



25th Annual Report
2017-18

Corporate Information

Board of Directors

Mr. R S Sampath (Chairman)
Mr. Sridhar Chelikani
Wg Cdr A B Bhushan (Retd)
Mr. R Ravi
Mrs. R Renuka
Mr. Murty Gudipati (Executive Director and CEO)

Company Secretary

Ms. Jayanthi P

Chief Financial Officer

Mr. S. Mohan Rao

Statutory Auditor

Suryanarayana & Suresh
Chartered Accountants
8-2-601/B, Flat # C2, Road No. 10,
Mellenium House, Near Zaheer Nagar X Road,
Banjara Hills, Hyderabad - 500 034

Internal Auditor

Nandyala & Associates
H.No. 8-3-167/A/52, 2nd Floor, Vikaspuri,
S.R.Nagar (Post), Hyderabad - 500038

Registered Office

No.302, My Home Sarovar Plaza,
5-9-22, Secretariat Road,
Hyderabad - 500 063.
Telangana, INDIA.
CIN: L72200TG1993PLC015737

Registrar and Share Transfer Agents

XL Softech Systems Ltd.
3, Sagar Society, Road No.2,
Banjara Hills, Hyderabad - 500 034.

Bankers

IndusInd Bank Limited
HDFC Bank
Andhra Bank
State Bank of India

Secretarial Auditor

Mr. S Chidambaram
Company Secretary in Practice
Flat No.4A, Sampathji Apartments,
6-3-85510/A, Saddat Manzil, Ameerpet,
Hyderabad - 500016

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BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report of Saven Technologies Limited together with the audited financial statements for the year ended March 31, 2018. The financial results of the Company are as follows:

1. Financial Results

The Company's financial performance for the year ended March 31, 2018 is summarised below:

(Rs. In Lakhs)

	2017-18	2016-17
Revenue from Operations	839.51	983.21
Operating expenditure	746.62	793.36
Earnings before interest, tax, depreciation and amortization (EBITDA)	92.89	189.85
Other income	145.94	102.32
Finance costs	--	--
Depreciation and amortization expense	33.02	32.72
Profit before tax (PBT)	205.81	259.45
Tax expense	51.94	82.65
Profit for the year (PAT)	153.87	176.80
Other Comprehensive Income	33.99	42.06
Total Comprehensive Income for the year	187.86	218.86
Balance brought forward from previous year	244.76	74.61
Depreciation Reserve	--	--
Amount available for appropriation	432.62	293.47
Dividend	--	--
Deemed dividend Tax on Reduction of Share Capital	(161.79)	--
Balance carried to balance sheet	1057.16	1079.81

2. Financials of the Company

The total revenue of the Company for the year ended March 31, 2018 was Rs. 985.45 lakhs as compared to Rs.1085.53 lakhs for the previous year. Revenue from operations was Rs. 839.51 lakhs as compared to Rs. 983.21 lakhs for the previous year. Other income was Rs. 145.94 lakhs compared to Rs. 102.32 lakhs for the previous year. The profit before Tax for the year was Rs. 205.81 lakhs as compared to Rs.259.45 lakhs for the previous year. The profit after Tax for the year was Rs. 153.87 lakhs as compared to Rs. 176.80 lakhs in the previous year. The total Comprehensive Income for the year was Rs. 187.86 lakhs as compared to Rs. 218.86 lakhs in the previous year.

Accounting Treatment

As per the provisions of Companies Act, 2013 read with rules made thereunder, the company has implemented the Indian Accounting Standards for preparing the Financial Statements from the Financial Year 2017-18.

3. Share Capital**Reduction of Share Capital**

During the financial year under review, the Hon'ble National Company Law Tribunal, Hyderabad approved the Reduction of Share Capital of the company pursuant to which the Equity Share Capital of Saven Technologies Limited will be Rs.1,08,78,748/- (Rupees One Crore Eight Lakhs Seventy Eight Thousand Seven Hundred and Forty Eight only) divided into 1,08,78,748 equity shares of Re.1/- (Rupees One only) each, reduced from Rs.10,87,87,480/- (Rupees Ten Crores Eighty Seven Lakhs Eighty Seven Thousand Four Hundred and Eighty only) comprising of 1,08,78,748 equity shares of Rs.10/- each.

There was no change in the total number of shares before and after the Reduction of Share Capital. The face value of Rs.10/- was reduced to Re.1/- and Rs.9/- was returned to the shareholders who held shares as on the Record date i.e., 20th March, 2018. The old share certificates with face value of Rs.10/- were cancelled and new share certificates with Re.1/- were dispatched to the shareholders who were holding shares in physical form as on the record date and for the shareholders who held shares in dematerialized form the shares with Re.1/- was credited to their accounts. In connection with this corporate action the trading was suspended in BSE Limited with effect from 19th March, 2018 and resumed on 30th July, 2018.

4. Material Changes and Commitments if any affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There are no material changes and commitments affecting the financial position of the Company.

5. Transfer To Reserves

The company had at the beginning of the financial year an amount of Rs.550 lakhs in the General Reserve. During the financial year 2017-18 the company did not transfer any amount to Reserves.

6. Dividend

Your Directors considered it prudent to conserve the resources of the Company and as such have not recommended any dividend for the current financial year.

7. Particulars of Loans, Guarantees or Investments

The company has not given any loan or guarantee covered under the provisions of section 186 of the Companies Act, 2013 (Act). The details of the investments made by the company are given in the notes to the financial statements.

8. Internal Financial Control Systems and Their Adequacy

The Company has adequate system of internal controls to safeguard and protect from loss, unauthorised use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for proper maintenance of books of accounts and for financial reporting.

9. Related Party Transactions

The transactions with related parties are in ordinary course of business and at arm's length. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 is given in Annexure-1 in Form AOC-2 and the same forms part of this report.

10. Fixed Deposits

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

11. Change in the Nature of Business, if any

There is no material change in the nature of business affecting the financial position of the Company for the year ended March 31, 2018.

12. Joint Venture

Your directors had already communicated in the previous year's Board's Report that Penrillian Limited, a joint venture of your company in UK, had commenced the process of Creditors Voluntary Liquidation in the month of May 2017. The company was dissolved on 18th July, 2018 as per the records of Companies House UK.

13. Subsidiary Company

The company does not have any subsidiary.

14. Directors and Key Managerial Personnel

During the financial year 2017-18, Mr. Nrupender Rao ceased to be Director and Chairman with effect from 25th January, 2018. Mr. R S Sampath, Non-executive Independent Director, was appointed as Chairman with effect from 01st February, 2018.

Mr. Sridhar Chelikani retires as Director by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

Mr. Murty Gudipati, was re-appointed as Executive Director and CEO of the Company for a period commencing from August 14, 2015 to March 31, 2018 at the Annual General Meeting held on 17th August, 2015. As his term expired on 31st March, 2018, the Board has proposed for his re-appointment with effect from 01st April, 2018 to 31st March, 2021, subject to the approval of members in the ensuing Annual General Meeting of the company.

Mr. R S Sampath, Independent Director was appointed at 21st Annual General Meeting held on 22nd September, 2014 for a period of four years upto 30th September, 2018. As per the evaluation made by the Nomination and Remuneration Committee and the Board of Directors of the Company, the Board of Directors have proposed to extend the term of appointment of Mr. R S Sampath as Independent Director for second term of five years commencing with effect from 01.10.2018 after, considering his experience, knowledge, skills and familiarity with the company.

Mr. Avula Bharat Bhushan, Independent Director was appointed at 21st Annual General Meeting held on 22nd September, 2014 for a period of four years upto 30th September, 2018. As per the evaluation made by the Nomination and Remuneration Committee and the Board of Directors of the Company, the Board of Directors have proposed to extend the term of appointment of Mr. Avula Bharat Bhushan as Independent Director for second term of five years commencing with effect from 01.10.2018 after, considering his experience, knowledge, skills and familiarity with the company.

For the perusal of the shareholders, a brief resume of the Directors being re-appointed along with necessary particulars is given in the explanatory statement to the notice.

Statement on the declaration given by the Independent Directors as per Section 149(6)

The company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he /she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. Policy on Directors' Appointment and Remuneration and Other Details

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and fixing their remuneration pursuant to the provisions of Section 178 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Salient features of the Policy are set out in the Corporate Governance Report and also posted on the website of the company www.saven.in

16. Number of Meetings of the Board

Eight meetings of the Board were held during the year. The details pertaining to board meetings are included in the Corporate Governance Report, which forms part of this report.

17. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out an annual performance evaluation of its own performance, the Directors as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders' Relationship Committees. Independent Directors carried out a separate evaluation on the performance of Chairman and non Independent directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

18. Audit Committee

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

19. Auditors**Statutory Auditors**

At the Annual General Meeting (AGM) held on September, 25, 2017, M/s. Suryanarayana and Suresh., Chartered Accountants, Hyderabad, were appointed as Statutory Auditors of the company to hold office till conclusion of the AGM to be held in the calendar year 2022. Pursuant to the provisions of applicable provisions of Companies (Amendment) Act, 2017, read with the Companies (Audit and Auditors) Second Amendment Rules, 2018 effective from 7th May 2018, the provisions related to ratification of appointment of auditors by the members of the company, in every annual general meeting till the sixth such meeting by way of passing of an ordinary resolution, is omitted.

There were no qualifications, reservation or adverse remark in the Audit Report for the Financial Year ended 31st March, 2018.

Secretarial Audit

Mr. S Chidambaram, Company Secretary in Practice, Hyderabad, was appointed to undertake the Secretarial Audit of the Company for the Financial Year 2017-18. There were no qualifications, reservation or adverse remark(s) in the Audit Report for the Financial Year ended 31st March, 2018. The Secretarial Audit Report is given in Annexure-2.

20. Directors' Responsibility Statement

In terms of Section 134(5) of the Companies Act 2013, your Directors would like to state that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors 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 ended March 31, 2018 and the profit of the Company for that financial year;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the Annual Accounts on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government-NIL**22. Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo**

Conservation of Energy:

The nature of the Company's operations requires a low level of energy consumption.

Research and Development (R&D):

The Company continues to look at opportunities in the areas of research and development in its present range of activities.

Technology Absorption:

The Company continues to use the latest technologies for improving the productivity and quality of its services and products. The Company has not imported any technology during the year.

Foreign Exchange Earnings and Outgo:

Foreign Exchange earned by the Company as on March 31, 2018 was Rs. 972.88 lakhs and as on March 31, 2017

was Rs. 901.17 lakhs. The Foreign Exchange outgo for the company as on March 31, 2018 was NIL and as on March 31, 2017 was Rs. 4.73 lakhs.

23. Particulars of Employees

(a) The information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure-3.

(b) Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments made thereunder, during the year under review, none of the employees of the Company employed throughout the financial year, was in receipt of remuneration for the year which, in the aggregate, was not less than one crore and two lakh rupees; none of the employees of the Company employed for a part of the financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month; none of the employees of the Company employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

24. Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 are given in Annexure-4. The web address, where annual return referred to in sub-section (3) of section 92 has been placed is www.saven.in.

25. Risk Management

Pursuant to section 134 (3) (n) of the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the company has formulated a policy on risk management. At present the company has not identified any element of risk which may threaten the existence of the company.

26. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company has established a Whistle Blower Policy to deal with instance(s) of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company <http://www.saven.in/documents/results/2014-15/Whistle-blower-policy.pdf>.

27. Corporate Social Responsibility (CSR)

The provisions relating to Corporate Social Responsibility under the Companies Act, 2013 do not apply to the company.

28. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements 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, temporary, trainees) are covered under this policy.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

29. The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

In terms of sub rule 5(vii) of Rule 8 of Companies (Accounts) Rules, 2014, there are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

30. Management Discussion & Analysis and Corporate Governance

The "Management Discussion and Analysis Report" highlighting the industry structure and developments,

opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this Board's Report.

As per the requirements of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance duly audited is annexed for information of the Members.

31. Acknowledgments

Your Directors thank the investors, bankers, clients and vendors for their continued support. Your Directors place on record their appreciation of the valuable contribution made by the employees at all levels.

Place : Hyderabad
Date : August 8, 2018

For and on behalf of the Board
R S Sampath
Chairman
DIN:00063633

Annexure - 1

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis

Saven Technologies Ltd has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2017-18.

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

- a. Name(s) of the related party and nature of relationship : Common Director
Medha Services. Inc.,USA,
- b. Nature of contracts / arrangements / transactions: IT Services
- c. Duration of the contracts / arrangements / transactions: One year, to be renewed on consent of both the parties for further period.
- d. Salient terms of the contracts or arrangements or transactions including the value, if any:
Saven Technologies Ltd shall (i) provide IT services to the existing and new clients of Medha Services, Inc. (ii) diligently perform the contract in timely manner and provide services in accordance with the agreement issued by Medha Services, Inc.
- e. Date(s) of approval by the Board, if any: Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
- f. Amount paid as advances, if any: Nil

Place : Hyderabad
Date : August 8, 2018

For and on behalf of the Board
R S Sampath
Chairman
DIN:00063633

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To,
The Members,
Saven Technologies Limited
(CIN: L72200TG1993PLC015737)
302, My Home Sarovar Plaza,
5-9-22 Secretariat Road,
Hyderabad - 500063, Telangana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Saven Technologies Limited. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided and declarations made by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2013;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- iii) Information Technology Act 2000; Information Technology (Amendment) Act 2008 & Rules for the Information Technology Act 2000.

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

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

During the year under review Mr. J. Nrupender Rao (Non-Executive Director) Resigned as Director and Chairman from the Company w.e.f 25.01.2018. The Board of Directors has elected Mr. R.S Sampath (Independent Director) as Chairman of the Board w.e.f. 01.02.2018.

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.

Majority decision is carried through and no members has dissented any of the Resolutions.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review, the Company has received the Order from National Company law Tribunal, Hyderabad Bench on 08th January, 2018 for Reduction of Share Capital.

Place: Hyderabad
Date: 08.08.2018

Signature:

S. Chidambaram
Practicing Company Secretary
FCS No. 3935
C P No: 2286

To
The Members of
Saven Technologies Limited
Hyderabad.

My Secretarial Audit Report of even date is to be read along with this letter.

- 1 The maintenance of Secretarial records is the responsibility of the Management of the Company. Further, the Company is also responsible for devising proper systems and process to ensure the compliance of the various statutory requirements and Governance systems.
- 2 It is the responsibility of the Management of the Company to ensure that the systems and process devised for operating effectively and efficiently.
- 3 My responsibility is to express an opinion on these secretarial records based on my audit.
- 4 I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices followed provide a reasonable basis for my opinion.
- 5 Wherever required, I have obtained the Management representations about the compliance of laws, rules and regulations and happening of events etc.
- 6 The Compliance of the provisions of other applicable laws, rules and regulations is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
- 7 The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad
Date: 08.08.2018

Signature:

S. Chidambaram
Practicing Company Secretary
FCS No. 3935
C P No: 2286