



Board of Directors at AGM 2008



Shareholders at 2008 AGM



Shareholder at 2008 AGM



AGM 2008

Staff Children
Educational Scholarship



Best Employee Award



Womens Day Celebrations at Savera



Employees Birthday Cake Cutting





Blood Donation Camp at Savera



First Aid Training by St. Johns



Employee Training Session



Duchess Car Rally Celebrations

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BOARD OF DIRECTORS

Sri. A. Ravikumar Reddy	–	Managing Director
Smt. A. Nina Reddy	–	Executive Director (Operations)
Sri. A. Rajaratnam	–	Director
Sri. M. Chakravarthy	–	Director
Sri. G. Sitharaman	–	Director
Sri. A. Sudhakar Reddy	–	Director
Sri. B. Ranga Reddy	–	Director
Sri. A. Tarun Reddy	–	Director
Ms. A. Nivruti Reddy	–	Director
 Sri. M. Chakrapani	 –	 Company Secretary & Manager - Finance

CORPORATE INFORMATION

Registered Office	:	No.146, Dr. Radhakrishnan Road Mylapore, Chennai - 600 004, Tamilnadu
Branches	:	Walnut Hotel, Mehdiapatnam, Hyderabad Banjara Hills, Hyderabad
Bankers	:	Central Bank of India Indian Overseas Bank South Indian Bank Limited State Bank of Hyderabad State Bank of Mysore
Auditors	:	M/s. D.A. Reddy & Co. Chartered Accountants 'Audi Nivas' No.8, Kannaiah Street, T.Nagar Chennai - 600 017.
Savera Brands	:	O2 Health Studio Minar Restaurant Piano Restaurant Sparks Bar Bamboo Bar Body Lyrics

NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of Savera Industries Limited will be held on the 30th September 2009 at Kasthuri Srinivasan Hall, Music Academy, # 168. Music Academy, Chennai – 600014 Tamilnadu at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the year ended 31st March 2009, along with the Report of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in the place of Sri. S. Rajaratnam who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Sri. A. Sudhakar Reddy who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in the place of Sri. A. Tarun Reddy who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors M/s. D.A. Reddy & Co., Chartered Accountants, Chennai to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**.

“RESOLVED THAT in accordance with the provision of Section 198, 269, 309 read with Schedule XIII and other applicable provisions if any, of the Companies Act 1956, the company is hereby accorded to the appointment of Smt. A. Nina Reddy, as Executive Director (Operations) of the company for a period of 5 years with effect from 28th October 2008 and her remuneration is as set out hereunder”.

Salary and Perquisites

Sl. No.	Particulars	Remuneration
(a)	Basic Pay	Rs.60,000/-
(b)	Housing	Company provided accommodation upto 60% of the Basic Pay.
(c)	Contribution to Provident Fund	As per company rules
(d)	Gratuity	As per company rules

(e)	Encashment of Leave	As per company rules
(f)	Medical Reimbursement	Expenses incurred for ED and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years
(g)	Car	Provision of Car for office use
(h)	Telephone	Reimbursement/payment of telephone bills for official calls.

7. To consider and, if thought fit, to pass with or without modification the following resolution(s) as an **ORDINARY RESOLUTION**.

"RESOLVED THAT in accordance with the provision of Sections 198, 269, 309 read with schedule XIII and other applicable provisions, if any, of the Companies Act 1956, the company is hereby accorded to the re-appointment of Sri. A. Ravikumar Reddy, as Managing Director of the company for a period of 5 years with effect from 1st February 2009 and his Remuneration is as set out hereunder".

Salary and Perquisites

Sl. No	Particulars	Remuneration
(a)	Basic Pay	Rs.60,000/-
(b)	Housing	Company provided accommodation upto 60% of the Basic Pay
(c)	Contribution to Provident Fund	As per company rules
(d)	Gratuity	As per company rules
(e)	Encashment of Leave	As per company rules
(f)	Medical Reimbursement	Expenses incurred for MD and family subject to a ceiling of one month salary in a year or 3 months salary over a period of 3 years
(g)	Car	Provision of Car for office use
(h)	Telephone	Reimbursement/payment of telephone bills for official calls.

By order of the Board

Place : Chennai
Date : 30.06.2009

(M. Chakrapani)
Company Secretary & Manager- Finance

NOTES

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- b) The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business as set out above is annexed herewith.
- c) Members / Proxies are requested to bring the Annual Report and Attendance Slip sent herewith duly filled to the meeting (Members holding shares in Demat form are requested to bring their client ID and DP ID numbers for easy identification of attendance).
- d) As per the provision of Section 109A of Companies Act 1956, a shareholder is entitled to nominate a person for the shareholdings in the company. Nomination forms can be obtained from the Registered Office of the Company.
- e) The Register of Members and Share Transfer Books will remain closed from 25th Sept. 2009 to 30th Sept. 2009 (both days inclusive).
- f) The Dividend, if declared, will be paid to those shareholders whose names will appear in the Register as Shareholders at the close as business on 30.09.2009.
- g) Members are requested to intimate the change of address, Bank Mandate with full particulars, if any.
- h) Pursuant to the provisions of Section 205 A (5) of the Companies Act, 1956, as amended, dividend for the years as detailed below remain unclaimed for a period of 7 years from the date of transfer to the unclaimed dividend account; will be transferred to the Investor Education and Protection Fund (IEP Fund) of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far are requested to make their claim to the Secretarial Department at No. 146 Dr. Radhakrishnan Road, Chennai 600 004. It may also be noted that once the unclaimed dividend is transferred to the IEP Fund as stated above, no claim can be made by the Shareholders of the Company.

Information in respect of such unclaimed dividend when due for transfer to the Investor Education & Protection Fund is given below:

Financial Year ended	Date of Declaration of Dividend	Last date for claiming unpaid dividend
2004-05	21.09.2005	20.10.2012
2005-06	20.09.2006	19.09.2013
2006-07	19.09.2007	18.09.2014
2007-08	27.09.2008	26.09.2015

By order of the Board

Place : Chennai
Date : 30.06.2009

(M. Chakrapani)
Company Secretary & Manager- Finance

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No.6

Smt. A. Nina Reddy was appointed as a Executive Director (Operations) of the Company at the Annual General Meeting held on 4th September, 2004. The Board of Directors of the Company at their meeting held on 28th January 2009 has re-appointed Smt. A. Nina Reddy, as Executive Director (Operation) for a further period of five years with effect from 28th October 2008. The terms of reappointment are in conformity with the Companies Act 1956 and as recommended by the Remuneration Committee of the Company.

Sri A. Ravikumar Reddy, Ms. A Nivruti Reddy, and Smt. A. Nina Reddy are deemed to be concerned or interested in the resolution set out under item No.6.

The Board recommends this Resolution for your approval.

Item No.7

Sri. A. Ravikumar Reddy was appointed as Managing Director of the Company in the Annual General Meeting held on 4th September 2004 for a period of five (5) years with effect from 1st Feb. 2004. The Board of Directors of the Company at their meeting held on 28th January 2009 has re-appointed Sri A. Ravikumar Reddy, as Managing Director of the Company for a further period of five years with effect from 1st February 2009. The terms of reappointment are in conformity with the Companies Act 1956 and as recommended by the Remuneration Committee of the Company.

Sri. A. Ravikumar Reddy, Smt. A. Nina Reddy and Sri A. Tarun Reddy are deemed to be concerned or interested in the resolution set out under item No.7.

The Board recommends the Resolution for your approval.

As required under Clause 49 (VI) of the Listing agreement with Stock Exchange, given below are the details of the Directors seeking re-appointment.

At this 40th Annual General Meeting of the Company, Sri S. Rajaratnam Sri A. Sudhakar Reddy, and Sri A. Tarun Reddy retire by rotation and being eligible, offered themselves for re-appointment.

SRI. S. RAJARATNAM

Sri. S. Rajaratnam MA, LL.M, FICWA, an advocate and an eminent tax expert and is having wide experience in Income Tax matters. He is on the board since March 1996.

Sri. S. Rajaratnam is also a director in 1) Vishwapriya Gold Hire Purchase Ltd., 2) Viswapriya Financial Services Securities Ltd., 3) Shriram Asset Management Co. Ltd., 4) Mepco Industries Ltd. 5) Vibgyor Graphics & Research Centre Ltd. 6) Periyar Technology Business Incubator



Sri. S. Rajaratnam is a member of Audit Committee and Remuneration Committee.

Sri. S. Rajaratnam is holding 1000 shares of the company.

SRI. A. SUDHAKAR REDDY

Sri. A. Sudhakar Reddy is a Graduate and having rich experience in hoteleering business for more than 2 decades. He is on the board since January 2008. He is also a Director in Savera Hotels & Resorts Ltd.,

Sri. A. Sudhakar Reddy is a member of Audit Committee, Remuneration Committee and he chairs the Investors Grievances Committee.

Sri. A. Sudhakar Reddy is holding 290 shares of the company.

SRI. A. TARUN REDDY

Sri. A.Tarun Reddy is an up coming Engineer and have a rich exposure in hotel industry for more than 6 years. He is a dynamic and innovative executive. He is in our Board since Jan 2004.

Sri. A. Tarun Reddy is also a Director Amaravathi Restaurants (P) Ltd

Sri. A.Tarun Reddy is a member of Investors Grievance Committee.

Sri. A. Tarun Reddy is holding 97,050 shares of the company.

REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure to present the 40th Annual Report of the Company together with the audited accounts for the year ended 31st March 2009.

FINANCIAL RESULTS

Particulars	(Rs in Lakhs)	
	For the Year Ended	
	31.03.2009	31.03.2008
Profit before tax for the year	334.73	941.76
Less: Provision for Income Tax for the Current year	243.47	330.79
Profit After tax	91.26	610.97
Profit Brought Forward	879.37	549.60
Profit available for Appropriation	970.63	1,160.56
Transferred to General Reserve	—	141.64
Dividend and Dividend Tax	69.78	139.55
Profit carried forward to next year	900.85	879.37

COMPANY PERFORMANCE

This year the company's total income from operations is Rs. 3,939.38 lakhs as compared to the previous year Rs.4,540.31 lakhs registering a reduction of 13.24 %.

The above reduction indicates the recessionary trends in the economy which has affected the flow of tourists and reduction in the travel by Corporates in India.

DIVIDEND

Your Directors are pleased to recommend a dividend of Re.1.00 per equity share in respect of the year ended 31st March, 2009.

INDUSTRY SCENARIO, RISK FACTORS AND FUTURE OUTLOOK

Post Mumbai terrorist attack combined with the global slowdown have severely impacted the bottom line of the Indian hospitality sector to the extent of **64 per cent during January–March 2009**, as per the analysis carried out by The Associated Chamber of Commerce and Industry of India (ASSOCHAM **Thursday, June 04, 2009**). While on the one hand the inflow of foreign tourists came down sharply and the room rates shrank, there has been a rise in expenses simultaneously. The analysis was carried out on the basis of profitability and cost parameters of hotels on the quarterly results of the hotel companies listed on the BSE (from 1st April-25th May 2009).

On the other hand, the rapid pace of expansion in hospitality sector of India raised the interest cost borne by Indian hotel industry. The borrowing cost of the hotels went up by 51.65 per cent in fourth quarter of FY '09, while the total income decreased by 4.47 per cent during the period. Total income of such hotels, which included from operation and other also, registered average decline by 4.47 per cent in Q4 FY '09 as compared to the Q3 FY '09. The income from sales also showed the average decline by 4.63 per cent during Q4 FY '09.

Performance Analysis of Hotel Industry

Parameters	Percent Change
Income from Operation	-4.63
Total Income	-4.47
Employee Cost	7.47
Fuel, Power and Light	11.28
Total Expenditure	19.84
Interest	51.65
Net Profit	-64.80

[Source: Corporate Announces for the fiscal 2008-09]

Despite the decline in income top line and bottom line, the cost of hotel industry went up by 20 per cent during Q4 FY '09 as compared to the Q3 FY '09. The employee cost of hotels also registered a rise in the total expenditure during the period. The employee cost of hotels rose by average 7.47 per cent in Q4 FY '09 as compared to Q3 FY '09. The cost of power, fuel & light increased by 11.28 per cent in Q4 FY '09 as compared to the Q3 FY '09.

One of the key challenges facing the hospitality sector is the high rate of taxes. In Delhi, for instance, there is a 12.5 per cent luxury tax as well as a 12.5 per cent VAT on food and beverages. Hit by the double whammy of reduced tourist inflow and a slide in the average room revenue, owners of hotels and restaurants have demanded a waiver of certain taxes and a cut in the rates of some taxes and duties. In certain States, the Luxury Tax has been reduced but still the Tamilnadu Government retains the Luxury Tax at a very high Rate @12.50% on the Published Tariff instead of the actual rate collected from the Customer.

India's hotel industry is pressing for inclusion of hotels in the infrastructure sector category, enabling easier and cheaper access to bank loans. But this has not been done so far.

Considering the above issues, the Company is carefully analysing the present scenario and the future outlook of the company in respect of its revenues. The company has taken many measures to control the costs and reduction in investments, closing the unviable units at Madurai, Hyderabad etc. Based on the above measures, the company is hopeful to withstand its hold in the Industry



in this critical situation. The company is also hopeful that the recessionary trend will not hit the country for a longer time and will recover soon on the revenues side.

SUBSIDIARY COMPANIES

The company is having two subsidiary companies (1) M/s. Elkhill Agrotech (P) Ltd., & M/s. Savera Hotels & Resorts Ltd. In terms of approval from the Ministry of Corporate Affairs, Govt. of India vide their Letter No. 47/221/2009/CL-III dated 26.08.2009 exempting from publication of the accounts of its subsidiary under the provisions of Section 212 of the Companies Act, 1956 for the Financial year 2008-09, the accounts of the subsidiary company M/s. Elkhill Agrotech (P) Ltd., & M/s. Savera Hotels & Resorts Ltd., are not appended to the Annual Report. However the consolidated financial statement of its subsidiary along with other required details as directed and in compliance with Accounting Standard 21 of the ICAI, duly audited by the Statutory Auditors forms part of the Annual Report. The Financial statement of the subsidiary company and other related detailed information are available for inspection by any investors at the office of the Company Secretary and at the office of the Subsidiary Companies.

DIRECTORS

In accordance with provisions of the Companies Act 1956 and the Articles of Association of the Company, three of your Directors Sri. S. Rajaratnam, Sri. A. Sudhakar Reddy and Sri. A. Tarun Reddy retire by rotation and are eligible for re-appointment. The retiring directors offer themselves for re-appointment as Directors in the Company.

AUDITORS

The Auditors, M/s. D.A. Reddy & Co., Chartered Accountants, Chennai retire at this Annual General Meeting and are recommended for re-appointment.

FIXED DEPOSIT

The Company has not accepted any Fixed Deposits under Section 58A of the Companies Act, 1956 during the year.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance is annexed herewith this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant Section 217 (2AA) of the Act, your Directors' confirm the following.

- a) That in the preparation of the Annual Accounts for the year ended 31st March 2009 the applicable accounting standards have been followed along with proper explanation relating to material departures.

- b) That the Directors' have selected such accounting policies and applied them consistently and made judgements 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 financial year and of the profit or loss of the Company for that period.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors' have prepared the annual accounts on a going concern basis.

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

The information required under Sec. 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of Board Directors) Rules 1988 is furnished hereunder:

- a) Constant efforts are being made to optimise the consumption of Electricity, Diesel, Petrol and Cooking Gas etc. Energy Audits are conducted periodically at different centres of the Hotel and the suggestions are being implemented as a continuous process.

The State Government of Tamilnadu has imposed energy cut in the H.T. Industries in Tamilnadu from 01.11.2008. The company has invited this measure and is trying to reduce the consumption of the energy as prescribed by the Government by adopting different energy control measures without affecting the satisfaction of the customer.

- b) Hotel being a service industry, technology absorption, transfer etc. are not applicable.

However, the Air Conditioning, Generator etc requires Upgradation with latest Technology in the Hotel Industry. Since the upgrading cost is expected to be higher and requires huge investment, the company is looking forward to fund the same as and when the funds are in surplus.

- c) Earnings in convertible Foreign Exchange for the year amounted to Rs.211.49 Lakhs for the services rendered to Foreign Tourist (Previous year Rs.450.08 lakhs). Expenditure in Foreign Currency is Rs.31.95 lakhs (Previous year Rs.81.85 lakhs).
- d) Constant efforts are made to upgrade the hotel to attract foreign customers.

INFORMATION ON EMPLOYEES UNDER SECTION 217(2)(a) OF THE COMPANIES ACT, 1956

The particulars of employees who were in receipt of a remuneration of Rs.24 Lakhs or more per annum; if employed throughout the year or Rs.2 Lakhs or more if employed for any part of the year are Nil.



RELATIONSHIP WITH EMPLOYEES

Your Directors wish to place on record their appreciation for the good services rendered by the employees at all levels of the company. Your Directors also wish to place their appreciation for the support given by the Savera Hotel Employees Union during the year under review.

ACKNOWLEDGEMENTS

The Board of Directors take this opportunity to express their gratitude to Central Bank of India, The South Indian Bank Ltd., State Bank of Hyderabad, Indian Overseas Bank, and State Bank of Mysore for extending their financial support. They further express their gratitude to the State Governments and Central Government of India for their guidance and support.

For and on behalf of the Board of Directors

Place : Chennai
Date : 30.06.2009

A.Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director (Operations)

REPORT ON CORPORATE GOVERNANCE

(ANNEXURE TO THE REPORT OF THE DIRECTORS)

Corporate Governance is the ethical business tradition which has been practiced over the past four decades by Savera. The Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. The Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

The Board of Directors are all experienced and eminent personnel and the pivotal role is performed by them. The Board has constituted committees like Audit Committee, Investor Grievance Committee, Share Transfer Committee and Remuneration Committee to look into relevant aspects of specialised area. The company reports the following compliance of Corporate Governance for the financial year 2008-09.

1. Board of Directors

The composition of the Board is broad based and comprises of individual from management, technical and financial fields and details of directors are:

Sl. No.	Name of the Directors	Category of Director	Directorship in Listed Companies	Directorship in other Companies
1	Mr. A. Ravikumar Reddy	Promoter – Executive	1	6
2	Ms. A. Nina Reddy	Promoter – Executive	1	6
3	Mr. S. Rajaratnam	Independent – Non Executive	1	6
4	Mr. M. Chakravarthy	Independent - Non Executive	1	2
5	Mr. A. Tarun Reddy	Promoter - Non Executive	1	1
6	Ms. A. Nivruthi	Promoter - Non Executive	1	1
7	Mr. A. Sudhakar Reddy	Independent – Non Executive	1	-
8	Mr. B. Ranga Reddy	Independent – Non Executive	1	-
9	Mr. G. Sitharaman	Independent – Non Executive	1	-

Attendance of Directors at the Board Meeting held during financial year 2008-09 and last AGM are:

Sl. No.	Name of the Directors	No. of meeting held	No. of meeting attended	Last AGM Present
1	Mr. A. Ravikumar Reddy	6	6	Yes
2	Mr. S. Rajaratnam	6	6	Yes
3	Mr. M. Chakravarthy	6	6	Yes
4	Ms. A. Nina Reddy	6	6	Yes
5	Mr. A. Tarun Reddy	6	5	Yes
6	Ms. A. Nivruthi	6	3	Yes
7	Mr. A. Sudhakar Reddy	6	5	Yes
8	Mr. B. Ranga Reddy	6	5	Yes
9	Mr. G. Sitharaman	6	5	Yes

Note: Mr. A. Sudhakar Reddy, Mr. B. Ranga Reddy and Mr. G. Sitharaman were inducted at the Board Meeting held on 06.06.2008. Hence they attended all the meetings since they were inducted.

2. Board Meetings

The Board of the Company has also the various specialised committees constituted by it, has held 16 meetings including 6 meetings of the Board during the financial year 2008-09. The required information is circulated to the Directors, including the non-executive directors who have actively participated in the deliberations of the board. The maximum interval between any two board meetings on an average was 2 months. The board of the company had 6 meetings during the financial year 2008-09 on 30.04.2008, 06.06.2008, 28.07.2008, 08.08.2008, 29.10.2008 and 28.01.2009.

3. Audit Committee

The Audit Committee shall review the following:

1. Overview 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.
2. Recommending to the Board, the appointment, re-appointment, if required, the replacement or removal of the Statutory Auditor, fixation of audit fee and also approval for payment for any other services.

3. Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit findings.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Disclosure of any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval
5. Discussion with external auditors before the audit commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
6. Reviewing the company's financial and risk management policies.
7. 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.
8. It shall have full access to information contained in records of the company and external professional advice if necessary.
9. The recommendations of the audit committee on any matter relating to Financial Management including Audit Report shall be binding on the Board.
10. Reviewing the findings of any internal investigations by the internal auditors in to matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

Attendance of Members at the Audit Committee held during financial year 2008-09

S. No.	Name of the Members	Category	No. of meetings held	No. of meetings attended
1	Mr. G Sitharaman - Chairman	Independent and qualified	5	4
2	Mr. S. Rajaratnam - Member	Independent and qualified	5	5
3	Mr. M. Chakravarthy - Member	Non Executive-Independent	5	5
4	Mr. A Sudhakar Reddy - Member	Non Executive-Independent	5	4

Note: Mr. A. Sudhakar Reddy and Mr. G. Sitharaman were inducted into the Board held only on 06.06.2008. Hence they attended all the meetings since they were inducted.

Mr. M. Chakrapani, Company Secretary is the Secretary of the Audit Committee. All the above meetings were also attended by Statutory Auditor and Internal Auditors.

4. Remuneration Committee

This Committee recommends to the board from time to time, the compensation structure for Whole Time Directors of the board. The committee also reviews the salary and perquisites of the top management personnel. The Remuneration Committee met on 28.01.2009 to discuss and recommend the remuneration of Executive Director (Operation) and Managing Director to the board.

Attendance of Members at the meetings of the Remuneration Committee held during the financial year 2008-09.

S.No.	Name of the Members	No. of meetings held	No. of meetings attended
1	Mr. M. Chakravarthy - Chairman	1	1
2	Mr. S. Rajaratnam - Member	1	1
3	Mr. A. Sudhakar Reddy - Member	1	1
4	Mr. G. Sitharaman - Member	1	1

Remuneration Policy:

- i) The Executive Directors are being remunerated as approved by the Members from time to time.
- ii) Sitting fees of Rs. 5,000/- per meeting of the Board and Rs.2,500/- per meeting of the Committee plus reimbursement of actual travel and out of pocket expenses incurred for attending such meetings will be paid to non-executive Directors.

- iii) There is at present no other remuneration component to non-executive directors except sitting fees.

Remuneration to Directors

The details of remuneration paid to Executive and Non-Executive Directors is given below:

Sl. 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.11,52,000	Nil	Nil
2	Ms.A.Nina Reddy	ED (O) – Executive	Rs.11,52,000	Nil	Nil
3	Mr.S.Rajaratnam	Non Executive	Nil	Nil	Rs.47,500
4	Mr.M.Chakravarthy	Non Executive	Nil	Nil	Rs.45,000
5	Mr.A.Tarun Reddy	Non Executive	Nil	Nil	Rs.35,000
6	Ms.A.Nivruthi	Non Executive	Nil	Nil	Rs.15,000
7	Mr.A.Sudhakar Reddy	Non Executive	Nil	Nil	Rs.42,500
8	Mr.B.Ranga Reddy	Non Executive	Nil	Nil	Rs.25,000
9	Mr. G. Sitharaman	Non Executive	Nil	Nil	Rs.37,500

5. Investors Grievance Committee

The committee monitors the redressal of Investors grievances. The management provided top priority for investor grievances and all the communication received from shareholders were satisfactorily complied with. The company received 8 complaints from shareholders during the year and resolved them to the satisfaction of shareholder.

Attendance of Members at the Meetings of the Investor's grievances Committee held during the financial year 2008-09.

S. No.	Name of the Members	No. of meetings held	No. of meetings attended
1	Mr. A. Sudhakar Reddy - Chairman	4	3
2	Mr. A. Tarun Reddy - Member	4	2
3	Mr. A. Ravikumar Reddy - Member	4	4
4	Mr. A. Tarun Reddy - Member	4	1
5	Ms. A. Nivruti Reddy - Member	4	1

Note: Mr. A. Tarun Reddy, Mr. A. Nivruti Reddy were inducted into the Committee at the Board Meeting held on 28.01.2009. Hence they attended all the meetings since they were inducted.

Name and Designation of the Compliance Officer

Mr. M Chakrapani, Company Secretary & Manager (Finance) is the Compliance Officer of the Company and is also the Secretary of all the committees.

Complaints record for the year

Number of Complaints received	Number not solved to the satisfaction of shareholders	Number of pending complaints
8	0	0

6. Share Transfer Committee

The transfer deed request received by the company are processed and transferred within a stipulated period. No valid transfer request remained pending for transfer to the transferees as on 30.06.2009. 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 2008-09.

S.No.	Name of the Members	No. of meeting held	No. of meeting attended
1	Mr. A. Ravikumar Reddy - Chairman	24	24
2	Mr. A. Chakravarthy - Member	24	24
3	Mr. B. Ranga Reddy - Member	24	24

7. General Body Meetings

Location and time for the last three Annual General Meetings and the details of special resolutions passed:

For the Financial year	Venue	Date	Time	Special Resolution
2005 - 2006	The Music Academy T.T.K. Road, Chennai	20th Sept. 2006	4.00 PM	Item No.6 Change of name of the Company
2006 - 2007	The Music Academy T.T.K Road, Chennai	19th Sept 2007	4.00 PM	Nil
2007 - -2008	The Music Academy T.T.K. Road, Chennai	27th Sept. 2008	11.00 AM	Item No.9, Alteration of Articles -Share warrants clause included Item No.10 Issue of Share warrants to promoters & Promoters Group Item No.11 Delisting of Equity shares in Madras Stock Change

Chairman of the Audit Committee Sri G. Sitharaman has attended the Annual General Meeting held on 27th September 2008.

No Extra Ordinary general Meeting was held during the year under review.

Status of issue of Preferential Allotment of Share Warrants to Promoters:

The company could not receive the promoters' minimum contribution to the preferential allotment approved by the Shareholders at the previous Annual General Meeting. Therefore, the preferential issue was cancelled completely by the Board.

Details of Postal Ballots held during the year:

The following are the Postal Ballots that were conducted during the year 2008-09.

1) Sale of Madurai Property

The Board of Directors of the company has passed a resolution on 6th June 2008 for obtaining the approval of shareholder by means of postal ballot as an Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956 relating to the sale / disposal/hive-off of Company's undertaking engaged in hotel business at Madurai, Tamilnadu.

Mr. R. Balasubramanian, BA., BL., FCS., Practicing Company Secretary was appointed as the Scrutinizer for conducting the Postal Ballot in a fair and transparent manner and the Scrutinizer submitted his report on 21st July 2008.

Result of the voting conducted through Postal Ballot on the Ordinary Resolution was announced by the Managing Director of the company on 21st July 2008.

The detail of the postal ballot result is given below:

Particulars	No. of postal ballot form received	No. of Shares equity capital	% of total paid up
Number of valid postal ballot forms received	289	34,29,024	57.49%
Postal ballot forms with Assent for Resolutions	267	34,20,503	57.35%
Postal ballot forms with Dissent for Resolutions	20	8,321	0.14%
Invalid postal ballot forms received.	2	200	0.00%

2) Sale of Hyderabad units

The Board of Directors of the company has passed the resolution on 28th January 2009 for obtaining the approval of shareholder by means of postal ballot on the Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956, relating to the sale/

disposal/hive off of Company's undertakings engaged in hotel business at Hyderabad, Andhra Pradesh.

Mr. R. Balasubramanian, BA., BL., FCS., Practicing Company Secretary was appointed as the Scrutinizer for conducting the Postal Ballot in a fair and transparent manner and the Scrutinizer submitted his report on 23rd March 2009.

Result of the voting conducted through Postal Ballot on the Ordinary Resolution was announced by the Managing Director of the company on 23rd March 2009.

The detail of the postal ballot result is given below:

Particulars	No. of postal ballot form received	No. of Shares equity	% of total paid up capital
Total Postal Ballot Forms received	269	35,80,893	60.04%
Less : Invalid postal ballot forms received	4	1,00,449	1.68%
Net valid postal ballot forms received (as per register)	265	34,80,444	58.36%
Postal ballot forms with Assent for Resolutions	252	34,32,174	57.55%
Postal ballot forms with Dissent for Resolutions	13	48,270	0.81%

8. Disclosures

As required by the Accounting Standards (AS 18) "Related party disclosures" the company disclosed that vegetables, provisions, fruits, milk, milk products, pickles, meat, fish etc. were purchased from M/s. RK Traders and M/s. Shyam Hotels & Restaurant, where Mr. A. Ravikumar Reddy, Managing Director of the company is a Proprietor/Partner/ Director in it. The total purchases made from M/s. R K Traders and M/s. Shyam Hotel & Restaurants are Rs.55.07 lakhs and Rs.15.40 lakhs at the prevailing market rates respectively during the period 01.04.2008 to 31.08.2009.

The company has obtained necessary prior approvals for above purchases under the proviso to sub Section (1) of Section 297 of the Companies Act, 1956 from Department of Company Affairs, Government of India, Southern Region, Chennai vide 2/M-8014/2000 upto 31st August, 2008 and complied with. Thereafter the company decided not to continue the contract and not to have any related party transactions and therefore, further approval for the same has not been sought from the Central Government.

There is no pecuniary relationship or transactions of the Non-Executive Directors Vis-à-vis the company, as per clause 49(I) (B) of the listing agreement.

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.saverahotels.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 through this exclusive E-Mail ID.

The company presents all the relevant information to the Stock Exchanges from time to time as stipulated under the Listing Agreement.

10. General shareholder information

- a) The 40th Annual General Meeting of the members of the company will be held on **Wednesday the 30th September 2009 at 10.00 AM** at Kasthuri Srinivasan Hall "The Music Academy", Old No.306/New No.No.168, TTK Road, Chennai - 600 014 Tamilnadu.

- b) Financial Calendar for the year 2009-10 (Tentative):

Results for Quarter ending Jun. 2009	-	Last Week of Jul 2009
Results for Quarter ending Sep. 2009	-	Last Week of Oct 2009
Results for Quarter ending Dec. 2009	-	Last Week of Jan 2010
Results for Quarter ending Mar. 2010 along with the Audited Financial Results	} -	Last Week of June 2010

- c) **Date of Book Closure – 25th September 2009 to 30th September 2009** (both days inclusive).

- d) **Dividend payment date:** The Company will pay the dividend if any; from the date of approval by the Shareholders as stipulated by the provisions of Companies Act, 1956 and the Listing Agreement with the Stock Exchange, Mumbai.

- e) **Listing in Exchange:** Your Company's shares are listed in the Mumbai stock exchange and the address is given below:

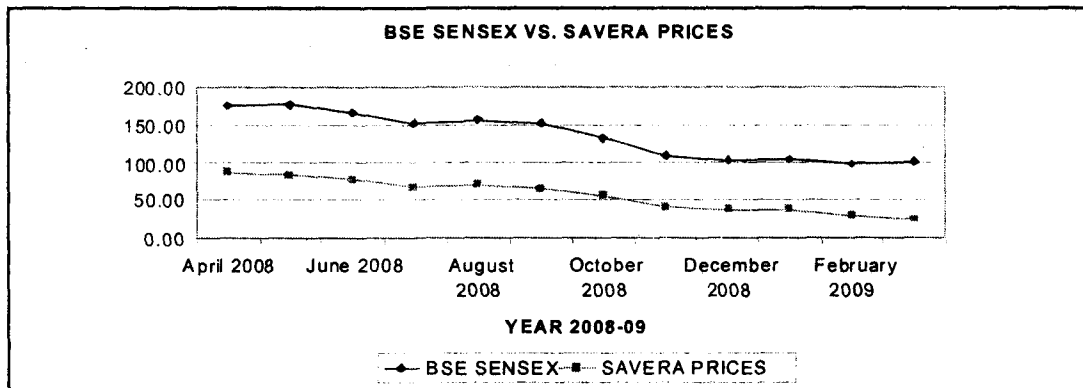
**Bombay Stock Exchange Ltd.
Phiroze Jeejeebhai Towers
Dalal Street, Mumbai 400 001.**

The Listing Fees for the financial year 2009-10 have been paid to Bombay Stock Exchange within the stipulated time.

At the previous Annual General Meeting the company has sought approval for delisting of Equity Shares in Madras Stock Exchange Limited. The company has intimated the same to the Madras Stock Exchange.

- f) **Stock Code of the Company** - **BSE: 512634**
ISIN Number of the company - **INE104E01014**
- g) **Market price data** - The highest price traded in Bombay Stock Exchange Limited, Mumbai per share is **Rs.86.00** (Apr 08) and the lowest price per share is **Rs. 17.90** (Mar 09) during the year 2008-09 and the other data is given below.

Month & Year	High	Low
April 2008	86.00	74.80
May 2008	83.25	64.25
June 2008	77.00	56.35
July 2008	66.00	47.00
August 2008	70.00	54.00
September 2008	64.75	41.05
October 2008	54.90	32.00
November 2008	40.00	20.50
December 2008	37.90	26.05
January 2009	36.90	27.00
February 2009	29.60	22.45
March 2009	24.20	17.90



h) Registrar & Share Transfer Agents and Share Transfer System

The Company has reappointed M/s. Cameo Corporate Services Limited, Chennai, Tamilnadu as the Share Transfer Agents for the current year. For any assistance regarding demat, remat, share transfers, transmission, duplicate share certificates, change of address and other matters, please write to the Share Transfer Agent at the address given in the "address for correspondence column", quoting your folio number/client ID and DP ID.

PAN requirement for transfer of shares in physical form

The Securities and Exchange Board of India (SEBI) vide circular ref. no. MRD/DoP/Cir-05/2007 dated April 27, 2007 made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transaction.

In continuation of the aforesaid circular, it is hereby clarified by SEBI that for securities market transactions and off-market/private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of **PAN card** to the Company/RTA's for registration of such transfer of shares.

Shareholders of the Company are requested to make a note of the same for all their future transfer of equity shares.

i) Distribution of share holdings as on 31.03.2009

Total Nominal Value	Rs.5,96,40,000
Nominal value of each equity share	Rs.10/- each
Total number of shares	59,64,000
Distinctive Numbers	1 to 59,64,000

Distribution of Shareholding of the Company as on 31.03.2009

Share Holding No. of Shares	Shareholders		Shareholdings	
	Number	% of Total	Shares	% of Total
1 - 100	3,829	74.31	2,53,017	4.24
101 - 500	903	17.52	2,45,669	4.12
501 - 1000	189	3.67	1,59,237	2.67
1001 - 2000	85	1.65	1,29,346	2.17
2001 - 3000	46	0.89	1,19,655	2.01
3001 - 4000	15	0.29	52,114	0.87
4001 - 5000	14	0.27	65,273	1.09
5001 - 10000	23	0.45	1,68,661	2.83
10001 and Above	49	0.95	47,71,028	79.99
Total	5,153	100.00	59,64,000	100.00

j) Dematerialisation of Shares and liquidity

The equity shares of the company are to be traded compulsorily in dematerialised form only. The company has already entered into agreements with the Depositories M/s. NSDL and M/s. CDSL so as to facilitate the members to hold their shares in dematerialised form.

As on 30.06.2009 the number of Equity Shares that have been dematerialised are **48,76,085** being **81.76%** of the Shareholding of the Company's Shares.

k) Address for Correspondence:

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

Company Secretary & Manager - Finance

M/s. Savera Industries Limited
New No.146, Dr. Radhakrishnan Road
Chennai - 600 004 Tamilnadu

Tel No. 044-24670888 / 24672700
Fax No. 044-24983349
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

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
SAVERA INDUSTRIES LIMITED

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to the compliance of conditions of Corporate Governance by Saver Industries Limited for the year ended 31st March 2009 as stipulated under clause 49 of the Listing Agreement of the said company with the Bombay Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was conducted in the manner described in the Guidance on certification of corporate guidance issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with BSE.

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

For D A Reddy & Co.,
Chartered Accountants

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

Place : Chennai
Date : 30.06.2009

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF SAVERA INDUSTRIES LTD

1. We have audited the attached Balance Sheet of Savera Industries Limited, Chennai 600 004 as at 31st March 2009 and the Profit and Loss Account and the Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on this financial statement based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act 1956, we enclosed in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to be best of our knowledge and belief were necessary for the purpose of our audit.
 - b. 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, Profit and Loss Account and the Cash Flow Statement, dealt with by this Report, are in agreement with the Books of Account.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act 1956, to the extent applicable.
 - e. On the basis of the written representations, received from the Directors as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2009 from being appointed as a

Director in the company in terms of clause (g) of sub section (1) of Section 274 of the Companies Act 1956.

- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2009,
 - ii. In the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. In the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

For **D A Reddy & Co.,**
Chartered Accountants

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

Place : Chennai
Date : 30.06.2009

ANNEXURE TO THE REPORT OF THE AUDITORS
(REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE)

1. The Company is maintaining proper records, showing full particulars including quantitative details and situation of fixed assets. Fixed Assets have been physically verified by the Management during the year based on a phased programme of verifying all the assets over three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account. The company has disposed off its business units at Madurai and Hyderabad during the year by way of approval obtained from shareholders through postal ballot.
2. The management has conducted physical verification of inventory at reasonable intervals. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
3. In our opinion and according to the information and explanations given to us, the company has not granted/taken any loan, secured or unsecured to/from companies, firms or other parties covered in the register maintain under Section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control.
5. In our opinion and according to the information and explanations given to us, the transaction that need to be entered into the register in pursuance of Section 301 of the Companies Act 1956 have been so entered and these transactions have been made at prices which are reasonable having regard to prevailing market prices at relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the Public and therefore compliance with the provisions of Section 58A of the Companies Act 1956 does not arise.
7. The Company has an internal audit system, which in our opinion, is commensurate with the size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
9. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees state Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty and Customs Duty and Cess during the year with the appropriate authorities.

10. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which are outstanding as at 31st March 2009 for a period of more than six months from the date they become payable.
11. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and immediately preceding financial year.
12. The company does not have any borrowing by issue of debentures. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in payment of dues to a Financial Institutions or a Bank.
13. According to the information and explanations given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The company is not a Chit Fund / Nidhi / Mutual Benefit / Society.
15. Based on our examination of records and the information and explanations given to us, the company has not dealt/traded in shares, securities, debentures and other securities during the year.
16. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loan taken by others.
17. To the best of our knowledge and belief and according to the information and explanations given to us, the term loan availed by the company, was prima facie, applied by the company for the purpose for which the loan was obtained.
18. According to the Cash Flow Statement and other records examined by us and the information and explanations given to us on an overall basis, funds raised on short terms basis, prima facie, have not been used during the year for long term investment and vice versa.
19. The company has not made any preferential allotment to any parties.
20. The company has not issued any debentures.
21. The company has not raised any monies by public issue during the year.
22. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

For **D A Reddy & Co.,**
Chartered Accountants

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

Place : Chennai
Date : 30.06.2009

BALANCE SHEET AS AT 31.03.2009

S.No	PARTICULARS	SCH.No.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
I	SOURCE OF FUNDS			
1	Share Holders Funds			
a.	Share Capital	1	5,96,40,000	5,96,40,000
b.	Reserves and Surplus	2	34,40,42,952	34,30,38,918
			40,36,82,952	40,26,78,918
2	Loans Funds			
a.	Secured Loans	3	23,01,93,900	29,43,82,575
b.	Unsecured Loans	4	—	2,01,93,800
			23,01,93,900	31,45,76,375
3	Deferred Tax Liability (Net)	5	39,49,077	36,68,980
	TOTAL		63,78,25,929	72,09,24,273
II	APPLICATION OF FUNDS			
1	Fixed Assets			
a.	Gross Block	6	77,14,09,141	84,94,77,123
b.	Less: Depreciation		20,21,12,254	19,14,68,014
c.	Net Block		56,92,96,887	6,580,09,109
2	Investments	7	2,78,17,611	2,78,17,611
3	Current Assets, Loans and Advances			
a.	Inventories	8	82,07,892	87,81,331
b.	Sundry Debtors	9	1,71,20,907	163,09,633
c.	Cash & Bank Balances	10	69,51,039	65,89,504
d.	Loans & Advances	11	4,04,79,549	3,35,15,315
			7,27,59,387	6,51,95,783
	Less: Current Liabilities & Provisions	12		
-	Current Liabilities		2,64,47,675	1,84,39,206
-	Provisions		2,43,83,630	3,99,27,762
			5,08,31,305	5,83,66,968
	Net Current Assets		2,19,28,082	68,28,815
4	Misc. Expenditure to the extent not Written Off.	13	1,87,83,349	2,82,68,738
	TOTAL		63,78,25,929	72,09,24,273
	Significant Accounting Policies	20		
	Notes to Accounts	21		

As per our report annexed

For and on behalf of the Board

For D.A. Reddy & Co.,
Chartered Accountants

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director (Operations)

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

CS. M. Chakrapani
Company Secretary & Manager - Finance

Place : Chennai
Date : 30.06.2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

S.No	PARTICULARS	SCH.No.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
I	INCOME			
	Rooms, Restaurants, Banquets and other services	14	38,16,31,645	45,24,09,604
	Income from O2 Health Studios	15	1,18,14,659	4,05,100
	Other Income	16	4,91,547	1,216,665
			<u>39,39,37,851</u>	<u>4,54,031,369</u>
II	EXPENDITURE			
	Food, Beverages & Liquor consumed	17	6,09,78,646	7,35,43,155
	Operating and Administration Expenses	18	23,46,46,014	23,55,35,908
	Financial Charges	19	3,73,95,863	2,88,68,991
	Depreciation	6	2,74,44,659	2,19,07,325
			<u>36,04,65,182</u>	<u>35,98,55,379</u>
III	PROFIT FOR THE YEAR			
	Profit before Taxation		3,34,72,669	9,41,75,990
	Less : Provision for taxation			
	Income Tax		2,33,41,000	3,49,27,586
	Fringe Benefit Tax		7,25,000	10,68,302
	Deferred Tax Asset / (Liability)		2,80,097	(25,28,416)
	Excess Provision Written Back		—	3,88,093
	Profit after Taxation		91,26,572	6,10,96,611
	Add : Profit brought forward from Previous Year		8,79,36,588	5,49,59,577
	Profits available for Appropriation		<u>9,70,63,160</u>	<u>11,60,56,188</u>
IV	APPROPRIATION			
	Transfer to General Reserve		—	1,41,64,437
	Proposed Dividend		59,64,000	1,19,28,000
	Provisions for Dividend Distribution Tax		10,14,000	20,27,163
	Balance Carried to Balance Sheet		<u>9,00,85,160</u>	<u>8,79,36,588</u>
			<u>9,70,63,160</u>	<u>11,60,56,188</u>
V	EARNINGS PER SHARE - BASIC & DILUTED			
	(Face Value of Rs. 10 each)		1.53	10.24
	Weighted average of Number of Equity Shares		59,64,000	59,64,000
	Significant Accounting Policies	20		
	Notes to Accounts	20		

As per our report annexed

For and on behalf of the Board

For D.A. Reddy & Co.,
Chartered Accountants

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director (Operations)

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

CS. M. Chakrapani
Company Secretary & Manager - Finance

Place : Chennai
Date : 30.06.2009

SCHEDULE TO BALANCE SHEET

S.No	PARTICULARS	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1	SHARE CAPITAL		
	Authorised 70,00,000 equity shares of Rs.10/- each	<u>7,00,00,000</u>	<u>7,00,00,000</u>
	Issued, Subscribed and Paid up 59,64,000 equity shares of Rs.10/- each	<u>5,96,40,000</u>	<u>5,96,40,000</u>
2	RESERVES AND SURPLUS		
	a. Share Premium Account	3,75,00,000	3,75,00,000
	b. Revaluation Reserve	14,11,07,602	14,22,52,140
	Less : Depreciation for the year	11,44,538	11,44,538
		<u>13,99,63,064</u>	<u>14,11,07,602</u>
	c. General Reserve - Opening Balance	7,64,94,728	6,23,30,291
	Add : Transferred from P& L	—	1,41,64,437
		<u>7,64,94,728</u>	<u>7,64,94,728</u>
	d. Profit and Loss Account	9,00,85,160	8,79,36,588
		<u>34,40,42,952</u>	<u>34,30,38,918</u>
3	SECURED LOAN		
	a. From Banks	22,99,29,923	29,43,82,575
	b. From Others	2,63,977	—
		<u>23,01,93,900</u>	<u>29,43,82,575</u>
4	UNSECURED LOAN		
	a. From Directors	—	1,93,800
	b. From Corporates	—	2,00,00,000
		<u>—</u>	<u>2,01,93,800</u>
5	DEFERRED TAX LIABILITY		
	Deferred Tax Liability as on 31.03.2009	39,49,077	36,68,980
		<u>39,49,077</u>	<u>36,68,980</u>

**SCHEDULE 6
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Original Cost /Revaluation as at 31.3.2008	Additions during the year	Withdrawals during the year	Original Cost as at 31.3.2009	Depreciation upto 1.4.2008	Depreciation for the year 2008-09	Withdrawn during the year	Depreciation upto 31.03.2009	Net block as on 31.3.2009	Net block as on 31.3.2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND	30,88,80,022	38,22,729	2,09,67,014	29,17,35,737	—	—	—	—	29,17,35,737	30,88,80,022
BUILDINGS	16,83,87,904	29,55,147	3,14,56,929	13,98,86,122	2,80,84,740	24,80,368	9,06,402	2,96,58,706	11,02,27,416	14,03,03,164
FURNITURE & FITTINGS	11,22,37,701	2,63,675	1,82,87,688	9,42,13,688	64,05,9891	1,04,27,332	93,59,684	6,51,27,539	2,90,86,149	4,81,77,810
VEHICLES	1,36,89,734	10,62,493	2,40,000	1,45,12,227	30,50,939	13,45,056	91,513	43,04,482	1,02,07,745	1,06,38,795
PLANT & MACHINERY	23,43,86,286	1,19,94,894	2,53,00,190	22,10,80,990	9,05,46,389	1,34,08,718	71,95,352	9,67,59,755	12,43,21,235	14,38,39,897
OFFICE EQUIPMENTS	1,00,70,654	5,26,052	6,16,329	99,80,377	57,26,055	9,27,723	3,92,006	62,61,772	37,18,605	43,44,599
WORK IN PROGRESS	18,24,822	—	18,24,822	—	—	—	—	—	—	18,24,822
TOTAL	84,94,77,123	2,06,24,990	9,86,92,972	77,14,09,141	19,14,68,014	2,85,89,197	1,77,44,957	20,21,12,254	56,92,96,887	6,58,009,109
PREVIOUS YEAR	78,06,46,529	7,33,25,049	44,94,456	84,94,77,123	16,90,40,671	2,30,51,863	6,24,520	19,14,68,014	65,80,09,109	61,16,05,858

SCHEDULE TO BALANCE SHEET

S.No	PARTICULARS	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
7	INVESTMENTS (AT COST)		
	Shares (Quoted) (Fully paid)		
	a. Oriental Hotels Limited	5,035	5,035
	b. I.T.C. Limited	2,825	2,825
	c. Indian Hotels Co. Ltd.	45,445	45,445
	d. Apollo Hospitals Ltd.	30,000	30,000
	e. Central Bank of India Ltd.	15,606	15,606
	Market Value on 31.3.2009 (Rs.35.57 in lakhs)		
	In Subsidiary Companies - (Unquoted)		
	a. Elkhill Agrotech P Ltd.	2,72,22,700	2,72,22,700
	b. Savera Hotels & Resorts Ltd.	4,96,000	4,96,000
		<u>2,78,17,611</u>	<u>2,78,17,611</u>
8	INVENTORIES		
	(At lower of Average cost or market value)		
	a. Food & Beverages	3,30,314	4,12,602
	b. Wine & Liquor	4,55,072	6,15,602
	c. Crockery & Cutlery	29,55,806	36,86,427
	d. Linen & Housekeeping items	44,66,700	40,66,700
		<u>82,07,892</u>	<u>87,81,331</u>
9	SUNDRY DEBTORS		
	Unsecured considered good		
	a. Debts outstanding for a period exceeding 6 months	22,69,753	19,39,296
	b. Other debts	1,48,51,154	1,43,70,337
		<u>1,71,20,907</u>	<u>1,63,09,633</u>
10	CASH AND BANK BALANCES		
	a. Cash on Hand	13,78,196	15,58,917
	b. Balance with Schedule Banks in Current Account	55,72,843	50,30,587
		<u>69,51,039</u>	<u>65,89,504</u>
11	LOANS AND ADVANCES		
	(Unsecured considered good)		
	a. Advances recoverage in cash or in kind for value to be received		
	- Subsidiaries	97,71,226	90,93,948
	- Others	1,79,21,480	1,06,61,815
	b. Deposits	1,27,86,843	1,37,59,552
		<u>4,04,79,549</u>	<u>3,35,15,315</u>

SCHEDULE TO BALANCE SHEET

S.No	PARTICULARS	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
12	CURRENT LIABILITIES AND PROVISIONS		
	a. Current Liabilities		
	Sundry Creditors		
	- Dues to Micro, Small & Medium Enterprises	—	—
	- Others	2,49,07,898	1,73,15,781
	Investor Education & Protection Fund		
	- Unclaimed Dividend	8,61,277	4,44,925
	Rental Deposits	6,78,500	6,78,500
		<u>2,64,47,675</u>	<u>1,84,39,206</u>
	b. Provisions		
	Provision for Income Tax & FBT	5,99,76,300	3,59,10,300
	Less :Advance Income Tax and TDS	-4,48,20,670	-1,72,66,935
	Net of Income Tax and TDS	1,51,55,630	1,86,43,365
	Proposed Dividend & Dividend Distribution Tax	69,78,000	1,39,55,164
	Provision for Employee Benefits	22,50,000	73,29,233
		<u>2,43,83,630</u>	<u>3,99,27,762</u>
13	MISCELLANEOUS EXPENDITURE		
	Deferred lease & Renovation Expenditure	1,35,39,551	1,90,72,977
	Misc. Expenditure - Pre Operative and Preliminary Expenses	52,43,798	91,95,761
		<u>1,87,83,349</u>	<u>2,82,68,738</u>
14	ROOMS, RESTAURANTS, BANQUETS & OTHER SERVICES		
	a. Rooms	17,42,98,595	21,96,48,995
	b. Food & Beverages	14,67,18,744	16,33,09,620
	c. Wine & Liquor	3,12,88,626	4,41,23,821
	d. Other Services	2,80,18,394	2,33,71,466
	e. Telephone, Fax and Telex	10,97,479	17,77,533
	f. Exchange Fluctuation	2,09,807	1,78,169
		<u>38,16,31,645</u>	<u>45,24,09,604</u>
15	INCOME FROM O2 HEALTH STUDIO		
	a. O2 - Collections & Membership	1,18,14,659	4,05,100
		<u>1,18,14,659</u>	<u>4,05,100</u>
16	OTHER INCOME		
	a. Dividend from domestic Companies	68,466	53,575
	b. Interest on MES deposit	2,81,886	2,78,812
	c. Interest on FD	1,19,195	84,278
	d. Other Income	22,000	8,00,000
		<u>4,91,547</u>	<u>12,16,665</u>

SCHEDULE TO BALANCE SHEET

S.No	PARTICULARS	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
17	(A) FOOD & BEVERAGES CONSUMED		
	Opening Stock	4,12,602	3,82,269
	Add : Purchases	5,36,13,903	6,29,27,331
	Less : Closing Stock	3,30,314	4,12,602
		<u>5,36,96,191</u>	<u>6,28,96,998</u>
	(B) WINE AND LIQUOR CONSUMED		
	Opening Stock	6,15,602	7,00,885
	Add : Purchases	71,21,925	1,05,60,874
	Less : Closing Stock	4,55,072	6,15,602
		<u>72,82,455</u>	<u>1,06,46,157</u>
	(A) + (B)	<u>6,09,78,646</u>	<u>7,35,43,155</u>
18	OPERATING AND ADMINISTRATIVE EXPENSES		
	a. Croceries and Cutleries Consumed	16,80,059	15,65,453
	b. Fuel	78,00,652	82,30,997
	c. Salaries, wages and other benefits	7,16,35,365	6,77,77,191
	d. Electricity charges	4,02,72,723	3,74,61,564
	e. Building Upkeep	1,27,64,554	1,26,63,041
	f. Repairs & maintenance	3,12,93,884	3,66,42,221
	g. Rates & Taxes	94,89,062	96,07,128
	h. Advertisement	33,68,711	1,71,69,743
	i. Sales Promotion	58,83,963	71,67,302
	j. Hire Charges - Furniture	2,96,601	14,90,389
	k. Administrative Expenses	1,72,92,571	1,52,90,347
	l. Professional Charges	28,14,993	12,56,825
	m. Audit Fees		
	- Auditors	1,59,935	1,62,922
	- For Tax Matters	66,180	67,416
	- Out of Pocket Expenses	66,180	67,416
	n. Lease Rentals		
	- Minimum Lease Payments	1,26,72,164	1,20,86,272
	o. Telephones	22,65,889	21,67,115
	p. Insurance	24,54,646	25,97,324
	q. Preliminary & Pre operative Expenses W. Off	39,71,466	17,27,560
	r. Loss on sale of assets	83,96,416	3,37,682
		<u>23,46,46,014</u>	<u>23,55,35,908</u>
19	FINANCIAL CHARGES		
	a. Interest on Secured Loans	3,32,55,328	2,47,68,119
	b. Others	41,40,535	41,00,872
		<u>3,73,95,863</u>	<u>2,88,68,991</u>

20 NOTES ON ACCOUNTS

I ACCOUNTING POLICIES

The financial statements are prepared under historical cost convention on accrual basis and comply with Accounting Standards (AS) referred to in Section 211(3C) of the Companies Act, 1956. Significant accounting policies adopted in the presentation of the accounts are as under:

The company follows mercantile system of accounting and recognises significant items of income and expenditure on actual basis and provision is made for all known losses and liabilities.

Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which results are known/materialised.

a) Fixed Assets

Fixed Assets (Excluding land, building, and plant & machinery) are carried at cost less depreciation. Land, Building and Plant & Machinery were revalued on 31.03.1993.

b) Depreciation

Depreciation on Assets is provided on straight line basis at rates prescribed in Schedule XIV of the Companies Act, 1956.

c) Investments

Long Term Investments are carried at cost. Provision for decline in the value, other than temporary, has been made wherever necessary. Current Investments are carried at lower of cost and market value / net asset value.

d) Inventories

Inventories are valued at average cost or market value whichever is lower.

e) Transactions in Foreign Exchange

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

outstanding at the Balance Sheet date are translated at the exchange rate ruling at the year end. Exchange differences arising on foreign currency transactions are recognized as income or expense in the period in which they arise.

f) Employee Benefits

In respect of defined contributions schemes, contributions to Provident Fund and Family Pension are charged to profit and loss account as incurred. Gratuity in respect of certain employees is covered by Group Gratuity scheme with the Life Insurance Corporation of India.

g) Borrowing Costs

Borrowing costs incurred on acquiring qualifying assets (i.e., assets that necessarily take a substantial period of time to get ready for its intended use) are capitalised at the rate at which the funds have been borrowed for such acquisition.

h) Taxes on Income

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

i) Impairment of Assets

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

j) Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in terms of Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets' when there is a present legal or

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

Contingent Assets are not recognised in the financial statements.

II NOTES TO THE ACCOUNTS

- a) As the turnover of the company includes sale of food and beverages, it is not possible to give quantitative details of the turnover of food and beverages, the company is exempted from giving these particulars vide order No. 46/112/2009-CL-III Dated 15.05.2009.

Term loans from banks, (CBI, SBH, IOB and SIB) are secured by the following charges on the assets.

(Rs. in lakhs)

Sl. No.	Particulars	Sanctioned Amount	Charge Creation Details
A	Central Bank of India-		
	Working Capital	Rs.122.20	Secured by Pari-passu first charge and movables and immovable assets situated at No.146 Dr. Radhakrishnan Road, Chennai 600 004
	Corporate Loan	Rs.300.00	
B	State Bank of Hyderabad		
	Capital Renovation	Rs.111.93	Pari-passu first charge on movables and immovable assets situated at No.146 Dr. Radhakrishnan Road, Chennai 600 004 for entire loan. In addition to this exclusive First Charge on Assets created for renovation from this loan
	Health Restaurant	Rs.23.22	Pari-passu first charge on movables and immovable assets situated at No.146 Dr. Radhakrishnan Road, Chennai 600 004 for entire loan. In addition to this exclusive First Charge on Assets created by availing Health Restaurant loan

(Rs. in lakhs)

Sl. No.	Particulars	Sanctioned Amount	Charge Creation Details
	Banjara Hills Rest	Rs.45.05	Pari-passu first charge on movables and immovable assets situated at No.146 Dr. Radhakrishnan Road, Chennai 600 004 for entire loan. In addition to this exclusive First Charge on Assets created by availing Banjara Hills Rest. Loan
	Toli Chowki Hotel	Rs.228.14	Pari-passu first charge on movables and immovable assets situated at No.146 Dr. Radhakrishnan Road, Chennai 600 004 for entire loan. In addition to this exclusive First Charge on Assets created by availing Toli Chowki Hotel Term Loan
	Toli Chowki Rest	Rs.45.56	Pari-passu first charge on movables and immovable assets situated at No.146 Dr. Radhakrishnan Road, Chennai 600 004 for entire loan. In addition to this exclusive First Charge on Assets created by availing Toli Chowki Restaurant Term Loan
C	Indian Overseas Bank		
	Capital Renovation	Rs.191.77	Pari-passu first charge on movables and immovable assets situated at No.146 Dr. Radhakrishnan Road, Chennai 600 004 for entire loan. In addition to this, exclusive First Charge on the Assets created by availing Capital Renovation Loan
	Pub & Minar Extn.	Rs.12.53	Pari-passu first charge on movables and immovable assets situated at No.146 Dr. Radhakrishnan Road, Chennai 600 004 for entire loan. In addition to this, exclusive First Charge on the Assets created by availing Pub & Minar Extn. Term Loan.

(Rs. in lakhs)

Sl. No.	Particulars	Sanctioned Amount	Charge Creation Details
D	South Indian Bank Ltd.		
	- TL CBI Take Over	Rs.157.80	Pari-passu first charge on movables and immovable assets situated at No.146 Dr. Radhakrishnan Road, Chennai 600 004 for entire loan. In addition to this, exclusive First Charge on Coimbatore property for entire loan
	- Term Loan for Coimbatore property II	Rs.556.65	
E	HDFC Bank	Rs.137.07	Exclusive First Charge on the Coimbatore Property I situated at New No.213, Avinashi Road, , Coimbatore
	-Term Loan for Coimbatore Property I		
F	ICICI Bank	Rs.179.28	Exclusive First Charge on the Property Situated at No.29 TTK Road, Chennai 600 014
	- Term Loan for TTK Road Property		
B	State Bank of Mysore		Exclusive First Charge On Assets Created out of the Term Loan Sanctioned for the Project in addition to this Second Charge on the movables and immovable assets situated at No.146 Dr. Radhakrishnan Road, Chennai 600 004.
	- TL Mogappair	Rs.99.99	
	- TL Velachery	Rs.72.89	

c) Salaries, wages and other benefits under schedule 18 include managerial remuneration as follows:

	Current year	Previous year
Managing Director	2008-09	2007-08
Salaries	7,20,000	6,30,000
Perquisites	4,32,000	3,78,000
Executive Director	2008-09	2007-08
Salaries	7,20,000	5,94,000
Perquisites	4,32,000	3,39,000

d) Details of Repairs & Maintenance in Schedule 18 comprises

Particulars	Current year 2008-09	Previous year 2007-08
For Buildings	9,23,391	42,24,009
For Plant & Machinery	1,26,06,326	1,17,54,886
For Others	6,19,285	15,47,125
For Building Renovation	1,71,44,882	1,91,16,201
Total	3,12,93,884	3,66,42,221

- e) (a) Earnings in convertible foreign exchange for the year amounted to Rs.211.49 lakhs (previous year Rs.450.08 lakhs)
- (b) Expenditure in foreign currency amounted to Rs.31.95 lakhs (Previous year Rs.81.85 lakhs).
- f) Pre-operative expenses represent the start up cost in setting up the units and has been amortised over the remaining period of the lease.
- g) Building Renovation Expenses of Rs.93.00 Lakhs (Previous Year Rs. 67.87 Lakhs) has been treated as deferred revenue expenditure and has been amortised over a period of three years under straight line method as in earlier years.
- h) Deferred Tax: In accordance with the Accounting Standard 22 (AS-22) 'Accounting for Taxes on Income', the Company has provided for deferred tax and the net deferred tax liability as on 31st March 2009 comprises of the following:

Particulars	(Rs. in lakhs)	
	As at 31.03.2009	As at 31.3.2008
Deferred Tax Liability		
Related to Fixed Assets	15.11	65.80
Disallowance under income tax Act 1961	32.03	64.86
Total	47.14	130.66
Deferred Tax Assets		
on carried forward losses	—	69.06
On Retirement Benefits	7.65	24.91
Total	7.65	93.97
Net deferred tax Asset/ (liability) as on 31.3.2009	39.49	36.69

- i) Amounts due to Micro, Small and Medium Enterprises: The identification of Micro, Small and Medium Enterprises Suppliers as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" is based on information available with the

management. As certified by the management, amounts overdue as on 31st March, 2009 to Micro, Small and Medium Enterprises on account of principal amount together with interest is Rs. Nil (Previous year Rs. Nil)

j) Earning Per Share:

Earning per share is computed based on the following:

Particulars	Current year 2008-09	Previous year 2007-08
Profit after tax	91,26,573.00	6,10,96,612.00
Nominal value of shares (Rs.)	10.00	10.00
No. of Equity shares	59,64,000.00	59,64,000.00
Earnings per shares (Rs.) Basic and Diluted	1.53	10.24

k) As per Accounting Standard - AS 18 "Related Parties Disclosure" the required information are given below:

Details of Transactions with the Subsidiary companies & Related Parties are as follows:

Nature of Transaction	Current Year 2008-09 Subsidiary Company Firms in which KMP have significant influence		Previous Year 2007-08 Subsidiary Company Firms in which KMP have significant influence	
Purchase of Goods	—	83.65	—	160.35
Receivables	97.71	—	90.94	—
Payables	—	—	—	—

Name of Subsidiary Company	% of Shareholding
M/s. Elkhill Agrotech Pvt. Ltd	100%
M/s. Savera Hotels & Resorts Ltd	99.2%

Particulars of Enterprises

**Significant influence of
Key Management Personnel**

R K Traders

Mr. A. Ravikumar Reddy MD of
Savera Industries Ltd is proprietor

Shyam Hotels & Restaurants

Mr. A. Ravikumar Reddy MD &
Mrs A Nina Reddy, ED(O) of
Savera Industries Ltd are partners

- i) Disclosure Under AS -15 (Revised) – Under the Employee Benefits Staff Costs the Company's contribution to Provident Fund is Rs.29.61 Lakhs (Previous year Rs.29.56 Lakhs).
- m) As per Accounting Standards 21 on "Consolidated Financial Statement", Accounting Standard 23 on "Accounting for Investments in Associates in Consolidated Financial Statements" and AS 27 on "Financial Reporting of Interests in Joint Ventures", the company has applied to Ministry of Company Affairs during previous years and got its approval. The company has obtained the approval from Ministry of Corporate Affairs, Govt. of India, vide their letter No.: 27 / 221 / 2009 / CI - 111 dt. 26-08-2009 exempting the publication of accounts of subsidiary under the provisions of sec 212 of Companies Act 1956, for the financial year 2008 - 09. Therefore the consolidated financial statements do not contain the subsidiary company's financial statement along with this report.
- o) Previous year figures have been regrouped wherever necessary.
- p) The figures have been rounded off to nearest rupee.

Schedules 1 to 20 form an integral part of the Balance Sheet and the Profit and Loss Account.

As per our report annexed

For and on behalf of the Board

For D.A. Reddy & Co.,
Chartered Accountants

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director (Operations)

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

CS. M. Chakrapani
Company Secretary & Manager - Finance

Place : Chennai
Date : 30.06.2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

		(Rs. In lakhs)	
		FOR THE YEAR ENDED	
		31.3.2009	31.3.2008
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit before Tax and Extraordinary items	+	334.73	+ 941.76
Adjustment for :			
Depreciation	+	274.45	+ 219.02
Foreign Exchange			
Investments		-	-
Interest/Dividend	-	4.70	- 4.17
Interest Paid	+	373.96	+ 288.69
Renovation Expenses	+	93.00	+ 67.84
Net Deferred Expenses	+	94.85	+ 108.59
Loss on Sale of Asset	+	83.96	+ 3.40
Lease Rent	+	5.94	---
Operating Profit before working capital changes	+	1256.19	+ 1625.13
Adjustments for :			
Trade and other receivables	-	77.77	+ 31.20
Inventories	+	5.73	- 10.05
Trade Payables	+	6.79	- 46.75
Cash generated from operations	+	1190.94	+ 1599.53
Interest paid	-	373.96	- 288.69
Direct Taxes paid	-	275.54	- 342.16
Cash flow before extra-ordinary items	+	541.44	+ 968.68
Extraordinary items	-	93.00	- 67.84
NET CASH FLOW FROM OPERATION ACTIVITIES	+	448.44	+ 900.84
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	-	206.25	- 733.25
Sale of Fixed Assets	+	740.09	+ 8.49
Capital Work in Progress Transferred to Fixed Assets	+	-	+ 26.83
Acquisitions of Companies (as per annexure)		-	-
Purchase of Investments		-	- 50.52
Sale of Investments		-	-
Interest Received	+	4.01	+ 3.63
Dividend Received	+	0.69	+ 0.54
NET CASH USED IN INVESTING ACTIVITIES	+	538.54	- 744.28



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009 (Contd.)

		(Rs. In lakhs)	
		FOR THE YEAR ENDED	
		31.3.2009	31.3.2008
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		—	—
Proceeds from long term borrowings	—	843.82	— 27.13
Repayment of finance lease liabilities			
Dividend paid inclusive of tax	—	139.55	— 139.55
NET CASH USED IN FINANCING ACTIVITIES	—	983.37	— 166.68
NET INCREASE IN CASH AND CASH EQUIVALENT	+	3.61	— -10.12
CASH AND CASH EQUIVALENTS AS AT 01.04.2008	+	65.90	— 76.02
(opening balance)			
CASH AND CASH EQUIVALENTS AS AT 31.03.2009	+	69.51	— 65.90
(closing balance)			

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director (Operations)

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

CS. M. Chakrapani
Company Secretary & Manager - Finance

Place : Chennai
Date : 30.06.2009

AUDITOR'S CERTIFICATE

This is to certify that the above cash flow statements is drawn from the audited financial statements for the year ended 31.03.2009 and is in accordance with the requirements under clause 32 of the listing agreement of the stock exchange

For **D A Reddy & Co.,**
Chartered Accountants

Place : Chennai
Date : 30.06.2009

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

CIN

L	5	5	1	0	1	T	N	1	9	6	9	P	L	C	0	0	5	7	6	8
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BALANCE SHEET DATE

3	1	0	3	2	0	0	9
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 STATE CODE

1	8
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II. CAPITAL RAISED DURING THE YEAR (Amount Rs. in thousands)

PUBLIC ISSUE

			N	I	L		
--	--	--	---	---	---	--	--

RIGHTS ISSUE

			N	I	L		
--	--	--	---	---	---	--	--

BONUS ISSUE

			N	I	L		
--	--	--	---	---	---	--	--

PRIVATE PLACEMENT

			N	I	L		
--	--	--	---	---	---	--	--

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. in thousands)

TOTAL LIABILITIES

			6	3	7	8	2	6
--	--	--	---	---	---	---	---	---

TOTAL ASSETS

			6	3	7	8	2	6
--	--	--	---	---	---	---	---	---

SOURCES OF FUNDS:

PAID UP CAPITAL

				5	9	6	4	0
--	--	--	--	---	---	---	---	---

RESERVES & SURPLUS

			3	4	4	0	4	3
--	--	--	---	---	---	---	---	---

SECURED LOANS

			2	3	0	1	9	4
--	--	--	---	---	---	---	---	---

UNSECURED LOANS

--	--	--	--	--	--	--	--	--

DEFERRED TAX LIABILITY

				3	9	4	9
--	--	--	--	---	---	---	---

APPLICATION OF FUNDS:

NET FIXED ASSETS

			5	6	9	2	9	7
--	--	--	---	---	---	---	---	---

INVESTMENTS

				2	7	8	1	8
--	--	--	--	---	---	---	---	---

NET CURRENT ASSETS

				2	1	9	2	8
--	--	--	--	---	---	---	---	---

MISC. EXPENDITURE

				1	8	7	8	3
--	--	--	--	---	---	---	---	---

ACCUMULATED LOSSES

			N	I	L		
--	--	--	---	---	---	--	--

IV. PERFORMANCE OF THE COMPANY (Amount Rs. in thousands)

TURNOVER

			3	9	3	9	3	8
--	--	--	---	---	---	---	---	---

TOTAL EXPENDITURE

			3	6	0	4	6	5
--	--	--	---	---	---	---	---	---

+ - PROFIT / LOSS BEFORE TAX

3					3	3	4	7	3
---	--	--	--	--	---	---	---	---	---

+ - AFTER TAX

3						9	1	2	7
---	--	--	--	--	--	---	---	---	---

(please tick appropriate box + for profit - for loss)

EARNING PER SHARE IN Rs.

1	.	5	3
---	---	---	---

DIVIDEND RATE %

1	0
---	---

V. GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY

(As per monetary terms)

ITEM CODE No. (ITC Code)

5	9	1	0	0	1	0	0	6
---	---	---	---	---	---	---	---	---

PRODUCT DESCRIPTION

H	O	T	E	L	I	E	R	I	N	G		A	N	D
C	A	T	E	R	I	N	G							



AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS TO

**To
The Board of Directors
M/s. SAVERA INDUSTRIES LIMITED
AND ITS SUBSIDIARIES.**

We have examined the attached consolidated balance sheet of M/s. Saver Industries Limited and its subsidiaries M/s. Elkhill Agrotech (P) Ltd, Ooty as at March 31, 2009, the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of M/s. Saver Industries Limited management and have been prepared by the management on basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of materials misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of its subsidiaries M/s. Elkhill Agrotech (P) Ltd., Ooty, whose financial statements reflect the Group's share of total assets for the year ended 31st March 2009 as considered in the consolidated financial statements. These financial statements of the joint venture for the year ended 31st March 2009 have been audited by other auditor whose report has been furnished to us, and our opinion, in so far as it related to the amounts included in respect of the joint venture, is based solely on the report of the other auditor.

We report that the consolidated financial statements have been prepared by M/s. Saver Industries Limited's management in accordance with the requirements of Accounting Standard (AS) 21, issued by the Institute of Chartered Accountants of India.

Based on our audit on consideration of the report of the auditor on separate financial statements and on the other financial information of component, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in case of the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of M/s. Saver Industries Limited Groups as at 31st March 2009.
- (b) in case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in case of the Consolidated Cash Flow Statement, of the cash flows of the year ended on that date.

For **D A Reddy & Co.,**
Chartered Accountants

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

Place : Chennai
Date : 30.06.2009

CONSOLIDATED BALANCE SHEET AS AT 31.03.2009

S.No	PARTICULARS	SCH.No.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
I	SOURCE OF FUNDS			
1	Share Holders Funds			
a.	Share Capital	1	5,96,40,000	5,96,40,000
b.	Reserves and Surplus	2	33,30,33,712	33,56,55,630
			39,26,73,712	39,52,95,630
2	Loans Funds			
a.	Secured Loans	3	23,11,94,882	29,53,12,225
b.	Unsecured Loans	4	38,000	2,02,33,307
			23,12,32,882	31,55,45,532
3	Deferred Tax Liability (Net)	5	39,49,077	36,68,980
	TOTAL		62,78,55,671	71,45,10,142
II	APPLICATION OF FUNDS			
1	Goodwill on Consolidation		1,07,65,944	1,07,65,944
	(a)Fixed Assets			
i.	Gross Block	6	79,48,30,385	87,28,91,367
ii.	Less: Depreciation		21,48,86,449	20,21,55,087
iii.	Net Block		57,99,43,936	67,07,36,280
2	Investments	7	98,911	98,911
3	Current Assets, Loans and Advances			
a.	Inventories	8	84,25,542	1,03,67,066
b.	Sundry Debtors	9	1,72,24,700	1,64,63,700
c.	Cash & Bank Balances	10	73,24,180	68,06,350
d.	Loans & Advances	11	3,59,13,402	2,88,81,296
			6,88,87,824	6,25,18,412
	Less: Current Liabilities & Provisions	12		
-	Current Liabilities		2,77,60,688	1,90,64,164
-	Provisions		2,43,83,630	3,99,27,762
			5,21,44,318	5,89,91,926
	Net Current Assets		1,67,43,506	35,26,486
4	Misc. Expenditure to the extent not Written Off.	13	2,03,03,374	2,93,82,521
	TOTAL		62,78,55,671	71,45,10,142
	Significant Accounting Policies	22		
	Notes to Accounts	23		

As per our report annexed

For and on behalf of the Board

For **D.A. Reddy & Co.,**
Chartered Accountants

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director (Operations)

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

CS. M. Chakrapani
Company Secretary & Manager - Finance

Place : Chennai
Date : 30.06.2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

S.No	PARTICULARS	As at SCH.No.	As at 31.03.2009 Rs.	31.03.2008 Rs.
I	INCOME			
	Rooms, Restaurants, Banquets and other services	14	38,16,31,645	45,24,09,604
	Income from Flouriculture	15	29,86,683	32,10,252
	Income from O2 Health Studio	16	1,18,14,659	4,05,100
	Other Income	17	12,07,647	22,16,665
			<u>39,76,40,634</u>	<u>45,82,41,621</u>
II	EXPENDITURE			
	Food, Beverages & Liquor consumed	18	6,09,78,646	7,35,43,155
	Flouriculture Cultivation	19	29,89,842	21,13,364
	Operating and Administration Expenses	20	23,74,93,503	23,85,76,445
	Financial Charges	21	3,75,50,015	2,94,64,150
	Depreciation on Fixed Assets		2,95,31,781	2,45,05,707
			<u>36,85,43,787</u>	<u>36,82,02,821</u>
III	PROFIT			
	Profit before Taxation		2,90,96,847	9,00,38,800
	Less : Provision for taxation			
	Income Tax		2,33,41,000	3,48,46,009
	Fringe Benefit Tax		7,25,000	10,68,302
	Deferred Tax Asset / (Liability)		2,80,097	-25,28,416
	Excess Provision Written Back		-	3,88,093
	Profit after Taxation		47,50,750	5,70,40,998
	Add : Profit brought forward from Previous Year		7,70,91,633	4,81,70,236
	Profits available for Appropriation		<u>8,18,42,383</u>	<u>10,52,11,234</u>
IV	APPROPRIATION			
	Transfer to General Reserve		-	1,41,64,437
	Proposed Dividend		59,64,000	1,19,28,000
	Provisions for Dividend Distribution Tax		10,14,000	20,27,164
	Balance Carried to Balance Sheet		<u>7,48,64,383</u>	<u>7,70,91,633</u>
			<u>8,18,42,383</u>	<u>10,52,11,234</u>
V	EARNINGS PER SHARE - BASIC & DILUTED			
	(Face Value of Rs. 10 each)		0.80	9.56
	Weighted average of Number of Equity Shares			
	Significant Accounting Policies	22		
	Notes to Accounts	22		

As per our report annexed

For and on behalf of the Board

For **D.A. Reddy & Co.,**
Chartered Accountants

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director (Operations)

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

CS. M. Chakrapani
Company Secretary & Manager - Finance

Place : Chennai
Date : 30.06.2009

CONSOLIDATED SCHEDULE TO BALANCE SHEET

S.No	PARTICULARS	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1	SHARE CAPITAL		
	Authorised 70,00,000 equity shares of Rs.10/- each	<u>7,00,00,000</u>	<u>7,00,00,000</u>
	Issued, Subscribed and Paid up 59,64,000 equity shares of Rs.10/- each	<u>5,96,40,000</u>	<u>5,96,40,000</u>
2	RESERVES AND SURPLUS		
	a. Share Premium Account	3,75,00,000	3,75,00,000
	b. Revaluation Reserve	14,11,07,602	14,22,52,140
	Less : Depreciation for the year	<u>11,44,538</u>	<u>11,44,538</u>
		<u>13,99,63,064</u>	<u>14,11,07,602</u>
	c. General Reserve - Opening Balance	7,64,94,728	6,23,30,291
	Add : Transferred from P & L	<u>—</u>	<u>1,41,64,437</u>
		<u>7,64,94,728</u>	<u>7,64,94,728</u>
	d. Balance in Profit & Loss A/c	7,48,64,383	7,70,91,633
	e. Consolidation Adjustment	<u>42,11,537</u>	<u>34,61,667</u>
		<u>33,30,33,712</u>	<u>33,56,55,630</u>
3	SECURED LOAN		
	a. From Banks	23,09,30,905	29,53,12,225
	b. From Others	<u>2,63,977</u>	<u>—</u>
		<u>23,11,94,882</u>	<u>29,53,12,225</u>
4	UNSECURED LOAN		
	a. From Directors	38,000	2,33,307
	b. From Corporates	<u>—</u>	<u>2,00,00,000</u>
		<u>38,000</u>	<u>2,02,33,307</u>
5	DEFERRED TAX LIABILITY		
	Deferred Tax Liability as on 31.03.2009	39,49,077	36,68,980
		<u>39,49,077</u>	<u>36,68,980</u>

SCHEDULE 6 FIXED ASSETS

Schedule Forming part of the Consolidated Balance Sheet and the Consolidated Profit & Loss Account

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Original Cost /Revaluation as at 31.3.2008	Additions during the year	Withdrawals during the year	Original Cost as at 31.3.2009	Depreciation upto 1.4.2008	Depreciation for the year 2008-09	Withdrawn during the year	Depreciation upto 31.03.2009	Net block as on 31.3.2009	Net block as on 31.3.2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND	30,88,80,022	38,22,729	2,09,67,014	29,17,35,737	—	—	—	—	29,17,35,737	30,88,80,022
BUILDINGS	16,83,87,904	29,55,147	3,14,56,929	13,98,86,122	2,80,84,740	24,80,368	9,06,402	2,96,58,706	11,02,27,416	14,03,03,164
FURNITURE & FITTINGS	1122,52,341	2,63,675	1,82,87,688	9,42,28,328	6,40,64,561	1,04,29,137	93,59,684	6,51,34,014	2,90,94,314	4,81,87,780
VEHICLES	1,36,89,734	10,62,493	2,40,000	1,45,12,227	30,50,939	13,45,056	91,513	43,04,482	1,02,07,745	1,06,38,795
PLANT & MACHINERY	25,77,66,990	1,20,01,894	2,53,00,190	24,44,68,694	10,12,22,569	1,54,91,740	71,95,352	10,95,18,957	13,49,49,737	15,65,44,421
OFFICE EQUIPMENTS	1,00,89,554	5,26,052	6,16,329	99,99,277	57,32,278	9,30,018	3,92,006	62,70,290	37,28,987	43,57,276
WORK IN PROGRESS	18,24,822	—	18,24,822	—	—	—	—	—	—	18,24,822
TOTAL	87,28,91,367	2,06,31,990	9,86,92,972	79,48,30,385	20,21,55,087	3,06,76,319	1,79,44,957	21,48,86,449	57,99,43,936	67,07,36,280
PREVIOUS YEAR	80,40,37,522	7,33,48,301	44,94,456	87,28,91,367	17,71,29,362	2,56,50,245	6,24,520	20,21,55,087	67,07,36,280	62,69,08,159

CONSOLIDATED SCHEDULE TO BALANCE SHEET

S.No	PARTICULARS	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
7	INVESTMENTS (AT COST)		
	Shares (Quoted) (Fully paid)		
	a. Oriental Hotels Limited	5,035	5,035
	b. I.T.C. Limited	2,825	2,825
	c. Indian Hotels Co. Ltd.	45,445	45,445
	d. Apollo Hospitals Ltd.	30,000	30,000
	e. Central Bank of India Ltd.	15,606	15,606
	Market Value on 31.3.2009 (Rs.35.57 in lakhs)	98,911	98,917
8	INVENTORIES (At lower of Average cost or market value)		
	a. Food & Beverages	3,30,314	4,12,602
	b. Wine & Liquor	4,55,072	6,15,602
	c. Crockery & Cutlery	29,55,806	36,86,427
	d. Linen & Housekeeping items	44,66,700	40,66,700
	e. Planting Materials	—	11,73,480
	f. Consumables Stores	2,17,650	4,12,255
		84,25,542	1,03,67,066
9	SUNDRY DEBTORS Unsecured considered good		
	a. Debts outstanding for a period exceeding 6 months	22,72,203	19,39,296
	b. Other debts	1,49,52,497	1,45,24,404
		1,72,24,700	1,64,63,700
10	CASH AND BANK BALANCES		
	a. Cash on Hand	13,84,071	15,90,036
	b. Balance with Schedule Banks in Current Account	59,40,109	52,16,314
		73,24,180	68,06,350
11	LOANS AND ADVANCES (Unsecured considered good)		
	a. Advances recoverage in cash or in kind for value to be received	1,95,45,079	1,13,90,266
	b. Deposits	1,63,68,323	1,74,91,030
		3,59,13,402	2,88,81,296

CONSOLIDATED SCHEDULE TO BALANCE SHEET

S.No	PARTICULARS	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
12	CURRENT LIABILITIES AND PROVISIONS		
	a. Current Liabilities		
	Sundry Creditors		
	- Dues to Micro, Small & Medium Enterprises	-	-
	- Others	2,62,20,911	1,79,40,739
	Investor Education & Protection Fund		
	- Unclaimed Dividend	8,61,277	4,44,925
	Rental Deposits	6,78,500	6,78,500
		<u>2,77,60,688</u>	<u>1,90,64,164</u>
	b. Provisions		
	Provision for Income Tax & FBT	5,99,76,300	3,59,10,300
	Less :Advance Income Tax and TDS	-4,48,20,670	-1,72,66,935
	Net of Income Tax and TDS	1,51,55,630	1,86,43,365
	Proposed Dividend & Dividend Distribution Tax	69,78,000	1,39,55,164
	Provision for Employee Benefits	22,50,000	73,29,233
		<u>2,43,83,630</u>	<u>3,99,27,762</u>
13	MISCELLANEOUS EXPENDITURE		
	Deferred lease & Renovation Expenditure	1,38,17,291	1,95,12,841
	Misc. Expenditure - Pre Operative and Preliminary Expenses	64,86,083	98,69,680
		<u>2,03,03,374</u>	<u>2,93,82,521</u>
14	ROOMS, RESTAURANTS, BANQUETS & OTHER SERVICES		
	a. Rooms	17,42,98,595	21,96,48,995
	b. Food & Beverages	14,67,18,744	16,33,09,620
	c. Wine & Liquor	3,12,88,626	4,41,23,821
	d. Other Services	2,80,18,394	2,33,71,466
	e. Telephone, Fax and Telex	10,97,479	17,77,533
	f. Exchange Fluctuation	2,09,807	1,78,169
		<u>38,16,31,645</u>	<u>45,24,09,604</u>
15	INCOME FROM FLOURYCULTURE		
	a. Sale of Flowers	29,86,683	31,94,540
	b. Sale of Plants	-	15,712
		<u>29,86,683</u>	<u>32,10,252</u>
16	INCOME FROM O2 HEALTH STUDIO		
	a. O2 Mogappair - Collections & Membership	1,18,14,659	4,05,100
		<u>1,18,14,659</u>	<u>4,05,100</u>

CONSOLIDATED SCHEDULE TO BALANCE SHEET

S.No	PARTICULARS	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
17	OTHER INCOME		
	a. Dividend from domestic Companies	68,466	53,575
	b. Interest on MES deposit	2,81,886	2,78,812
	c. Interest on FD	1,19,195	84,278
	d. Other Income	7,38,100	18,00,000
		<u>12,07,647</u>	<u>22,16,665</u>
18	(A) FOOD & BEVERAGES CONSUMED		
	Opening Stock	4,12,602	3,82,269
	Add : Purchases	5,36,13,903	6,29,27,331
	Less : Closing Stock	3,30,314	4,12,602
		<u>5,36,96,191</u>	<u>6,28,96,998</u>
	(B) WINE AND LIQUOR CONSUMED		
	Opening Stock	6,15,602	7,00,885
	Add : Purchases	71,21,925	1,05,60,874
	Less : Closing Stock	4,55,072	6,15,602
		<u>72,82,455</u>	<u>1,06,46,157</u>
	(A) + (B)	<u>6,09,78,646</u>	<u>7,35,43,155</u>
19	FLOURCULTURE EXPENDITURE		
	a. Packing materials	55,360	42,843
	b. Fertilizers & Chemicals	1,63,047	6,44,318
	c. Planting Materials	26,01,484	8,58,995
	d. Fuel Expenses	85,309	1,22,773
	e. Land development charges	21,985	43,562
	f. Crop Supporting System	50,386	69,981
	g. Poly House	12,271	3,30,892
		<u>29,89,842</u>	<u>21,13,364</u>
	Grand Total (18 + 19)	<u>6,39,68,488</u>	<u>7,56,56,519</u>

CONSOLIDATED SCHEDULE TO BALANCE SHEET

S.No	PARTICULARS	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
20	OPERATING AND ADMINISTRATIVE EXPENSES		
	a. Crokeries and Cutleries Consumed	16,80,059	15,65,453
	b. Fuel	78,00,652	82,30,997
	c. Salaries, wages and other benefits	7,31,75,300	6,94,51,614
	d. Electricity charges	4,04,92,696	3,76,71,392
	e. Building Upkeep	1,27,64,554	1,26,63,041
	f. Repairs & maintenance	3,14,35,755	3,68,76,964
	g. Rates & Taxes	95,08,796	96,32,216
	h. Advertisement	33,68,711	1,71,69,743
	i. Sales Promotion	58,83,963	71,67,302
	j. Hire Charges - Furniture	2,96,601	14,90,389
	k. Administrative Expenses	1,76,82,815	1,56,77,113
	l. Professional Charges	28,36,993	12,71,825
	m. Audit Fees		
	- Auditors	1,59,935	1,62,922
	- For Tax Matters	66,180	67,416
	- Out of Pocket Expenses	66,180	67,416
	n. Lease Rentals		
	- Minimum Lease Payments	1,29,49,964	1,23,64,072
	o. Telephones	23,36,676	22,18,858
	p. Insurance	24,54,646	25,97,324
	q. Preliminary & Pre operative Expenses W. Off	41,36,611	18,92,706
	r. Loss on sale of assets	83,96,416	3,37,682
		23,74,93,503	23,85,76,445
21	FINANCIAL CHARGES		
	a. Interest on Secured Loans	3,34,09,480	2,53,63,278
	b. Others	41,40,535	41,00,872
		3,75,50,015	2,94,64,150

22 NOTES ON CONSOLIDATED BALANCES SHEET AND PROFIT & LOSS ACCOUNT

1. a. The company and description of Business

Savera Industries Limited was incorporated in India in November 1969 and is engaged in the business of Hoteleering.

b. Principles of consolidation:

The consolidated financial statements relates to Savera Industries Limited, its 100% share capital held in Subsidiary company M/s. Elkhill Agrotech Private Limited, Ooty and 99% share capital held in M/s. Savera Hotels & Resorts Limited the consolidated financial statements have been prepared on the following basis.

- (i) The financial statements of the company, the consolidated financial statements of its subsidiary company have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, as per the respective financial statements duly certified by the Auditors of the respective companies after fully eliminating intra-group balances and also transactions resulting in un-released profits or losses in accordance with Accounting Standard AS-21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- (ii) The consolidated financial statements have been prepared using the uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's individual financial statements.
- (iii) The details of the subsidiary company, considered in the consolidated financial statements are as follows:

Name of the Company	Category	% of Voting Power as on 31.03.2009
M/s. Elkhill Agrotech Private Limited	Subsidiary	100%
M/s. Savera Hotels & Resorts Limited	Subsidiary	99%

2. ACCOUNTING POLICIES

- a) Land, Building and Plant & Machinery were revalued on 31.03.1993.
- b) Depreciation on Assets is provided on straight line basis at rates prescribed in Schedule XIV of the Companies Act, 1956.
- c) For Holding Company, gross depreciation for the current year is Rs 306.75 Lakhs on straight line method, of which Rs.11.45 Lakhs has been transferred to revaluation reserve account and for the subsidiary company gross depreciation for the current year is Rs.20.87 Lakhs on WDV method.
- d) Accumulated depreciation on revaluation of assets amounting to Rs. 233.96 Lakhs (building Rs. 78.52 Lakhs and Plant & Machinery Rs.155.44 Lakhs) has been debited to Revaluation Reserve Account

3. Inventories are valued at average cost or market value which ever is lower.
4. (a) Earnings in convertible foreign exchange for the year amounted to Rs.211.49 lakhs (previous year Rs.450.08 lakhs)
(b) Expenditure in foreign currency amounted to Rs.31.95 lakhs (Previous year Rs.81.85 lakhs).
5. The Company has purchased vegetables, provisions, fruits, milk, milk products, pickles, meat; fish etc. for Rs.160.35 Lakhs from M/s. R.K. Traders, M/s. Shyam Hotels and Restaurants in which Mr. A. Ravikumar Reddy, Managing Director is a Proprietor and approval from the department of Corporate Affairs of Government of India, Southern Region, Chennai has been obtained wide 2/M-8014/2000 Dated 13th October, 2006 as required under the provisions of Sub-Section(1) of Section 297 of the Companies Act, 1956.
6. Refer point No. II (b) of Schedule 20 Notes to the Accounts given in this Annual Report for the details of Term loans from banks, (CBI, SBH, IOB and SIB) and security provided to them and the details of charges on the Assets.
7. As the turnover of the company includes sale of food and beverages, it is not possible to give quantitative details of the turnover of food and beverages, the company is exempted from giving these particulars vide order No. 46/112/2009-CL-III Dated 15.05.2009.
8. Amounts due to Micro, Small and Medium Enterprises: The identification of Micro, Small and Medium Enterprises Suppliers as defined under "The Micro, Small and Medium Enterprises Development Act, 2006" is based on information available with the management. As certified by the management. amounts overdue as on 31st March, 2009 to Micro, Small and Medium Enterprises on account of principal amount together with interest is Rs. Nil (Previous year Rs. Nil)
9. The summary of financial information furnished as per the approval U/S. 212(8) of the Companies Act, 1956 for the financial year ended 31st March, 2009 by the department of Corporate Affairs, Ministry of Finance; Government of India with regard to Subsidiary company is as follows:

M/s. Elkhill Agrotech Private Limited

Particulars	Amount	Amount
a) Share Capital	200.00	200.00
b) Reserves and Surplus	(153.02)	(109.27)
c) Total Assets	146.12	188.06
d) Total Liabilities	146.12	188.06
e) Turnover	37.03	42.10
f) Profit/Loss before Taxation	(-) 43.76	(-) 41.37
g) Provision for Taxation	-	-
h) Profit(Loss) after Taxation	(-) 43.76	(-) 41.37
i) Proposed Dividend	-	-

10. Pre-operative expenses represent the start up cost in setting up the units and has been amortised over the remaining period of the lease.
11. Deferred revenue expenditure and has been amortised over a period of three years under straight line method as in earlier years.

12. **Defined benefit plan**

During the year 2007 the company has formulated a Group Gratuity Scheme in respect of certain employees is covered by Group Gratuity scheme with the Life Insurance Corporation of India.

13. Deferred Tax: In accordance with the Accounting Standard 22 (AS-22) 'Accounting for Taxes on Income', the Company has provided for deferred tax and the net deferred tax liability as on 31st March 2009 comprises of the following:

Particulars	(Rs. in lakhs)	
	As at 31.03.2009	As at 31.3.2008
Deferred Tax Liability		
Related to Fixed Assets	15.11	65.80
Disallowance under income tax Act 1961	32.03	64.86
Total	47.14	130.66
Deferred Tax Assets		
on carried forward losses	—	69.06
On Retirement Benefits	7.65	24.91
Total	7.65	93.97
Net deferred tax Asset/ (liability) as on 31.3.2009	39.49	36.69

14. Previous year figures have been regrouped wherever necessary.

15. The figures have been rounded off to nearest rupee.

Schedules 1 to 22 form an integral part of the Consolidated Balance Sheet and the Profit and Loss Account.

As per our report annexed

For and on behalf of the Board

For D.A. Reddy & Co.,
Chartered Accountants

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director (Operations)

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

CS. M. Chakrapani
Company Secretary & Manager - Finance

Place : Chennai
Date : 30.06.2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

		(Rs. In lakhs)			
		FOR THE YEAR ENDED			
		31.3.2009	31.3.2008		
A.	CASH FLOW FROM OPERATING ACTIVITIES :				
	Net Profit before Tax and Extraordinary items	+	290.97	+	900.39
	Adjustment for :				
	Depreciation	+	295.32	+	245.06
	Foreign Exchange		—		—
	Investments		—		—
	Interest/Dividend	—	4.70	—	4.17
	Interest Paid	+	375.50	+	294.64
	Renovation Expenses	+	93.00	+	67.84
	Net Deferred Expenses	+	90.80	+	103.57
	Goodwill Difference	+	7.47	—	49.55
	Loss on Sale of Asset	+	83.96	+	3.37
	Lease Rent	+	5.94		—
	Operating Profit before working capital changes	+	1238.26	+	1561.15
	Adjustments for :				
	Trade and other receivables	—	77.93	+	59.71
	Inventories	+	19.41	+	2.44
	Trade Payables	+	13.68	—	45.33
	Cash generated from operations	+	1193.42	+	1577.97
	Interest paid	—	375.50	—	294.64
	Direct Taxes paid	—	275.54	—	342.54
	Cash flow before extra—ordinary items	+	542.38	+	940.79
	Extraordinary items	—	93.00	—	67.84
	NET CASH FLOW FROM OPERATION ACTIVITIES	+	449.38	+	872.95
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets	—	206.32	—	733.48
	Sale of Fixed Assets	+	740.09	+	8.49
	Capital Work in Progress Transferred to Fixed Assets	+	—	+	26.83
	Acquisitions of Companies (as per annexure)		—		—
	Purchase of Investments		—	—	0.56
	Sale of Investments		—		—
	Interest Received	+	4.01	+	3.63
	Dividend Received	+	0.69	+	0.54
	NET CASH USED IN INVESTING ACTIVITIES	+	538.47	—	694.55

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009 (CONTD.)

		(Rs. In lakhs)	
		FOR THE YEAR ENDED	
		31.3.2009	31.3.2008
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		—	—
Proceeds from long term borrowings	—	843.12	—
Repayment of finance lease liabilities			46.82
Dividend paid inclusive of tax	—	139.55	—
NET CASH USED IN FINANCING ACTIVITIES	—	982.67	—
NET INCREASE IN CASH AND CASH EQUIVALENT	+	5.18	—
CASH AND CASH EQUIVALENTS AS AT 01.04.2008	+	68.06	+
(opening balance)			76.03
CASH AND CASH EQUIVALENTS AS AT 31.03.2009	+	73.24	+
(closing balance)			68.06

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director (Operations)

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

CS. M. Chakrapani
Company Secretary & Manager - Finance

Place : Chennai
Date : 30.06.2009

AUDITOR'S CERTIFICATE

This is to certify that the above cash flow statements is drawn from the audited financial statements for the year ended 31.03.2009 and is in accordance with the requirements under clause 32 of the listing agreement of the stock exchange

For **D A Reddy & Co.,**
Chartered Accountants

Place : Chennai
Date : 30.06.2009

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



Registered Office : New No.146, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004.

ATTENDANCE SLIP

Name and Address of Member		40th Annual General Meeting 30th September 2009 at 10.00 A.M. Venue : The Music Academy Kasturi Srinivasan Hall New No.168, TTK Road, Chennai - 60 014	
Folio No./Client ID	Holding Shares	<input type="checkbox"/> Member	<input type="checkbox"/> Proxy

I hereby record my presence at the Annual General Meeting held on 30th September 2009.

(Member's / Proxy's Signature)

Please bring the duly filled in Attendance Slip to the Meeting and hand over at the entrance.



Registered Office : New No.146, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004.

PROXY FORM

Regd. Folio NO./Client ID Number with DP

I / We of..... Being a member / members of the above named Company hereby appoint..... of..... of failing him..... as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, the 30th September 2009 at 10.00 A.M. at The Music Academy, Kasturi Srinivasan Hall, New No.168, T.T.K. Road, Chennai – 600 014 and at any adjournment thereof.

Signed this.....day of.....2009.

Signature.....

Affix a
 Re.1/-
 Revenue
 Stamp

Note : The Proxy to be effective must be deposited at the Registered Office of the Company at New No.146, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004, Tamil Nadu, not less than 48 hours before the time for holding the meeting.

Actress Suhasini at
Candle Light Ceremony in Savera



Candle light Ceremony at Savera



All Women Duchess Car Rally



RJ Deena at Candle Light Ceremony
at Savera

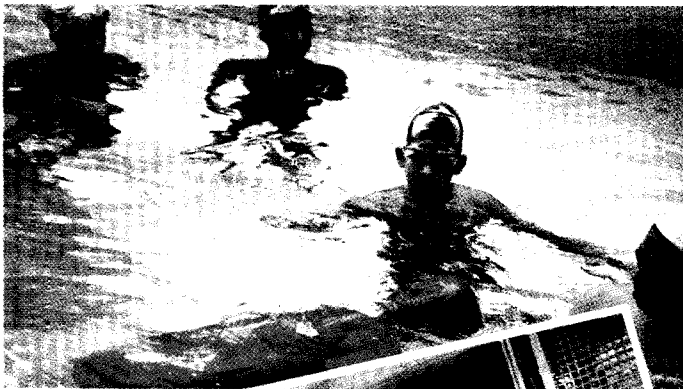




Actor Surya Inaugurating
O2 Healths Studio at Velachery



Actor Surya on the Virtual Cycle
at O2 Healths Studio at Velachery

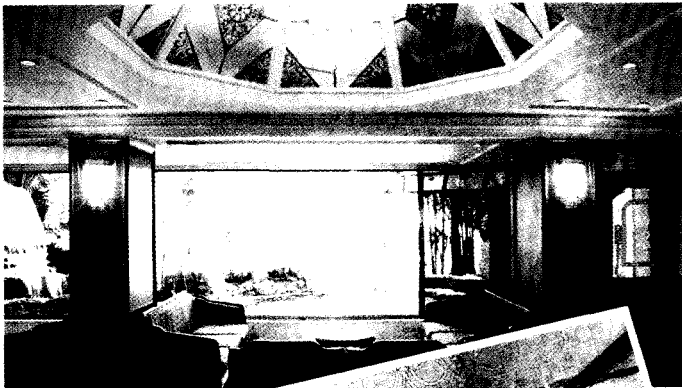


Swimming Life Guard Safety Demo

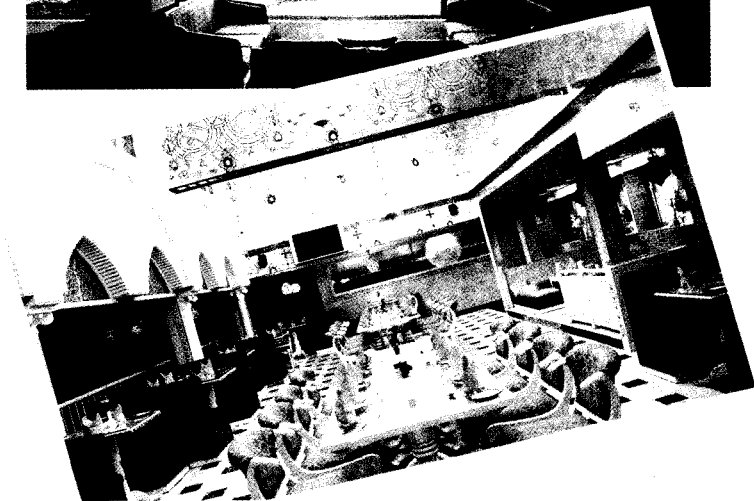


Malgudi Restaurant

Savera Lobby



Roof Top Minar Restaurant



Banquet Halls



Renovated Sparks Pub





SAVERA INDUSTRIES LIMITED

146, Dr. Radhakrishnan Road, Chennai - 600 004.

www.saverahotel.com