372)

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

N.S. Mohan
Company Secretary

CH Mahesh Kumar
Chief Financial Officer

Statement of Changes in Equity as at 31.03.2020 and 31.03.2019

A. Equity Share Capital

Balance at 1st April, 2018	Change in Equity Share Capital during the year	Balance at 31st March, 2019	Change in Equity Share Capital during the year	Balance at 31st March, 2020
1,192.80	-	1,192.80	-	1,192.80

B. Other Equity

Particulars	Reserves and Surplus		
	General Reserve	Retained Earnings	Other Comprehensive Income
Balance as at 01st April 2018	659.13	3596.85	94.32
Profit for the year	-	628.21	-
Items that will not be reclassified to profit or loss -			
Remeasurement of defined benefit plans	-	-	13.05
Income tax on items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	-	-	(3.63)
Items that will not be reclassified to profit or loss			
-Fair value of financial assets through Other Comprehensive Income	-	-	24.92
Income tax on items that will not be reclassified to profit or loss			
- Fair value of financial assets through Other Comprehensive Income	-	-	(6.93)
Transferred to General Reserve	40.87	(40.87)	-
Final and Interim Dividend Paid (including Dividend Distribution Tax)	-	(330.73)	-
Balance as at 31st March 2019	700.00	3,853.46	121.73
Profit for the year	-	427.74	-
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	-	-	34.67
Income tax on items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans	-	-	6.39
Items that will not be reclassified to profit or loss			
-Fair value of financial assets through Other Comprehensive Income	-	-	(60.04)
Income tax on items that will not be reclassified to profit or loss			
- Fair value of financial assets through Other Comprehensive Income	-	-	-
Transferred to General Reserve	-	-	-
Final and Interim Dividend Paid (including Dividend Distribution Tax)	-	(201.32)	-
Balance as at 31st March 2020	700.00	4,079.88	102.74

Opening Balance and Closing Balance of the Retained Earnings includes revaluation reserve existing prior to 1st April 2016 amounting to Rs. 1,334.85 Lakhs and to the aforesaid extent the balance in the said reserve cannot be distributed to the shareholders as dividend.

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

(S. Sundarraman)
Partner (M.No. 201028)
Place : Chennai
Date: 29th June, 2020

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director (DIN : 00145372)

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

N.S. Mohan
Company Secretary

CH Mahesh Kumar
Chief Financial Officer

Statement of Cash Flows for the year ended 31.03.2020 and 31.03.2019

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

Particulars	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
Cash flow from Operating Activities		
Net profit before tax, exceptional and extra ordinary items (excluding OCI)	612.97	926.41
Add/Less: Other Comprehensive Income before tax	(25.37)	37.97
Net profit before tax, exceptional and extra ordinary items (including OCI)	587.60	964.39
Add/Less: Exceptional and extra ordinary items	(22.59)	-
Net profit before tax and after exceptional and extra ordinary items (including OCI)	-	565.01
Adjustments for		
(Profit)/Loss on sale of fixed assets	(0.52)	(2.31)
Assets written off	24.57	9.10
Rent Concession received	(4.16)	-
Provision For Doubtful Debts	2.88	21.22
Bad Debts	0.28	2.94
Gain on Fair Valuation on Deposits	(8.75)	(4.37)
(Gain)/Loss on Fair Valuation of Investments	60.04	(24.92)
Interest Expenses	21.01	51.12
Interest On Lease Liabilities	34.43	-
Dividend and Interest Income	(30.42)	(49.53)
Depreciation and Amortisation Expenses	458.17	557.53
	347.44	350.70
Operating profit before working capital changes	1,122.54	1,315.08
Adjustments for Changes in Assets and Liabilities		
(Increase)/Decrease in Inventories	(5.04)	9.71
(Increase)/Decrease in Trade Receivables	28.83	58.99
(Increase)/Decrease in Loans (Current)	(12.99)	4.23
(Increase)/Decrease in Other financial Assets (Non Current)	66.25	40.83
(Increase)/Decrease in Loans (Non Current)	59.07	(14.30)
(Increase)/Decrease in Other Non Current Assets	-	-
(Increase)/Decrease in Other Current Assets	26.77	(4.49)
(Increase)/Decrease in Contract Assets	7.98	(10.78)
Increase/(Decrease) in Contract Liabilities	(46.83)	200.54
Increase/(Decrease) in Other Financial Liabilities (Current)	(74.20)	(0.67)
Increase/(Decrease) in Trade Payable (Current)	(8.96)	(6.91)
Increase/(Decrease) in Other Current Liabilities	35.94	(286.00)
Increase/(Decrease) in Long Term Provisions	(17.88)	(25.84)
Increase/(Decrease) in Short Term Provisions	7.09	66.03
	(8.59)	(43.29)
Cash generated from Operations	1,188.57	1,271.79
Income taxes (paid)/Refund	(210.31)	(335.36)
Net cash from Operating Activities (A)	978.26	936.44

Particulars	Year ended 31.03.2020 ₹ in lakhs	Year ended 31.03.2019 ₹ in lakhs
Cash flow from Investing Activities		
Purchase of Fixed Assets	(78.16)	(159.03)
Purchase of Intangible Asset	(2.36)	
Sale of Fixed Assets	6.63	41.00
Capital Work in Progress	-	(13.77)
(Increase)/Decrease in Other Financial Assets (Current)	31.52	(59.54)
(Increase)/Decrease in Other Bank Deposits	(308.41)	(40.66)
Dividend/ Interest Income Received	30.42	49.53
Net (Increase)/Decrease in Non- Current Investments	-	(0.00)
Net cash used in Investing Activities (B)	(320.36)	(182.48)
Cash flow from Financing Activities:		
Proceeds from Borrowings (Net)	-	21.89
Repayment of Borrowings	(252.50)	(381.69)
Payment of Lease Liabilities	(86.41)	-
Interest on Lease Liabilities	(34.43)	-
Dividend paid	(201.31)	(330.74)
Interest expense paid	(21.01)	(48.78)
Net cash used in financial activities (C)	(595.66)	(739.32)
Net increase in cash and cash equivalents (A) + (B) + (C)	62.24	14.64
Cash and cash equivalents at beginning of the period	178.35	163.71
Cash and cash equivalents at end of the period	240.59	178.35

Cash and Cash Equivalents

Cash and Cash Equivalents consist of balances with banks. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts

Particulars	AS ON 31.03.2020 ₹ in lakhs	AS ON 31.03.2019 ₹ in lakhs
- In Current Account (with Scheduled Banks)	219.28	189.31
- Cash on Hand	18.38	14.22
- Deposits with original maturity of less than 3 months	17.13	16.38
- Overdraft	(14.19)	(41.55)
Total	240.59	178.35

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

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

Place : Chennai
Date: 29th June, 2020

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director (DIN : 00145372)

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

N.S. Mohan
Company Secretary

CH Mahesh Kumar
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS

Notes forming part of the Financial Statements for the year ended 31st March 2020

Note 1: SIGNIFICANT ACCOUNTING POLICIES

A) Corporate Information:

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

B) Statement of Compliance:

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

C) Basis of Preparation:

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

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

Fair value for measurement and/or disclosure purposes in these Financial Statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of revenue and expenses during the year.

Estimates and the underline assumptions are reviewed on ongoing basis. The revision to the accounting estimates if material is recognized in the period in which the estimates are revised.

D) Operating Cycle:

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

E) Policies:

a) Inventories

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

b) Revenue Recognition:

(A) Income from Operations:

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

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

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

i. Sale of rooms and other ancillary services:

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

ii. Collections from Gymnasiums (Gym):

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

iii. Franchisee Income:

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

iv. Foods & Beverages and Other Services:

The revenue from the services as to foods and beverages and allied services are recognized at the point at which the food and beverage and allied services relating to hotel operations are provided.

(B) Interest & Dividend income:

- i. Interest is accounted on accrual basis using the effective interest method.
- ii. Dividend is recognized when the right to receive payment of the dividend is established.

c) Property, Plant and Equipment:

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

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

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

d) Long-term Investments:

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

e) Intangible Assets:

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

f) Borrowing Costs:

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

g) Impairment of Assets:

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

h) Financial Assets and Liabilities:

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

i) Foreign Currency Transaction:

- i. The functional and presentation currency of the Company is Indian Rupees.
- ii. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.
- iii. Monetary items denominated in foreign currency and outstanding at the Balance Sheet date are restated at the exchange rate ruling at the Balance Sheet date.

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

j) Segment Reporting:

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

k) Earnings Per Share:

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

l) Income Taxes:

- i. Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961 (the "Act").
- ii. Deferred Tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax Assets in excess of Deferred Tax Liability are recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred Tax Assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.
- iii. Deferred Tax Assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.
- iv. Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

m) Employee Benefits:

(A) Short Term:

- i. The Company's Provident Fund scheme is a defined contribution plan. The contribution paid/payable is recognized during the period in which the employee renders the related service.

- ii. The Company's Employee State Insurance scheme is a defined contribution plan. The contribution paid/payable is recognized during the period in which the employee renders the related service.
- iii. All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. are recognized in the period in which the employee renders the related service. A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(B) Long Term:

i. Gratuity:

- a. The Company has an arrangement with Life Insurance Corporation(LIC) for managing the Gratuity fund which is a defined benefit obligation.
- b. The cost of providing Gratuity benefits is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements is recognized immediately through other comprehensive income in the period in which they occur.
- c. The employees of the Company are entitled to be compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

ii. Earned Leave:

The expected cost of compensated absences is determined by the Company by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.

n) Leases:

In the current year, the Company has applied Ind AS 116 (as notified by the Ministry of Corporate Affairs on 30th March 2019) that is effective for annual periods that begin on or after 01st April 2019. Ind AS 116 'Leases' replaces Ind AS 17 'Leases'. The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- i. Leases of low value assets; and
- ii. Leases with a duration of 12 months or less

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted

using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

At the date of transition to Ind AS 116, the Company measures right-to-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Balance Sheet immediately before the date of transition to Ind AS.

In the comparative period, leases are recognized as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company recognizes finance leases as assets and liabilities in the balance sheet at amount equal to the fair value of leased property. Such arrangements are such that the entire risks and rewards incidental to ownership of an asset is transferred whether or not title is transferred. Operating lease is recognized as an expense through statement of profit and loss on a straight-line basis over the period of lease.

o) Provisions and Contingent Liabilities:

- i. Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.
- ii. A provision is recognized, when the Company has the present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which reliable estimate can be made.
- iii. Where no reliable estimate can be made or when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources, disclosure is made as Contingent Liability.
- iv. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

p) Recent Indian Accounting Standards (Ind AS):

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

Note 1, 3, 4 : Property, Plant and Equipment, Capital Work In Progress, Intangible Assets ₹ In lakhs

PARTICULARS	Gross Block						
	As at 31.03.2018	Additions	Withdrawals and Adjustments	As at 31.03.2019	Additions	Withdrawals and Adjustments	As at 31.03.2020
A. Property, Plant & Equipment							
Land	3,689.80	-	-	3,689.80	-	44.39	3,645.41
Buildings	921.09	-	-	921.09	-	-	921.09
Plant & Machinery	1,310.81	87.52	166.29	1,232.03	80.97	63.86	1,249.15
Office Equipment	14.68	9.94	-	24.62	11.51	-	36.13
Furniture & Fixtures	1,055.95	35.07	-	1,091.02	42.81	-	1,133.82
Vehicles	143.47	26.50	-	169.97	1.03	48.43	122.57
Total	7,135.79	159.03	166.29	7,128.52	136.32	156.68	7,108.17
B. Capital Work In Progress							
The Brew Room- VR Mall	-	13.77	-	13.77	-	13.77	-
Total	-	13.77	-	13.77	-	13.77	-
C. Intangible Assets							
Trademarks	0.01	-	-	0.01	-	-	0.01
Computer Software	0.61	-	-	0.61	2.36	-	2.97
Total	0.62	-	-	0.62	2.36	-	2.98
Grand Total	7,136.41	172.80	166.29	7,142.91	138.68	170.45	7,111.15
PARTICULARS	Depreciation and Amortisation						
	As at 31.03.2018	Additions	Withdrawals and Adjustments	As at 31.03.2019	For the period	Withdrawals and Adjustments	As at 31.03.2020
A. Property, Plant & Equipment							
Land	-	-	-	-	-	-	-
Buildings	49.91	24.96	-	74.87	24.96	-	99.83
Plant & Machinery	295.92	121.90	118.50	299.33	121.72	36.17	384.88
Office Equipment	7.32	4.43	-	11.75	5.09	-	16.84
Furniture & Fixtures	395.42	171.78	-	567.20	175.19	-	742.40
Vehicles	42.80	24.37	-	67.17	21.44	45.45	43.16
Total	791.38	347.44	118.50	1,020.32	348.40	81.62	1,287.10
B. Capital Work In Progress							
The Brew Room- VR Mall	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
C. Intangible Assets							
Trademarks	-	-	-	-	-	-	-
Computer Software	-	-	-	-	0.01	-	0.01
Total	-	-	-	-	0.01	-	0.01
Grand Total	791.38	347.44	118.50	1,020.32	348.41	81.62	1,287.11

Note 1, 3, 4 : Property, Plant and Equipment, Capital Work In Progress, Intangible Assets

₹ In lakhs

PARTICULARS	Impairment Loss			Net Block	
	As at 31.03.2018	For the period	As at 31.03.2019	As at 31.03.2019	As at 31.03.2020
A. Property, Plant & Equipment					
Land	-	-	-	3,689.80	3,645.41
Buildings	-	-	-	846.21	821.26
Plant & Machinery	95.22	-	95.22	837.49	769.05
Office Equipment	0.36	-	0.36	12.51	18.93
Furniture & Fixtures	98.91	-	98.91	424.90	292.50
Vehicles	1.95	-	1.95	100.85	77.46
Total	196.44	-	196.44	5,911.75	5,624.61
B. Capital Work In Progress					
The Brew Room- VR Mall	-	-	-	13.77	-
Total	-	-	-	13.77	-
C. Intangible Assets					
Trademarks	-	-	-	0.01	0.01
Computer Software	-	-	-	0.61	2.96
Total	-	-	-	0.62	2.97
Grand Total	196.44	-	196.44	5,926.14	5,627.58

NOTE 5 : Non - Current Investments

₹ In lakhs

PARTICULARS	31.03.2020		31.03.2019	
	Face Value	Quantity	Face Value	Quantity
Non - Trade Investments				
Investment in Quoted Equity Shares (Valued at Fair Value through Other Comprehensive Income)				
Oriental Hotels Limited	1	3,510	1	3,510
I.T.C. Limited	1	40,320	1	40,320
Indian Hotels Co. Ltd.,	1	5,998	1	5,998
Apollo Hospitals Ltd.	5	4,000	5	4,000
Central Bank of India	10	295	10	295
TOTAL - A		119.93		179.97
Investment in Unquoted Equity Investments of Other Companies (Valued at cost)				
Clarion Wind Farms Pvt. Ltd.	10	3,04,601	10	3,04,601
TOTAL - B		30.46		30.46
TOTAL - A + B		150.39		210.43
Particulars	"31.03.2020 Rs. in Lakhs"	"31.03.2019 Rs. in Lakhs"		
Aggregate Market Value of Quoted Investments	119.93	179.97		

Note 2: Right of Use Assets

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Right of Use Assets	241.02	-
TOTAL	241.02	-

Note 6: Loans (Non Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Unsecured, Considered Good:		
Rental Deposits (carried at amortised cost)	43.19	89.34
Security Deposit	68.66	72.84
Public Utility Deposits	1.14	1.14
TOTAL	112.99	163.32

Note 7: Other Financial Assets (Non Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Deposits with Banks (refer note 7.1)	22.20	88.45
TOTAL	22.20	88.45

7.1. Deposits with Banks represents deposits having remaining maturity more than 12 months from the Balance Sheet date.

Note 8: Inventories

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
(Valued at lower of cost and net realisable value)		
Raw Materials		
Food & Beverages	11.28	9.49
Stock in trade (Goods purchased for resale)		
Wine & Liquor	14.89	11.64
TOTAL	26.17	21.13

Note 9: Current Trade receivables

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Unsecured Considered good	109.74	141.74
Unsecured & Doubtful	19.14	24.69
Less : Allowance for Doubtful debts	19.14	24.69
TOTAL	109.74	141.74

Note 10: Cash and Cash Equivalents

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Cash and Cash Equivalents		
Current Account	219.28	189.31
Cash on Hand	18.38	14.21
Deposits with original maturity of less than 3 months	17.13	16.38
	<u>254.79</u>	<u>219.90</u>
Other Bank Balances		
Dividend Account	34.75	34.96
Deposits (refer note 10.1 and 10.2)	481.49	173.07
	<u>516.24</u>	<u>208.03</u>
TOTAL	771.03	427.93

10.1 Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

10.2 The deposits with Banks includes deposits amounting to Rs. 75 lakhs (PY Rs. 75 lakhs) earmarked/pledged with the Bankers of the Company for obtaining credit (working capital) facilities from them.

Note 11: Loans (Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Unsecured, Considered Good:		
Rental Deposits (carried at amortised cost)	45.94	24.77
Advances to Employees	30.09	38.27
Unsecured, Doubtful:		
Rental Deposits (carried at amortised cost)	13.61	5.87
Less : Allowance for Doubtful Deposits	13.61	5.87
TOTAL	76.03	63.04

Note 12: Other Financials Assets (Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Interest Accrued on Fixed Deposits with Bank	49.10	42.25
Receivable from sale of assets of Gymnasium (Gym)	-	38.38
TOTAL	49.10	80.63

Note 13: Current tax Assets (Net)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Current Tax Assets (Net) (Refer note 13.1)	7.82	3.59
TOTAL	7.82	3.59

13.1 The closing balance of Current Tax Asset is net of Provision of tax.

Note 14: Other Current Assets

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Advances other than capital advances:		
Prepaid Expenses	57.58	51.52
Advance to suppliers	3.21	13.39
Balance with Revenue authorities	25.32	30.56
Amount Recoverable from Franchisee	-	12.40
Others	1.32	6.33
TOTAL	87.43	114.20

Note 15: Equity share capital

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Authorized Share Capital		
1,20,00,000 equity shares of Rs.10 /- each	1,200.00	1,200.00
Issued, Subscribed and paid-up Share capital		
1,19,28,000 Equity Shares of Rs.10 /- each fully paid up	1,192.80	1,192.80
TOTAL	1,192.80	1,192.80

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

Particulars	31.03.2020 No of Shares	31.03.2019 No of Shares
At the beginning of the year	1,19,28,000	1,19,28,000
Add: Shares Issued during the year	-	-
At the end of the year	1,19,28,000	1,19,28,000

15.2 Rights attached to Equity Shareholders:

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

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

Name of the Shareholder	31.03.2020		31.03.2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
A. Nina Reddy	20,95,812	17.57	20,95,812	17.57
A. Ravikumar Reddy	16,03,840	13.45	16,03,840	13.45
A. Priyamvatha	6,87,600	5.76	6,87,600	5.76
TOTAL	43,87,252	36.78	43,87,252	36.78

Note 16: Other equity

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
(i) General Reserve		
As per last Balance Sheet	700.00	659.13
Add: Transfer from Retained Earnings	-	40.87
Closing Balance (A)	700.00	700.00
(ii) Retained Earnings		
As per Last Balance Sheet (Refer Note 16.1) (i)	3,853.46	3,596.84
Current Year Profit	427.74	628.21
Less: Appropriations		
Transfer to General Reserve	-	40.87
Dividend (Interim)	143.14	119.28
Dividend Distribution Tax (Interim)	29.42	24.52
Dividend (Final)	23.86	155.06
Dividend Distribution Tax (Final)	4.90	31.87
Total Appropriations during the current year	201.32	371.60
Current Year Profit (net of appropriations) (ii)	226.42	256.62
Closing Balance (B) (i) + (ii)	4,079.88	3,853.46
(iii) Other Comprehensive Income		
Fair Value through Other Comprehensive Income (FVOCI)		
Opening Balance	121.73	94.32
Add: Additions during the year	-	27.41
Less: Deletions during the year	(18.99)	-
Closing Balance (C)	102.74	121.73
TOTAL - (A)+(B)+(C)	4,882.62	4,675.19

16.1. The Opening Balance and Closing Balance of the Retained Earnings includes a sum of Rs. 1,334.86 lakhs being revaluation reserve (created prior to 01st April 2016) and cannot be distributed to the shareholders as dividend.

Note 17: Borrowings (Non - Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Secured:		
Term Loans:		
From Banks	-	237.77
Others	-	-
Less: Current maturities of Long-term Term Loans	-	112.20
Net (A)	-	125.57
Long- term Finance lease obligations - Hire Purchase	37.27	52.00
Less: Current maturities of Long-term Finance Lease Obligations - Hire Purchase	14.97	14.73
Net (B)	22.30	37.27
TOTAL - (A) + (B)	22.30	162.84

Security

- (i) Term Loans is secured by First Charge on the entire Land & Buildings, Movable & Immovable Assets of the Company situated at No. 146, Dr. Radhakrishnan Road, Chennai - 600004. The term loans have been fully discharged during the year.
- (ii) The terms of repayment for the Finance lease is:

Terms of Repayment	Maturity Date	Interest Rate	Security
Monthly installment	FY 2022-23	8.35% to 11%	Finance lease obligations are secured against assets taken on lease.

Note 18: Lease Liabilities (Non - Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Lease Liabilities	191.42	-
TOTAL	191.42	-

Note 19: Other Financial Liabilities (Non - Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Rental Deposit	4.70	4.70
Caution Deposit	30.10	30.10
TOTAL	34.80	34.80

Note 20: Provisions (Non - Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Provision for Employee Benefits	97.85	115.74
TOTAL	97.85	115.74

Note 21: Borrowings (Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Secured:		
Loan repayable on Demand	14.19	41.55
TOTAL	14.19	41.55

21.1 The amount sanctioned by the Bank is Rs. 1.50 Crore.

21.2 The aforesaid loan is secured against Trade Receivables and Inventories upto Rs. 75 lakhs and lien on the Company's Deposits with Banks amounting to Rs. 75 lakhs.

21.3 The rate of interest charged by the Bank (as at the date of the Balance Sheet) is 11.65% per annum.

Note 22: Trade Payables (Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Total outstanding dues of Micro Enterprises and Small Enterprises	2.63	3.69
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	116.92	124.82
TOTAL	119.55	128.51

Note 23: Lease Liabilities (Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Lease Liabilities (Current)	68.80	-
TOTAL	68.80	-

Note 24: Other Financial Liabilities (Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Current maturities of Long-term Term Loans	-	112.20
Current maturities of Long-term Finance Lease Obligations - Hire Purchase	14.97	14.73
Creditors for expenses	119.15	177.17
Unclaimed dividend	34.75	34.96
Caution Deposits	1.30	2.37
Dues to Employees	124.87	139.97
TOTAL	295.04	481.40

Creditors for expenses includes the following:

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Repairs and Maintenance	24.64	42.80
Electricity Charges	31.03	37.18
Advertisement and Sales Promotion	2.16	20.49
Lease Payable	7.68	37.06
Professional Charges	28.04	14.67
General Expenses	25.60	24.96
TOTAL	119.15	177.17

Note 25: Current tax Liabilities (Net)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Current tax Liabilities (Net) (refer note 25.1)	-	-
TOTAL	-	-

25.1 The closing balance of Current Tax Liability is net of Advance tax and Tax Deducted at Source.

Note 26: Other Current Liabilities

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Statutory Liabilities	91.79	55.86
TOTAL	91.79	55.86

Note 27: Provisions (Current)

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Provision for Employee benefits	75.46	68.37
TOTAL	75.46	68.37

Note 28: Revenue from Operations

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Foods & Beverages	3,247.90	3,237.71
Sale of rooms and other ancillary services	2,625.17	2,855.62
Gym Collections	439.13	594.98
Franchisee Income	99.19	162.13
Sanus Per Aquam (Spa) Collections	142.06	158.27
Banquets Halls	81.22	92.24
Other Services	93.77	86.20
TOTAL	6,728.46	7,187.15

Note 29: Other Income

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Interest Income		
Interest Income	27.68	47.23
Dividend Income		
Dividend from Investments	2.74	2.30
Other Non Operating Income		
Profit on sale of Assets	1.32	2.30
Foreign Exchange Fluctuations	0.03	0.09
Gain on Fair Value Adjustment	8.75	4.37
Miscellaneous Income	14.90	14.98
Rent Concession Received	4.16	-
Insurance Claims	2.03	-
TOTAL	61.60	71.27

Note 30: Cost of Materials Consumed

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Foods and Beverages		
Opening Stock	9.49	12.02
Add: Purchases of Food and Beverages	1,036.77	1,033.95
	<u>1,046.26</u>	<u>1,045.97</u>
Less: Closing Stock	11.28	9.49
Cost of Food and Beverages consumed (A)	1,034.98	1,036.48
Purchase of Crockery and Cutlery (B)	15.55	31.03
TOTAL - (A) + (B)	1,050.53	1,067.51

Note 31: Change in inventory of Stock-in-trade

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Wine and Liquor		
Opening Stock	11.64	18.82
Add: Purchases	105.84	110.47
Less: Closing Stock	14.89	11.64
TOTAL	102.59	117.65

Note 32: Employee Benefit Expenses

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Salary, Wages, Bonus and Allowances	1,700.17	1,666.29
Contribution to Provident and other Funds	155.29	149.92
Staff Welfare Expenses	190.29	208.24
TOTAL	2,045.75	2,024.45

Note 33: Finance Cost

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Interest Expense	21.01	51.12
Interest On Lease Liabilities	34.43	-
TOTAL	55.44	51.12

Note 34: Depreciation & Amortization

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Depreciation and Amortization	348.41	347.44
Depreciation on Right of Use Assets	109.76	-
TOTAL	458.17	347.44

Note 35: Operating and Other Expenses

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Operating Expense:		
Power and Fuel	460.20	450.13
Upkeep and Service Cost	264.04	269.84
Banquet Charges	61.53	117.88
Repairs and Maintenance		
- Plant and Machinery	175.37	175.43
- Buildings	56.56	64.80
- Others	49.10	33.93
- Vehicles	25.36	26.40
Commission	220.94	272.17
Parking Expenses	24.51	26.07
Spa Expenses	70.96	76.55
Short Term Leases	57.14	-
Security Services	55.23	63.79
Royalty	15.24	53.06
Other Expenses:		
Sales Promotion expenses	216.35	235.09
Rates & Taxes	272.17	243.92
Rental Expenses	-	188.45
Parking Charges	12.35	18.12
Short Term Leases	14.39	-
Professional Charges	137.42	104.50
Travel expenses	38.82	48.86
Postage and Telephone	44.44	46.01
Printing and stationery	36.62	43.92
Insurance	25.72	23.66
CSR Expenses	17.59	22.77
Subscription	9.16	10.17
Bank Charges	8.52	9.57
WDV of assets scrapped	24.57	9.10
Loss on Sale of Assets	0.80	-
Audit Fees		
Statutory Audit	8.80	8.00
Other Services	0.80	1.95
Directors Sitting Fees	2.68	2.60
Donation	5.20	2.56
Bad Debts	0.28	2.94
Sundry Expenses	48.87	50.38
TOTAL	2,461.73	2,702.62

Note 36: Tax expense

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
(i) Current Tax		
In respect of the current year	211.67	304.54
In respect of the earlier years	0.78	41.49
	<u>212.45</u>	<u>346.03</u>
(ii) Deferred Tax		
In respect of the current year	(49.81)	(47.83)
In respect of earlier years	-	-
	<u>(49.81)</u>	<u>(47.83)</u>
TOTAL	162.64	298.20

37 Financial Instruments:

i. Financial Risk Management:

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

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

a) Market Risk :

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

b) Credit Risk :

Credit risk arises from the possibility that customers or counter party to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables. The Company's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions. There are no significant concentrations of credit risk within the company. The debtors outstanding as at the Balance Sheet date is less than 180 days from the date of billing.

c) Liquidity Risk :

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

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date 31.03.2020.*

Particulars	Carrying value	Less than 1 year	More than 1 year upto 3 years	Beyond 3 years	Total
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Borrowings	36.49	14.19	22.30	-	36.49
Trade Payables	119.55	119.55	-	-	119.55
Lease Liabilities	260.21	68.80	158.25	33.16	260.21
Other Financial Liabilities	329.84	295.04	34.80	-	329.84
Total	746.09	497.57	215.36	33.16	746.09

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date 31.03.2019.*

Particulars	Carrying value	Less than 1 year	More than 1 year upto 3 years	Beyond 3 years	Total
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Borrowings	204.39	41.55	162.84	-	204.39
Trade Payables	128.51	128.51	-	-	128.51
Other Financial Liabilities	516.20	481.40	34.80	-	516.20
Total	849.10	651.46	197.64	-	849.10

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

The table includes both interest and principal cash flows.

ii. Fair Values Hierarchy

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

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

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

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

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at 31st March 2020	Level 1 Rs. in Lakhs	Level 2 Rs. in Lakhs	Level 3 Rs. in Lakhs	Total Rs. in Lakhs
Financial Assets:				
Investments				
Equity Instruments				
Quoted (FVTOCI)	119.93	-	-	119.93
Unquoted (At Cost)	-	-	30.46	30.46
Total Financial Assets	119.93	-	30.46	150.39

Financial Assets and Liabilities measured at fair value - recurring fair value measurements

As at 31st March 2019	Level 1 Rs. in Lakhs	Level 2 Rs. in Lakhs	Level 3 Rs. in Lakhs	Total Rs. in Lakhs
Financial Assets:				
Investments				
Equity Instruments				
Quoted (FVTOCI)	179.97	-	-	179.97
Unquoted (At Cost)	-	-	30.46	30.46
Total Financial Assets	179.97	-	30.46	210.43

B. Valuation Techniques:

- a. The Carrying value of financial assets and liabilities with maturities less than 12 months are considered to be representative of their fair value.
- b. Fair value of fixed interest rate financial assets and liabilities carried at amortised cost is determined by discounting the cash flows using a discounting rate equivalent to market rate applicable to similar assets and liabilities as at the balance sheet date.

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

iii. The carrying value and fair value of Financial instruments by each category as at 31st March, 2020 were as follows:

Sl. No	Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total Carrying Value	Total Fair Value
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
A.	Financial Assets					
	(i) Investments	30.46	-	119.93	150.39	150.39
	(ii) Loans	189.03	-	-	189.03	189.03
	(iii) Other financial Assets	71.30	-	-	71.30	71.30
	(iv) Trade Receivables	109.74	-	-	109.74	109.74
	(v) Cash and cash equivalents	254.78	-	-	254.78	254.78
	(vi) Other Bank Balances	516.23	-	-	516.23	516.23
	Total Financial Assets	1,171.55	-	119.93	1,291.48	1,291.48
B.	Financial Liabilities					
	(i) Trade Payables	119.55	-	-	119.55	119.55
	(ii) Other financial Liabilities	329.84	-	-	329.84	329.84
	(iii) Lease Liabilities	260.21	-	-	260.21	260.21
	(iv) Borrowings	36.49	-	-	36.49	36.49
	Total Financial Liabilities	746.09	-	-	746.09	746.09

The carrying value and fair value of Financial instruments by each category as at 31st March, 2019 were as follows.

Sl. No	Particulars	Financial assets/ liabilities at amortised costs	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVTOCI	Total Carrying Value	Total Fair Value
		Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
A.	Financial Assets					
	(i) Investments	30.46	-	179.97	210.43	210.43
	(ii) Loans	226.36	-	-	226.36	226.36
	(iii) Other financial Assets	169.08	-	-	169.08	169.08
	(iv) Trade Receivables	141.74	-	-	141.74	141.74
	(v) Cash and cash equivalents	219.90	-	-	219.90	219.90
	(vi) Other Bank Balances	208.02	-	-	208.02	208.02
	Total Financial Assets	995.56	-	179.97	1,175.53	1,175.53
B.	Financial Liabilities					
	(i) Trade Payables	128.51	-	-	128.51	128.51
	(ii) Other financial Liabilities	516.20	-	-	516.20	516.20
	(iii) Borrowings	204.39	-	-	204.39	204.39
	Total Financial Liabilities	849.10	-	-	849.10	849.10

iv. Capital Management:

The Company's capital management objectives are:

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

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

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

Dividends:

"The Company has declared a Final Dividend of Rs. 0.20/- per share. Accordingly a sum of Rs. 28.76 lakhs (including Dividend Distribution Tax of Rs. 4.90 lakhs) has been paid for the year ended 31st March, 2019.

The Company has, on 14th November, 2019. declared an Interim Dividend of Rs. 1.20/- per share. Accordingly a sum of Rs. 172.56 lakhs (including Dividend Distribution Tax of Rs. 29.42 lakhs) has been paid and considered in the accounts for the year ended 31st March, 2020."

38 Employee Benefits:

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

The Company's obligation towards Gratuity being Defined Benefit Plans have been actuarially valued, the details of which as on 31st March 2020 and 31st March 2019 are given below:

i. GRATUITY:

A. Expense recognized in the statement of Profit and Loss:

Period	From 01.04.2019 to 31.03.2020 Rs. in Lakhs	From 01.04.2018 to 31.03.2019 Rs. in Lakhs
Interest cost	24.71	26.64
Current service cost	37.57	33.30
Past Service Cost	-	-
Expected return on plan asset	(25.76)	(25.38)
Expenses to be recognized in P&L	36.52	34.56

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

Period	From 01.04.2019 to 31.03.2020 Rs. in Lakhs	From 01.04.2018 to 31.03.2019 Rs. in Lakhs
Actuarial (gain)/loss - obligation	16.98	(14.90)
Actuarial (gain)/loss - plan assets	1.79	1.85
Total Actuarial (gain)/loss	18.78	(13.05)

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

Period	From 01.04.2019 to 31.03.2020 Rs. in Lakhs	From 01.04.2018 to 31.03.2019 Rs. in Lakhs
Present value of the obligation at the end of the period	358.90	353.00
Fair Value of Plan Asset at the end of the Period	353.53	367.93
Liability / (Asset) recognized	5.37	(14.93)

Table showing changes in the Present Value of Obligations:

Period	From 01.04.2019 to 31.03.2020 Rs. in Lakhs	From 01.04.2018 to 31.03.2019 Rs. in Lakhs
Present value of the obligation at the beginning of the period	353.00	343.78
Interest cost	24.71	26.64
Current service cost	37.57	33.30
Past Service Cost	-	-
Benefits paid (if any)	(73.36)	(35.83)
Actuarial (gain)/loss	16.98	(14.90)
Present value of the obligation at the end of the period	358.90	353.00

Table showing changes in the Fair Value of Planned Assets:

Period	From 01.04.2019 to 31.03.2020 Rs. in Lakhs	From 01.04.2018 to 31.03.2019 Rs. in Lakhs
Fair value of plan assets at the beginning of the period	367.93	327.43
Expected return on plan assets	25.76	25.38
Contributions	35.00	52.80
Benefits paid	(73.36)	(35.83)
Actuarial gain/(loss) on plan assets	(1.79)	(1.85)
Fair Value of Plan Asset at the end of the Period	353.53	367.93

D. The account to be recognized in Balance Sheet

Period	As at 31.03.2020 Rs. in Lakhs	As at 31.03.2019 Rs. in Lakhs
Present value of the obligation at the end of the period	358.90	353.00
Fair value of plan assets at end of period	353.53	367.93
Net liability/(asset) recognized in Balance Sheet	5.37	(14.93)
Funded Status	(5.37)	14.93

Movements in the liability recognized in the Balance Sheet	As at 31.03.2020 Rs. in Lakhs	As at 31.03.2019 Rs. in Lakhs
Opening net liability adjusted for effect of balance sheet limit	(14.93)	16.36
Amount recognised in Profit and Loss	36.52	34.56
Amount recognised in OCI	18.78	(13.05)
Contribution paid	35.00	52.80
Closing Net Liability	5.37	(14.93)

E. The assumptions employed for the calculations are tabulated:

Particulars	As at 31.03.2020	As at 31.03.2019
Discount rate	7.00 % per annum	7.75 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

ii. EARNED LEAVE**A. Expense recognized in the statement of Profit and Loss:**

Period	From 01.04.2019 to 31.03.2020 Rs. in Lakhs	From 01.04.2018 to 31.03.2019 Rs. in Lakhs
Interest cost	10.43	-
Current service cost	6.92	-
Expected return on plan asset	-	-
Expenses to be recognized in P&L	17.35	-

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

Period	From 01.04.2019 to 31.03.2020 Rs. in Lakhs	From 01.04.2018 to 31.03.2019 Rs. in Lakhs
Actuarial (gain)/loss - obligation	(53.44)	-
Actuarial (gain)/loss - plan assets	-	-
Total Actuarial (gain)/loss	(53.44)	-

C. Table showing Changes in Present Value of Obligations:

Period	From 01.04.2019 to 31.03.2020 Rs. in Lakhs	From 01.04.2018 to 31.03.2019 Rs. in Lakhs
Present value of the obligation at the beginning of the period	149.04	-
Interest cost	10.43	-
Current service cost	6.92	-
Benefits paid (if any)	-	-
Actuarial (gain)/loss	(53.44)	-
Present Value of Obligation at the end of the period	112.95	149.04

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

Particulars	As at 31.03.2020 Rs. in Lakhs	As at 31.03.2019 Rs. in Lakhs
Present value of the obligation at the end of the period	112.95	149.04
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet	112.95	149.04
Funded Status	(112.95)	(149.04)

Movements in the liability recognized in the Balance Sheet	As at 31.03.2020 Rs. in Lakhs	As at 31.03.2019 Rs. in Lakhs
Opening net liability adjusted for effect of balance sheet limit	149.04	-
Amount recognised in Profit and Loss	17.35	-
Amount recognised in OCI	(53.44)	-
Contribution paid	-	-
Closing Net Liability	112.95	149.04

E. The assumptions employed for the calculations are tabulated:

Particulars	As on 31.03.2020	As on 31.03.2019
Discount rate	7.00 % per annum	7.75 % per annum
Salary Growth Rate	5.00 % per annum	5.00 % per annum
Mortality	IALM 2012-14	IALM 2006-08 Ultimate
Withdrawal rate (Per Annum)	5.00% p.a.	5.00% p.a.

39 Micro and Small Enterprises :

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

Particulars	31.03.2020 Rs. in Lakhs	31.03.2019 Rs. in Lakhs
Principal Amount remaining unpaid to any supplier as on		
Trade Creditor	2.63	3.69
Capital creditor	-	-
Interest on above	-	-
The amount of principal paid beyond the appointed date	-	-
The amount of Interest paid beyond the appointed Date	-	-
Amount of Interest due and payable on delayed payments	-	-
Amount of interest accrued and due	-	-
Total Outstanding dues of Micro Enterprises and Small Enterprises	2.63	3.69

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

40 Disclosure pursuant to Ind AS 12 "Income Taxes":

- i. Break-up of Deferred Tax Liabilities and Assets are given below:
For the year ended 31st March, 2020

Particulars	Opening balance as at 01.04.2019	Additions/ (reversals) in Income statement	Additions/ (reversals) recognized in Equity	Closing Balance as at 31.03.2020
	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
Deferred Tax Liability				
- Depreciation	93.78	(44.98)	-	48.80
Total	93.78	(44.98)	-	48.80
Deferred Tax Asset				
- Lease Liability	-	4.83	-	4.83
Total	-	4.83	-	4.83
Net Deferred Tax Liability / (Asset)	93.78	(49.81)	-	43.97

For the year ended 31st March, 2019

Particulars	Opening balance as at 01.04.2018	Additions/ (reversals) in Income statement	Additions/ (reversals) recognized in Equity	Closing Balance as at 31.03.2019
	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
Deferred Tax Liability				
- Depreciation	141.61	(47.83)	-	93.78
Total	141.61	(47.83)	-	93.78
Deferred Tax Asset				
Total	-	-	-	-
Net Deferred Tax Liability / (Asset)	141.61	(47.83)	-	93.78

- ii. Reconciliation between the average effective tax rate and the applicable tax rate is as follows:
A reconciliation of the income tax provision to the amount computed by applying the statutory tax rates

Particulars	31.03.2020 (Rs. in Lakhs)	31.03.2019 (Rs. in Lakhs)
Profit Before Taxes	565.01	964.38
Enacted Tax Rates	25.17%	29.12%
Expected Tax Expense/(Benefit)	142.20	280.83
Effect of:		
On Account of Disallowable expenditure	34.13	16.55
Income Not Taxable	(3.22)	(9.87)
On account of adjustment of Ind AS 116	5.82	-
On account of Depreciation	26.36	27.59
Tax Expense*	205.29	315.10

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

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

Earnings Per Share has been computed as under:	31.03.2020 Rs. in Lakhs	31.03.2019 Rs. in Lakhs
Profit/ (Loss) before Taxation as per Statement of Profit & Loss Account	590.38	926.41
Tax Expense	162.65	298.20
Profit/ (Loss) after Taxation as per Statement of Profit & Loss Account (A)	427.74	628.21
Number of Ordinary Shares outstanding Shares fully paid-up (Equity Shares of Rs. 10/- each) (B)	- 1,19,28,000	- 1,19,28,000
Earnings Per Share - Basic and Diluted (Face value of Rs. 10/- per share) (A/B)	3.59	5.27

42. Disclosure Pursuant to Indian Accounting Standards 24 - Related Party Disclosures

i.

Name of the related Party	Nature of the Relationship
Mr. A . Ravikumar Reddy	Key Managerial Personnel * - Managing Director
Mrs. A. Nina Reddy	Key Management Person - Joint Managing Director
Mr. A. Tarun Reddy	Key Management Person - Director
Mrs. A. Nivruti	Key Management Person - Director
Mr. S.Sridhara Rao	Key Management Person - Director
Mr. A.Sudhakar Reddy	Key Management Person - Director
Mr. B.Ranga Reddy (Resigned on 13th February 2019)	Key Management Person - Director
Mr. N S Mohan	Key Managerial Personnel * - Company Secretary
Mr. D V M Sambasiva Rao (Retired on 31st July 2019)	Key Managerial Personnel * - Chief Financial Officer
Mr. C H Mahesh Kumar (Appointed on 1st August 2019)	Key Managerial Personnel * - Chief Financial Officer

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

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

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

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

ii. The Table showing transactions with Key Managerial Personnel and entities over which they exercise significant influence for the year ended 31.03.2020

Name of the Related Party	Nature of Transaction	31.03.2020 Rs. in Lakhs	31.03.2019 Rs. in Lakhs
Amaravathi Restaurants Private Ltd.	Royalty on Franchise	16.34	59.78
	Purchase of Goods	9.47	3.49
	Collection of amount on behalf	0.54	-
Shyam Hotels and Restaurants Mr. A. Tarun Reddy	Purchase of Water	27.65	29.31
	Sitting Fees	0.45	0.60
	Sale of Banquet Services	8.10	-
Mrs. A. Nivruti	Sitting Fees	0.50	0.40
Mr. S.Sridhara Rao	Sitting Fees	0.98	0.60
Mr. A.Sudhakar Reddy	Sitting Fees	0.75	0.60
Mr. B.Ranga Reddy (Resigned on 13th February 2019)	Sitting Fees	-	0.40
Mr. A . Ravikumar Reddy	Remuneration	51.00	52.00
Mrs. A. Nina Reddy	Remuneration	51.00	55.00
Mr. N S Mohan	Remuneration	22.54	19.60
Mr. N S Mohan	Loan	3.30	-
Mr. D V M Sambasiva Rao (Retired on 31st July 2019)	Remuneration	2.95	8.47
Mr. C H Mahesh Kumar (Appointed on 1st August 2019)	Remuneration	6.35	-

Outstanding Balance with related parties as at the Balance sheet date:

Name of the Related Party	31.03.2020 Rs. in Lakhs	31.03.2019 Rs. in Lakhs
<u>Trade Payable</u>		
Shyam Hotels and Restaurants	1.15	0.46
Amaravathi Restaurants Private Ltd.	1.31	7.06
<u>Salary Payable</u>		
Mr. A . Ravikumar Reddy	6.89	16.17
Mrs. A. Nina Reddy	6.88	15.54
Mr. N S Mohan	0.75	1.29
Mr. C H Mahesh Kumar	0.68	-
Mr. D V M Sambasiva Rao	-	0.46
<u>Loan Receivable</u>		
Mr. N S Mohan	2.97	0

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

Particulars	Managing Director Rs. in Lakhs	Joint Managing Director Rs. in Lakhs
Salaries and Perquisites (7.5 % on Net Profit)		
As on 31.03.2020	51.00	51.00
As on 31.03.2019	52.00	55.00

43 Other Significant Disclosures**i. Disclosure pursuant to Ind AS 37, " Provisions, Contingent Liabilities and Contingent Assets"****A. Provision :**

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

Reconciliation of Provision for Doubtful Debts:

Particulars	31.03.2020 Rs. in Lakhs	31.03.2019 Rs. in Lakhs
Opening Balance	30.56	9.33
Less: Provision reversed/adjusted	0.69	-
Add: Provision made during the year	2.88	21.22
Closing Balance	32.75	30.56

B. Contingent Liabilities :

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

(a) Income Tax :

The amount of TDS outstanding as per TRACES is Rs. 0.52 lakhs (Previous year Rs. 9.28 lakhs) The Company is in the process of addressing the same for necessary rectification. The Company does not expect any outgo in this regard.

(b) Charges Payable to TANGEDCO :

The Company has entered into an Energy Wheeling Agreement on 15th December 2014 with M/s. Clarion Wind Farm Private Limited (CWFPL) to draw power approximately 3,50,000 units per month @ Rs.5.90 per unit. During the current year the company has cancelled the earlier agreement and entered into a new Energy Wheeling Agreement on 30th November 2019 with M/s. Clarion Wind Farm Private Limited (CWFPL) to draw power approximately 2,77,500 units per month @ Rs. 6.00 per unit. Tamil Nadu Generating & Distributing Corporation Limited (TANGEDCO) issued a show-cause notice directing the company to furnish documents to substantiate the company's claim that the power drawn under the Energy Wheeling Agreement is under "captive consumer status" and the "captive generator status" to CWFPL failing which a cross subsidy surcharge would be levied on the company amounting to Rs. 2,16,06,377 for the years 2014-15, 2015-16 and 2016-17.

The Company has responded to the show cause notice and submitted the necessary documents to prove its captive consumer status and also requested CWFPL to submit the necessary documents as required by the TANGEDCO to prove the Captive Generator Status. The Company has also obtained an undertaking from CWFPL vide their letter dated 26th April 2019 that the CWFPL would bear cross subsidy surcharge, if any imposed by the TANGEDCO on the Company, if the Captive Generator Plant norms are not complied with due to the default by CWFPL. In view of the undertaking by CWFPL there will not be any contingent liability on the Company, since liability if any would be borne by captive generator i.e. CWFPL.

(c) Notice from the BSE Ltd.,:

During the current year the company has received a notice from BSE Ltd., for alleged non-compliance of SEBI (LODR) Regulations 2015 regarding composition of its Board of

Directors. The Company has replied to the said notice explaining its position that the composition of the Board is in compliance with the relevant regulations. The matter is pending.

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

During the financial year 2018-19, the Company had received notices from DGFT and Customs Department for alleged non-fulfilment of export obligations for the financial year 2007-08 and 2009-10 relating to import of Capital Goods. The Company is in the process of obtaining necessary clearances from the DGFT and the Company does not foresee any liability in this regard. Further during the financial year 2019-20, the company has received notices from DGFT and Customs Department for alleged non-fulfilment of export obligations for the years 2011 and 2012 relating to import of capital goods.

ii. Disclosure pursuant to Ind AS 115:

A. Disaggregation of Revenue:

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

For the year ended 31st March	Sale of rooms and other ancillary services Rs. in Lakhs	Food & Beverages Rs. in Lakhs	Other Allied Services Rs. in Lakhs	Gym Collections Rs. in Lakhs	Franchise Income Rs. in Lakhs
Timing of Revenue Recognition					
(i) Transferred over time	2,625.17	-	-	439.13	99.19
(ii) Transferred at a point in time	-	3,247.90	317.06	-	-
Total	2,625.17	3,247.90	317.06	439.13	99.19

B. Contract Balances

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

Particulars	31.03.2020 Rs. in Lakhs	31.03.2019 Rs. in Lakhs
a) Receivables, which are included in Trade Receivables	109.74	141.74
b) Contract Assets	2.81	10.78
c) Contract Liabilities	153.72	200.54
d) Revenue recognised from opening balance of Contract Liabilities	200.54	203.83

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

The Company has applied:

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

iii. Disclosures pursuant to Ind AS 116:
A. The company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April, 2019:

Particulars	31.03.2020 Rs. in Lakhs
Operating lease commitments as at 31st March 2019 (not including Short term lease)	454.99
Lease Liabilities as on 01st April 2019 (Discounted using the lessee's incremental borrowing rate of at the date of initial application)	348.59
Of which are:	
- Current lease liabilities	92.42
- Non-current lease liabilities	256.17
Right of Use Assets as on 01st April 2019 (measured at the amount equal to the lease liability)	348.59

B. The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows:

Particulars	31.03.2020 Rs. in Lakhs
Increase in lease liability by	260.21
Increase in rights of use assets by	241.02
Increase in finance cost by	34.43
Increase in depreciation by	109.76
Increase in short term lease	71.53
Decrease in Rent expenses	192.59

C. Movement of Right of Use Assets:

Particulars	Land and Building Rs. in Lakhs
As at 01st April 2019	348.59
Additions	1.49
Depreciation	(109.76)
Effect of modification to lease terms	0.70
As at 31st March 2020	241.02

D. Movement of Lease Liabilities:

Particulars	Land and Building Rs. in Lakhs
As at 01st April 2019	348.59
Additions	1.49
Interest expense	34.43
Effect of modification to lease terms	0.70
Variable lease payment adjustment	(4.16)
Lease payments	(120.83)
As at 31st March 2020	260.21

E. Maturity analysis of Lease Liabilities:

Particulars	31.03.2020 Rs. in Lakhs
Less than one year	95.01
One to five years	202.68
More than five years	33.04
Total undiscounted lease liabilities at 31st March 2020	330.73
Lease Liabilities included in the balance sheet at 31st March 2020	
Current	68.80
Non-Current	191.42

F. Amount recognised in Statement of Profit and Loss for the year ended 31st March 2020:

Particulars	31.03.2020 Rs. in Lakhs
Interest on Lease Liabilities	34.43
"Variable lease payments not included in the measurement of Lease Liabilities"	4.16
Expenses relating to short-term leases	14.39
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	-

G. Amounts recognised in the statement of cash flows for the year ended 31st March 2020:

Particulars	31.03.2020 Rs. in Lakhs
Total cash outflow for leases	(120.83)

iv. Commitments

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Estimated amount of contracts remaining to be executed and not provided for		
(i) On Capital Account	-	-
(ii) Other than (i) above	-	-
Total	-	-

v. CSR Activities

Particulars	31.03.2020 ₹ In lakhs	31.03.2019 ₹ In lakhs
Gross amount to be spent on CSR activities	15.70	16.51
Amount spent during the year on CSR activities -	-	-
Education	8.03	15.65
Environmental Sustainability	5.91	1.12
Protection of Art and Culture	0.50	-
Promotion of Gender Equality	2.15	-
Flood relief	-	6.00
Healthcare	1.00	-
	17.59	22.77
Amount unspent	-	-

vi. Exceptional Items

Exceptional items of the financial year 2019-20 represents Rs. 22.59 lakhs, being loss on Compulsory Acquisition of Land at Oragadam.

vii. Segment Reporting

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

viii Impact due to the Corona Virus (Covid-19) scare:

The Company's operations has been severely impacted by the outbreak of COVID-19 pandemic towards the end of the year. The Company's hotel and restaurants have been closed from day one of the first lock down (in March 2020) announced by the Central/ State Governments, except for housing guests who are at the hotel on the date of announcement of the lock down. This position continues even today and is expected to continue till detailed guidelines are issued by the government for reopening. The lockdown has had a massive cascading effect with essentially zero revenues while having to bear with fixed costs with a ripple effect on the Company's other operations such as restaurants, gyms, spa etc. The Company has taken steps to meet its working capital demands and is also planning to take steps for cost optimisation at operational levels once the lockdown is lifted and the operations commence. From a financial perspective, the Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of its assets. For this purpose, the Company has considered internal and external sources of information up to the date of approval of the Financial Results. Based on the current estimates, the Company does not expect any significant impact on such carrying values. However, the actual impact of COVID-19 on the Company's financial position may differ from that estimated as at the date of approval of Financial Results.

ix. Figures are rounded off to nearest thousand.

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

As per our attached Report of even date
 For S. VENKATRAM & CO. LLP
 Chartered Accountants
 Firm Regd No.004656S/ S200095
 (S. Sundarraman)
 Partner
 M.No : 201028
 Place : Chennai
 Date: 29th June, 2020

For and on behalf of the Board

A. Ravikumar Reddy
 Managing Director (DIN : 00145372)

 N.S. Mohan
 Company Secretary

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

 CH Mahesh Kumar
 Chief Financial Officer



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