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BOARD OF DIRECTORS

Sri A. Ravikumar Reddy	-	Managing Director
Smt A. Nina Reddy	-	Executive Director (Operations)
Sri A. Tarun Reddy	-	Director
Ms A. Nivruti Reddy	-	Director
Sri S. Rajaratnam	-	Director
Sri G. Sitharaman	-	Director
Sri A. Sudhakar Reddy	-	Director
Sri B. Ranga Reddy	-	Director

SAVERA MISSION STATEMENT

We are a company striving to achieve excellence in

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

We deliver what we commit, OUR BUSINESS IS YOU

OUR CORE VALUES

ONE TEAM - ONE VISION

Happy employees focused on delighting customers

- With a desire to excel
- Without compromising on Honest, Integrity and Quality

CORPORATE INFORMATION

- Registered Office** : No. 146, Radhakrishnan Road
Chennai - 600 004
Tamilnadu.
- Bankers** : Central Bank of India
Industrial Finance Branch
48/49, Montieth Road
Egmore, Chennai - 600 008.
- Company Secretary and
Chief Financial Officer** : Mr. N.S.Mohan
M.Com., F.C.S., M.B.A(Fin), P.G.D.F.M., B.G.L.
- Auditors** : M/s. D.A. Reddy & Co.,
Chartered Accountants
'Audi Nivas', No.8, Kannaiah St
T. Nagar, Chennai - 600 017.
Tamilnadu.
- Registrars & Transfer Agents** : M/s. Cameo Corporate Services Ltd.,
UNIT: Savera Industries Limited
'Subramaniam Building'
No.1, Club House Road
Chennai - 600 002, Tamilnadu.

SAVERA INDUSTRIES LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 42nd Annual General Meeting of Saver Industries Limited will be held on Wednesday, the 21st September, 2011 at 11.00 a.m. at Narada Gana Sabha, 314, TTK Road, Chennai 600 018 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March 2011, Balance Sheet as at that date together with the Report of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in the place of Mr. G. Sitharaman, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Smt. A. Nina Reddy, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

The retiring Auditors, M/s. D.A. Reddy & Co.,(Firm Regn. No.005719S) Chartered Accountants, Chennai offer themselves for reappointment.

SPECIAL BUSINESS:

6. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.**

RESOLVED THAT in supersession of the resolution passed by the members in the Annual General Meeting of the company held on 20th September, 2006, and in pursuance of the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the company to borrow (excluding temporary loans obtained from the Banks in the ordinary course of business) from time to time, any sum or sums of money for the purpose of the business of the Company, notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the paid up capital of the company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which the moneys may be borrowed by the Board of Directors shall not exceed the aggregate of the paid-up capital and free reserves of the company by more than the sum of ₹100 crores (Rupees one hundred crores only) at any one time.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all such acts, deeds or things that may be necessary to give effect to this resolution.

7. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.**

RESOLVED THAT in supersession of the resolution passed by the members in the Annual General Meeting of the Company held on 20th September, 2006 and in pursuance of the provisions of Section 293(1)(a) and all other applicable provisions, if any of the Companies Act, 1956, the

Company do hereby accord its consent to mortgaging and/or charging by the Board of Directors of the Company, all or any of the movable or immovable properties, both present and future, or the whole or substantially the whole of the undertaking or undertakings of the Company for securing any loan as may be obtained from Banks/Other Financial Institutions, provided that the total amount so borrowed and to be borrowed (excluding temporary loans obtained from the banks in the ordinary course of business) does not exceed at any time the aggregate of the paid-up capital and free reserves of the company by more than the sum of ₹100 crores (Rupees One Hundred crores only).

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all such acts and things as may be necessary for giving effect to this resolution.

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

N S Mohan
Company Secretary and CFO

Chennai
4th Aug. 2011

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

NOTES:

- a) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business as set out above under items 6 & 7 is annexed hereto.
- b) 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.
- c) The Register of Members and the Share Transfer Books of the company will remain closed from 9th September, 2011 to 21st September, 2011 (both days inclusive).
- d) The dividend on Equity Shares as recommended by the Board for the year ended 31st March, 2011, if approved at the Annual General Meeting, will be paid within 30 days i.e. on or before 20th October, 2011 to those members whose names appear in the Register of Members as on 21st September, 2011. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by the Depositories for this purpose.
- e) The Company prefers use of ECS/NECS for payment of Dividend. Considering the advantages and in order to avoid loss of dividend warrants in transit, delay in receiving the warrants and to protect against fraudulent encashment of dividend warrants, members are requested to provide ECS/NECS Mandate, if not provided earlier. As on the date of dispatch of dividend warrant, if the bank details are not provided, the dividend warrant will be sent in physical form to the Shareholder's address available in the Members Register with the Registrars on that date. The ECS form is available on the company's website: www.saverahotel.com.
- f) Members/Proxies are requested to bring the Attendance Slip sent herewith duly filled in 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).
- g) As per the provisions 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.

- h) Members holding shares in physical form are requested to intimate the company regarding any change in their addresses/bank mandates to enable the company to address future communication to their correct addresses. Members holding shares in electronic(demat) form are requested to inform the Depository Participant (DP) with whom they hold their demat account about changes in their address/bank details for necessary updation.
- i) Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, 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 of the company, 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
2008-09	30.09.2009	29.09.2016
2009-10	25.09.2010	24.09.2017

- j) Members desiring any information as regards the Accounts are requested to intimate the Company Secretary at an early date so as to furnish such clarifications.
- k) We request members to attend meeting along with their copy of the Annual Report.
- l) Pursuant to clause 49 of the listing agreement entered into with the Stock Exchanges, the particulars of directors seeking reappointment at the meeting are annexed.
- m) Green Initiative

In terms of the circular issued by the Ministry of Corporate Affairs (MCA) the company is in the process of implementing "Green Initiative" i.e. electronic delivery of notices/documents and annual reports to shareholders. To enable the company to implement the same, shareholders are requested to update their email address with Depository Participants (DP) with whom they maintain their demat account. Similarly, members holding shares in physical mode are requested to update their email address by writing to the Registrars & Share Transfer Agents of the company, M/s. Cameo Corporate Services Ltd, quoting their respective folio numbers.

EXPLANATORY STATEMENT

AS REQUIRED BY SECTION 173 (2) OF THE COMPANIES ACT, 1956.

The following Explanatory Statement sets out all material facts relating to the Special Business under items nos. 6 & 7 mentioned in the accompanying notice dated 4-08-2011.

Item No.6

At the Annual General Meeting of the company held on 20th September, 2006, consent was accorded under Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors to borrow monies and raise such sums of money provided the amount so borrowed and to be borrowed shall not exceed ₹50.00 crores beyond the company's paid-up capital and its free reserves. Since it is anticipated that the company may require funds for its expansion on East Coast Road (ECR), it is considered necessary to increase the overall borrowing limits of the company. The Board seeks the approval of the members to borrow sums not exceeding ₹100 crores (Rupees One Hundred crores only) over and above the aggregate of paid up capital and free reserves.

Accordingly, the resolution pursuant to Section 293(1)(d) of the Companies Act, 1956 set out under item no. 6 of the notice is submitted to the members for consideration.

None of the Directors is concerned or interested in the resolution.

The Board recommends the resolution for approval of the members.

Item No.7

At the Annual General Meeting of the company held on 20th September, 2006, the Board was authorized by the members for creation of mortgages and/or charges on the whole or substantially the whole of all or any of the undertakings of the company in terms of Section 293(1)(a) of the Companies Act, 1956, provided the amount so borrowed and to be borrowed shall not exceed ₹50.00 crores beyond the company's paid-up capital and its free reserves. In view of the expansion plans on East Coast Road (ECR), it is felt necessary and desirable to enhance the borrowing powers of the Board of Directors to ₹100 crores (Rupees one hundred crores only) over and above the aggregate of the paid up capital and free reserves. The proposed borrowing may require creation of mortgages on the whole or substantially the whole of all or any of the undertakings of the company which may attract the provisions of Section 293 (1) (a) of the Companies Act, 1956 and require the consent of the members for the same. It is therefore proposed to get the consent of the members for creation of mortgages and/or charges of the assets of the company provided the amount so borrowed and to be borrowed shall not exceed at any point of time the aggregate of the paid up capital and free reserves of the company by more than the sum of ₹100 crores.

The approval of the members in general meeting is required as per Section 293 (1) (a) of the Companies Act, 1956.

None of the Directors is concerned or interested in the resolution.

The Board recommends the resolution for approval of the members.

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

Chennai
4th Aug. 2011

N S Mohan
Company Secretary and CFO

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

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, given below are the details of the Directors seeking re-appointment.

SRI. G.SITHARAMAN

Sri. G.Sitharaman is a fellow member and past President of the Institute of Chartered Accountants of India. He is an eminent Chartered Accountant and has over 50 years of professional experience. He is in the Board since June, 2008 and presently the Chairman of the Audit Committee.

SMT. A NINA REDDY

Smt. A. Nina Reddy has specialized in Interior Decoration and House Keeping. She is in the Board since Jan. 1999. She is also a Director in 1) Carewell Investments Ltd. 2) Shyam Enterprises (P) Ltd. 3) Ruchi Agro Products (P) Ltd. and 4) Elkhill Agrotech (P) Ltd.

REPORT OF THE DIRECTORS & MANAGEMENT DISCUSSION AND ANALYSIS

Your Directors have pleasure in presenting the 42nd Annual Report of the Company, together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

(₹ in thousands)

FOR THE YEAR ENDED

	31.3.2011	31.3.2010
Profit/(Loss) before tax for the year	8,80,08	4,99,04
Less: Provision for Income Tax for the year	3,12,76	1,91,55
Profit After tax	5,67,32	3,07,49
Profit Brought Forward	11,17,20	9,00,85
Profit Available for Appropriation	16,84,52	12,08,34
Transferred to General Reserve	56,73	7,68
Dividend and Dividend Distribution Tax	1,66,91	83,46
Profit carried forward to next year	14,60,88	11,17,20

REVIEW OF FINANCIAL PERFORMANCE

The company recorded 36% increase in turnover at ₹4,728.56 lakhs during the year ended March 31, 2011, as compared to the revenue of ₹3,485.61 lakhs earned during the previous year. This is because of increase in Room revenue by 46%, increase in occupancy rate to 70% from 47%, increase in Food & Beverages Income by 26%, despite the marginal decrease in the Average Room Rent by 2.50%. Profit before tax amounted to ₹880.07 lakhs as against ₹499.05 lakhs of the previous year resulting in an increase of 76%.

During the year under review, the company has started a hotel on the leased premises at Marathahalli, Bengaluru under the name of Lotus Park, and the marketing efforts are on to achieve the desired results.

INDUSTRY STRUCTURE, DEVELOPMENT & BUSINESS OVERVIEW

Travel and tourism is a growing service industry both in terms of gross revenue and foreign exchange earnings. It is driven by business, social, recreational, religious and other interests. This industry has much potential to encourage other sectors in economy.

The tourist and business travellers are at increasing trend contributing to the growth of the industry. Medical Tourism is also gaining momentum in India, thereby contributing to the growth of Tourism Industry.

The Indian economy is growing at around 8% per annum and the disposable income of Indians are rising thereby the tourism sector is expected to perform very well in the years to come. As the Indian economy continues to integrate with the world economy, greater benefits would be derived by doing business both in India and abroad.

Your company is continuously improving the service levels and upgrading the guest rooms, food & beverages, banquets, health clubs, etc.,

The recovery triggered in the last year is sustained during the year under review. There was an increase in Gross Domestic Product (GDP) by 8.6% in 2010-11 as compared to a rate of 8% during last year. Industrial Growth remained strong during the year 2010/11 with the Index for Industrial Production (IIP) recording an average growth of over 10%.

Travel and Tourism in Asia pacific has grown strongly in 2010-11.

Further, World tourist arrivals in Asia are likely to grow faster than arrivals in Europe. The Asian market share of world tourism would steadily increase until 2020. The shifts in key trends thus represent greater opportunities for developing economies (since tourism brings with it key benefits of boosting foreign exchange while creating jobs). It also creates avenues to develop niche areas such as coastal tourism, medical tourism and rural tourism to enhance the tourist value of destinations. Tourism trends around the world are likely to remain robust and the growth of the Tourism & Travel industry worldwide will significantly impact tourism flows towards the subcontinent.

OPPORTUNITIES AND FUTURE OUTLOOK

The prospects for the hotel industry in India are bright. International tourist inflow into the country is expected to rise. Additionally, hosting of international sports events, conferences, trade fairs and exhibitions in the country are expected to aid both inflow of international tourists and domestic tourist movement.

The government is making tremendous efforts in the areas of investment and infrastructure with an overall aim to boost the tourism industry. India's tourism industry is thriving due to an increase in foreign tourists arrivals. Domestic tourists are also fueling the industry's revival. As the disposable income of the middle class is increasing, the outbound travel is becoming popular. The entry by the various tourism agencies would pave the way in getting attractive packages to the customers.

The upcoming industrial parks, manufacturing facilities and ports across the country provide a good opportunity for budget and mid-market hotels. Although around 89,500 additional rooms are expected to come up in India in the next five years, the supply of branded/quality rooms in India is much lower compared to other countries across the globe. Hence, there exists huge potential for investors and operators across all the segments of hotel industry in India.

THREATS AND RISKS & CONCERNS

The increase in room inventories is expected to make the hotel industry more competitive and hotels would be under pressure to maintain quality and service levels at competitive prices. Competitive pricing amongst the branded hotels along with the addition of more budget and mid-market hotels would make the hotel industry cost competitive with other destinations. This would aid the growth of segments such as Meetings, Incentives, Conferencing and Exhibitions (MICE) amongst others. While there is immense potential, concerns for growth of the industry remain. These include high real estate prices in the country, security threats, shortage of manpower, high tax structure, and non-uniformity in taxes.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

CONSOLIDATED FINANCIAL RESULTS

The consolidated turnover of the company for the financial year ended 31.03.2011 stood at ₹4,803.66 lakhs as against ₹3,524.59 lakhs recorded during the previous year. The Profit after Tax amounted to ₹580.51 lakhs as against ₹254.37 lakhs recorded during the previous year.

BONUS SHARES

During the year under review, your company has capitalized the reserves by issuing Bonus Shares in the ratio of 1 : 1 to the members. After the bonus issue, the total paid up capital stood at ₹11,92,80,000 consisting of 11928000 equity shares of face value of ₹10/- each.

DIVIDEND

The Board of Directors of the Company has recommended a dividend of ₹1.20 per equity share for the financial year ended 31.3.2011. The total outflow towards dividend will be ₹ 143.14 lakhs and the tax on dividend works out to ₹ 23.77 lakhs which will be absorbed by the company.

SUBSIDIARY COMPANY

In terms of Accounting Standards 21 prescribed by the Institute of Chartered Accountants of India, the accounts of the subsidiaries are consolidated with the accounts of the Company and the consolidated accounts form part of this Report.

As per the general Circular No.2/2011 and notification No.51/12/2007-CL-III dated 8.02.2011 issued by the Ministry of Corporate Affairs, Govt. of India, the information in aggregate for subsidiaries companies such as Capital, Reserves, etc. are furnished separately in the Annual Report. .

The annual accounts of the subsidiaries companies viz., M/s. Elkhill Agrotech Pvt Ltd and M/s. Savera Hotels & Resorts Ltd. and other detailed information will be made available to the investors seeking such information at any point of time. The annual accounts of the Subsidiary Companies will also be available for inspection at the Registered office of the Company as well as the respective Registered offices of Subsidiary Companies.

DIRECTORS

In accordance with provisions of the Companies Act, 1956 and the Articles of Association of the Company, two of your Directors Mr. G.Sitharaman and Mrs. A.Nina Reddy retire by rotation and are eligible for re-appointment. Both the directors have expressed their willingness and offer themselves for re-appointment.

AUDITORS

The Auditors, M/s. D.A. Reddy & Co., Chartered Accountants retire at this Annual General Meeting in accordance with the Companies Act, 1956, and are eligible for re-appointment. The company has received a letter from them stating that the appointment, if made, will be within the prescribed limit under section 224 (1B) of the Companies Act, 1956. The Audit Committee and Board recommends reappointment of M/s. D.A.Reddy & Co., Chartered Accountants, Chennai as Auditors of the Company.

FIXED DEPOSIT

The Company has not accepted any fixed deposits under Section 58A of the Companies Act 1956.

CORPORATE GOVERNANCE

In term of clause 49 of the Listing Agreement, a report on Corporate Governance and the Auditor's Certificate on the compliance of Corporate Governance form part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant Section 217 (2AA) of the Companies Act, 1956, your Directors' confirm the following.

- a) That in the preparation of the Annual Accounts for the year ended 31st March, 2011, 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 Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the Company for that year.
- c) That the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act 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.

LISTING

The equity shares of your Company are listed on the Bombay Stock Exchange Limited, and Madras Stock Exchange Limited. Besides, the equity shares of your company are also traded in National Stock Exchange of India Limited through MSE. The listing fees have been paid to the Madras Stock Exchange Ltd and Bombay Stock Exchange Ltd..

RECONCILIATION OF SHARE CAPITAL AUDIT

In terms of the Circular No. CIR/MRD/DP/ 30 /2010 dated 6.09.2010 issued by the SEBI, the reconciliation of share capital held in depositories and in physical form with the issued / listed capital of the company was carried out by Sri. R.Balasubramaniam, Practising Company Secretary for every quarter of the financial year 2010-11. The reconciliation of share capital audit report was placed before the Board and submitted to the stock exchanges where the company's shares are listed.

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 optimize 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 on an ongoing process. In this respect, the company started using LED lights that consumes less energy and eco-friendly.
- b) Hotel being a service industry, technology absorption, transfer etc. are not applicable. Your company strives for updating the technology adopted by other companies in the industry throughout the world and adopts the same in its operations for regular customer satisfaction.

This includes upgrading of technology in House Keeping, Kitchen Equipments, Online Reservations, Air Conditioning, Audio & Visual Display Systems, Security Systems like Metal Frame Detector, Hand Detector, Closed Circuit Cameras etc., Sewage Treatment Plant (Latest Technology), Wi-Fi Internet, Networking, Hotel Software, Hoardings, LED Lighting, Closed User Group Mobile Systems to staff for faster response in attending to various activities of the company, if any.

- c) The company has gone one step ahead and launched Eco Green practice by Reduce, Reuse and Recycle. For reduce, the company is closely monitoring and controlling the wastages. For reuse, all the unwanted or extra items are put in a Red Band area and the items will be taken back by any other department which requires the same. Through this, most of the items are in reuse. For recycle, Sewage Treatment Plant (STP) treated water is used for the company's garden.
- d) Earnings in convertible foreign exchange for the year amounted to ₹ 347.52 lakhs for the services rendered to Foreign Tourist (Previous year ₹246.01 lakhs). Expenditure in Foreign Currency is ₹ 20.99 lakhs (Previous year ₹45.18 lakhs).
- e) Necessary steps are taken to upgrade the guest rooms, restaurants, banquet halls of the hotel to attract more customers.

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

No employee had drawn remuneration during 2010-11 more than the amount prescribed under Section 217(2A) of the companies Act, 1956, read with Companies (particulars of employees) Rules, 1975.

RELATIONSHIP WITH THE EMPLOYEES

Industrial Relations with employees are cordial. The company is providing opportunities to its employees for continuous learning and development to keep pace with challenges taking place in the hospitality industry. Many training programmes were conducted to develop the personality and outlook of the employees. The company has, through its internal sources undertaken employees' satisfaction survey to get the feedback from the employees and to see that their morale and motivation are improved. Highly engaged, talented and innovative people are leading the business excellence. The wage settlement agreements are entered into with the employees union at periodical intervals.

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

ACKNOWLEDGEMENTS

The Directors express their gratitude to Central Bank of India, and other financial institutions for extending their financial support. They further express their gratitude to the Central Government, State Government and other stakeholders for their patronage, guidance and support.

For and on behalf of the Board

Chennai
4.08.2011

A. Ravikumar Reddy
Managing Director

REPORT ON CORPORATE GOVERNANCE

(Annexure to the Report of the Directors)

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

Your company reviews its Corporate Governance practices to ensure that they reflect the latest developments in the corporate arena and thus positioning itself to conform to the best corporate governance practices. Your company is committed to pursue excellence in all its activities and maximise its shareholders wealth.

The company's Corporate Governance policies and practices focus on the following principles.

- 1) To recognise the respective roles and responsibilities of Board and Management.
- 2) To achieve the highest degree of transparency by maintaining high degree of disclosure levels.
- 3) To ensure and maintain high ethical standards in its functioning.
- 4) To give the highest importance to investors relations.
- 5) To ensure a sound system of risk management and internal controls.
- 6) To ensure that employees of the company subscribe to the corporate values and apply them in their conduct.
- 7) To ensure that the decision making process is fair and transparent
- 8) To ensure that the company follows globally recognised corporate governance practices.

The company reports the following compliance of Corporate Governance for the financial year 2010-11.

1. Board of Directors

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

Sl. No.	Name of the Directors	Category of Director	Directorship in other Listed Companies	Directorship / Partners in other Companies
1.	Mr. A. Ravikumar Reddy	Promoter - Executive	-	23
2.	Ms. A. Nina Reddy	Promoter - Executive	-	19
3.	Mr. S. Rajaratnam	Independent - Non Executive	1	5
4.	Mr. A. Tarun Reddy	Promoter - Non Executive	-	8
5.	Ms. A. Nivruti Reddy	Promoter - Non Executive	-	7
6.	Mr. A. Sudhakar Reddy	Independent - Non Executive	-	2
7.	Mr. B. Ranga Reddy	Independent - Non Executive	-	1
8.	Mr. G. Sitharaman	Independent - Non Executive	-	1
9.	Mr. M. Chakravarthy*	Independent - Non Executive	-	-

Note : * Mr. M.Chakravarthy was in the Board upto 30.11.2010 and he resigned from the Board w.e.f 1.12.2010.

Attendance of Directors at the Board Meeting held during financial year 2010-11 and last AGM is given below.

Sl. No.	Name of the Directors	No. of Board Meetings held	No. of Board Meetings attended	Last AGM Present / Absent
1	Mr. A. Ravikumar Reddy	8	8	Present
2	Mr. S. Rajaratnam	8	8	Present
3	Ms. A. Nina Reddy	8	6	Present
4	Mr. M. Chakravarthy*	8	7	Present
5	Mr. A. Tarun Reddy	8	7	Present
6	Ms. A. Nivruti Reddy	8	-	Leave of Absence granted
7	Mr. A. Sudhakar Reddy	8	8	Present
8	Mr. B. Ranga Reddy	8	8	Present
9	Mr. G. Sitharaman	8	7	Present

Note : * Mr. M.Chakravarthy was in the Board upto 30.11.2010 and he resigned from the Board w.e.f 1.12.2010

2. Board Meetings

The Board of the Company has also the various specialised committees constituted by it. Totally 8 meetings of the Board were held on 17.04.2010, 13.05.2010, 28.06.2010, 11.08.2010, 31.08.2010, 25.09.2010, 14.11.2010, and 31.01.2011 during the financial year 2010-11. 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.

3. Audit Committee

The Company's Audit Committee comprises entirely of Independent Directors and Non-Executive Directors. Each member of the committee has the relevant experience in the field of Finance and Accounting. The Chairman of the Audit Committee is Mr. G.Sitharaman, who is a fellow member and past president of the ICAI. He is an eminent Chartered Accountant and has over 50 years of professional experience. Mr. S.Rajaratnam, one of the members of the Audit Committee, is a fellow member of Institute of Cost and Works Accountants of India and also an Advocate. He is an eminent tax expert having vast experience in Income Tax matters. He is a retired Commissioner of Income Tax and retired member of the Income Tax Appellate Tribunal. The primary objective of the Audit Committee is to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

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

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.

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.

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.
- Assumption of going concern concept.
- 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.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Discussion with external auditors before the commencement of audit about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- Reviewing the company's financial and risk management policies.
- 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.
- Full access to information contained in records of the company and external professional advice, if necessary.
- Reviewing the findings of any internal investigations by the internal auditors into 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.

The Audit Committee meetings during the financial year 2010-11 were held on 17.4.2010, 13.05.2010, 28.06.2010, 11.08.2010, 14.11.2010 and 31.01.2011. The attendance of Members at the Audit Committee held during financial year 2010-11 is furnished hereunder.

Sl. No.	Name of the Members	Category	No. of meetings held	No. of meetings attended
1.	Mr. G. Sitharman - Chairman	Independent and qualified	6	6
2.	Mr. S. Rajaratnam - Member	Independent and qualified	6	6
3.	Mr. M. Chakravarthy* - Member	Non Executive -Independent	6	5
4	Mr. A. Sudhakar Reddy - Member	Non Executive - Independent	6	6

Note : * Mr. M.Chakravarthy resigned from the Board w.e.f 1.12.2010 and was in the Committee up to 30.11.2010.

4. Remuneration Committee

This Committee recommends to the Board from time to time, the compensation structure for Wholetime Directors of the Board. The committee also reviews the salary and perquisites of the top management personnel. The Remuneration Committee met on 13.05.2010 to discuss and recommend the remuneration of Executive Directors, to the Board.

Attendance of Members at the meeting of the Remuneration Committee held during the financial year 2010-11 is given below.

Sl. 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

Note : * Mr. M.Chakravarthy resigned from the Board w.e.f 1.12.2010 and was in the Committee up to 30.11.2010. Mr. S.Rajaratnam was appointed as Chairman of the Remuneration Committee w.e.f. 06.05.2011

Remuneration Policy:

- The Executive Director is being paid remuneration as approved by the members from time to time.
- Sitting fees of ₹ 5,000/- per meeting of the Board and ₹2,500/- per meeting of the Committee plus reimbursement of actual travel and out of pocket expenses incurred for attending such meetings are being paid to non-executive Directors, if any.
- 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 are 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	₹16,20,000	Nil	Nil
2	Ms. A. Nina Reddy	ED(O)-Executive	₹16,20,000	Nil	Nil
3	Mr. S. Rajaratnam	Non Executive	Nil	Nil	₹57,500
4	Mr. M. Chakravarthy	Non Executive	Nil	Nil	₹52,500
5	Mr. A. Tarun Reddy	Non Executive	Nil	Nil	₹35,000
6	Ms. A. Nivruti Reddy	Non Executive	Nil	Nil	Nil
7	Mr. A. Sudhakar Reddy	Non Executive	Nil	Nil	₹57,500
8	Mr. B. Ranga Reddy	Non Executive	Nil	Nil	₹40,000
9	Mr. G. Sitharaman	Non Executive	Nil	Nil	₹52,500

Note : *Mr. M.Chakravarthy resigned from the Board w.e.f 1.12.2010 and was in the Committee up to 30.11.2010.

5. Investors Grievance Committee

The committee monitors the redressal of investors grievances. The management provides top priority for investor grievances and all the communication received from shareholders were satisfactorily complied with. The company has no pending complaints from the shareholders during the year.

Attendance of Members at the Meetings of the Investor's grievances Committee held during the financial year 2010-11.

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

No sitting fees were paid to the members of the Investor Grievance Committee for attending the meeting during the financial year 2010-11.

Name and Designation of the Compliance Officer

Mr. N.S.Mohan, Company Secretary & Chief Financial Officer is the Compliance Officer of the Company and is also the Secretary to the above committees.

Complaints received during the year

Number of Complaints received so far	Number not solved to the satisfaction of shareholder	Number of pending complaints
2	Nil	Nil

6. Share Transfer Committee

The transfer deed requests 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 31.03.2011. 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 2010-11 is given below. No sitting fees were paid to the members of the Share Transfer Committee to attend the meeting.

Sl. No.	Name of the Members	No. of meetings held	No. of meetings attended
1.	Mr. A. Ravikumar Reddy - Chairman	24	24
2.	Mr. A. Chakravarthy - Member*	24	18
3.	Mr. B. Ranga Reddy - Member	24	24

Note : * Mr. M.Chakravarthy resigned from the Board w.e.f 1.12.2010 and was in the Committee up to 30.11.2010.

7. General Body Meetings

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

For the Financial year	Venue	Date	Time	Special Resolution
2007-08	The Music Academy, No.168, T.T.K. Road, Chennai-14	27.09.2008	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 Exchange Ltd.
2008-09	The Music Academy, No.168, T.T.K. Road, Chennai-14	30.09.2009	10.00 AM	NIL
2009-10	The Music Academy, No.168, T.T.K. Road, Chennai-14	25.09.2010	11.00 AM	Item No.9 : Alteration of Articles of Association - increase in Authorised Share Capital of the company

The Chairman of the Audit Committee Mr. G. Sitharaman attended the Annual General Meeting held on 25th September 2010.

There was no Extra Ordinary general Meeting held during the year.

Details of Postal Ballot Process conducted during the year 2010-11

During the year under review, the Company has conducted "Postal Ballot" under section 192A (2) of the Companies Act, 1956, read with the Companies (Passing of the resolution by Postal Ballot) Rules, 2001" on the Special Resolution in respect of amendment in Object Clause of the Memorandum of Association of the Company and commencement of new business under Section 149(2A) of the Companies Act, 1956. Sri.R.Balasubramaniam, Practicing Company Secretary was the scrutinizer for conducting the postal ballot in a fair and transparent manner. He submitted his report to the Managing Director on 24.02.2011 and the results were announced by the Managing Director Mr. A.Ravikumar Reddy on 25.02.2011. The shareholders approved the above resolutions with the requisite majority.

The Results of the Postal Ballot announced on 25.02.2011

Particulars	No. of postal ballot forms received for Resolution 1 & 2	No. of Shares	% of total paid up capital	% of total postal ballot received
Total postal ballot forms received	311	70,37,726	59.00	100.00
LESS: Invalid postal ballot forms	4	1,206	0.01	0.02
Net valid postal ballot forms	307	70,36,520	58.99	99.98
Postal ballot forms with Assent for Resolutions	300	70,34,318	58.97	99.95
Postal ballot forms with Dissent for Resolutions	7	2,202	0.02	0.03

As on the date of signing the Annual Report, the company has no proposal to pass any Special Resolution through Postal Ballot.

8. Disclosures

As required by the Accounting Standards (AS 18) 'Related Party disclosures' the company disclosed that Water was purchased for ₹19.62 lakhs from M/s. Shyam Hotels & Restaurants where Mr. A.Ravikumar Reddy, Managing Director, Mrs. A.Nina Reddy, Executive Director (Operations) and Mr. A.Tarun Reddy, Director of the company are Partners.

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the company as per clause 49(1) (B) of the listing agreement.

Compliances by the Company

There has been no instance of non-compliance by the Company on any matter related to Capital markets during the last three financial years and hence SEBI, the Stock Exchanges or any Statutory Authorities had not imposed penalties or strictures.

Accounting Treatment

In the preparation of financial statement, generally accepted accounting principles and policies were followed. The mandatory Accounting Standards announced by the Institute of Chartered Accountants of India were followed in the preparation of financial statements.

Board Disclosures – Risk Management

Risk assessment and its minimisation procedures have been laid down by the Company and presented to the Board. These procedures are periodically reviewed to ensure that the Executive Management control risks through means of a properly defined framework.

Compliances of Mandatory / Non-mandatory Requirements

a) **Mandatory Requirements**

The company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under Clause 49 of the Listing Agreement with the Stock Exchanges.

b) **Non-Mandatory Requirements**

The Board : The composition of the Board of Directors, Committees of the Board are in line with the provisions of the Listing Agreement, the Companies Act, 1956, and other applicable laws.

Remuneration Committee : This Committee was already constituted by the Board for recommendation, to the Board from time to time, of the compensation structure for the Wholtime Directors of the Board. The committee also reviews the salary and perquisites of the top management personnel.

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

Audit Qualifications : During the period under review, there are no audit qualifications in its financial statements.

Training of Board Members : The Board comprises two Executive Directors and six Non-Executive Directors. They are having professional qualification, vast experience and expertise in their areas. Accordingly the Board evaluate their performance.

Regarding the other non-mandatory requirements, the Board shall consider as and when necessary.

9. Means of Communication

Financial results, quarterly/half yearly results, are published within the stipulated period in English and vernacular newspapers.

Address of our official website is www.saverahotel.com where the above information is also displayed.

E-Mail ID for the Investor Grievance is cs@saverahotel.com. The Shareholders can send their grievances to this exclusive E-Mail ID. And also shareholders can send their grievances through <http://scores.gov.in/Admin> (Sebi Complaints REdress System)

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

10. General shareholder information

- a) The 42nd Annual General Meeting of the members of the company will be held on Wednesday, the 21st September 2011 at 11.00 AM at "Narada Gana Sabha" 314, TTK Road, Chennai - 600 018 Tamilnadu.

b) **Financial Calendar for the year 2011-12 (Tentative)**

Results for Quarter ended June, 2011	-	Second Week of August 2011
Results for Quarter ending September, 2011	-	Second Week of Nov.2011
Results for Quarter ending December, 2011	-	Second week of Feb 2012
Results for Quarter ending March, 2012	-	Second Week of May, 2012

- c) Date of Book Closure – 9th September 2011 to 21st September 2011 (both days inclusive).
- d) The Company will pay the dividend within 30 days from the date of approval by the Shareholders.
- e) Your company's shares are listed / traded in the following stock exchanges:

i) LISTED IN

Bombay Stock Exchange Ltd.

Phiroze Jeejeebhai Towers
Dalal Street, Mumbai 400 001.

Madras Stock Exchange Ltd

No.11 Second Line Beach
Chennai 600 001

ii) TRADED IN

National Stock Exchange of India Ltd
(through Madras Stock Exchange)
Exchange Plaza, Plot No.C/1 G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

The Listing Fees for the financial year 2011-12 have been paid to the stock exchanges.

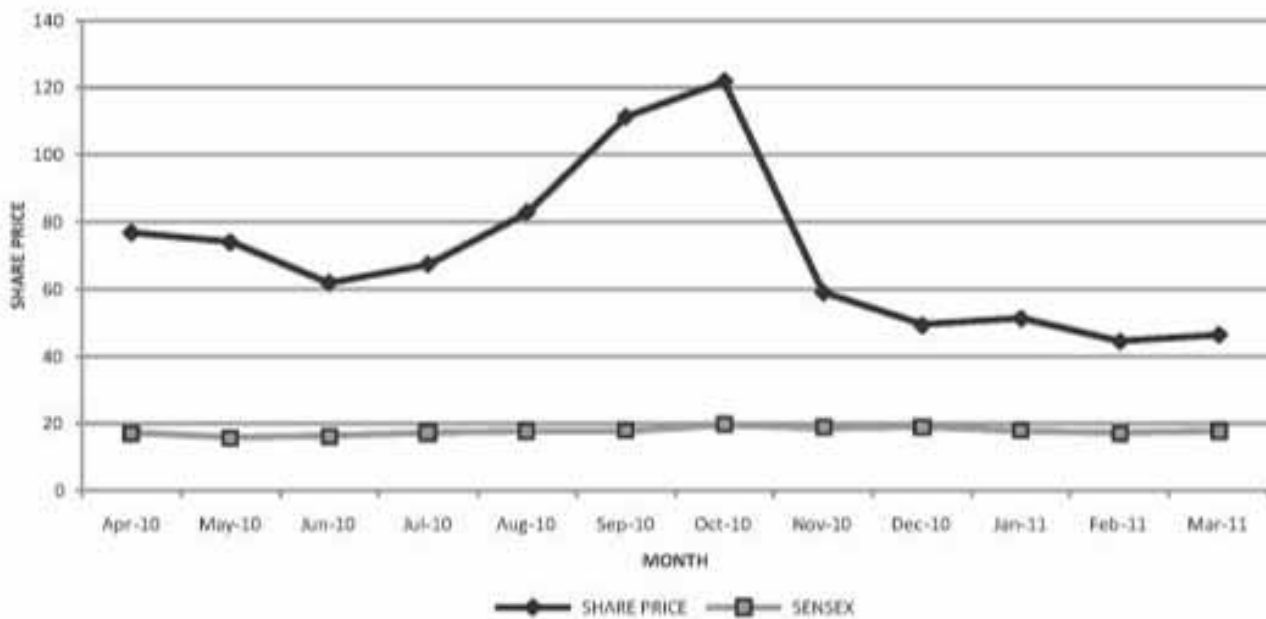
f) Stock Code of the Company

Bombay Stock Exchange	512634
Madras Stock Exchange	SAVERA
National Stock Exchange	SAVERA
ISIN No. of the company	INE104E01014

- g) Market price data - The highest price traded in Bombay Stock Exchange Limited, Mumbai per share was ₹ 122.00 (Oct.10) and the lowest price per share was ₹ 31.35 (Feb.11) during the year.

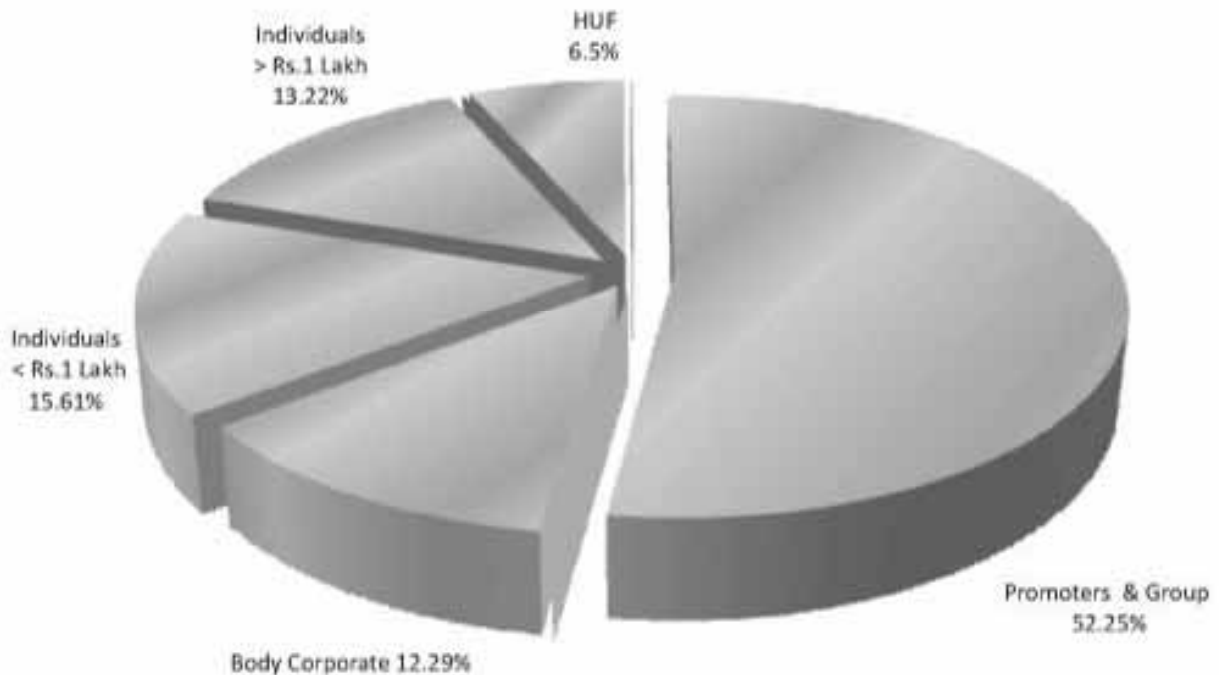
Month	Open	High	Low	Close	No. of	No. of	Total Turnover	BSE
	Price	Price	Price	Price	Shares	Trades	(₹)	Sensex
Apr-10	50.00	76.90	44.15	65.05	1,01,418	881	66,76,541	17276.80
May-10	61.85	74.00	50.45	53.00	24,880	358	14,49,654	15960.15
Jun-10	58.90	62.00	49.05	51.35	53,625	437	28,09,617	16318.39
Jul-10	50.30	67.50	50.30	57.95	1,24,589	1,067	74,50,033	17395.58
Aug-10	57.00	82.95	55.00	78.70	2,87,653	2,997	1,99,42,570	17819.99
Sep-10	80.70	111.35	70.05	90.20	5,77,266	7,314	5,33,60,810	18027.12
Oct-10	97.40	122.00	51.00	51.85	5,92,670	7,760	6,10,74,163	19768.96
Nov-10	52.35	59.00	43.00	46.90	2,78,126	2,134	1,44,84,125	18954.82
Dec-10	46.50	49.30	36.50	42.95	69,412	887	29,86,637	19074.57
Jan-11	43.95	51.30	37.05	38.05	1,17,521	936	50,25,193	18038.48
Feb-11	39.00	44.50	31.35	40.60	53,396	705	20,11,650	17295.65
Mar-11	42.00	46.50	38.80	39.05	16,952	298	7,11,491	17792.17

BSE SENSEX Vs SAVERA PRICES



h) Shareholding Pattern as on 31.03.2011

Category of Shareholders	No. of share holders	Total No. of shares	No. of shares held in dematerialised form	in %
Promoter and Promoter Group	14	6232292	5607732	52.25
FI / Banks	-	-	-	-
Body Corporate	133	1466535	755395	12.29
Individual shareholders holding nominal share capital up to ₹1 lakhs	6115	1862037	1157495	15.61
Individual shareholders holding nominal share capital in excess of ₹1 lakhs	43	1576451	1547451	13.22
Clearing member	5	1299	1299	0.01
HUF	98	775022	775022	6.50
NRIs	31	14364	14364	0.12
Total	6439	11928000	9858758	100.00



i) Registrars & Share Transfer Agents and Share Transfer System

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

j) **Distribution of share holdings as on 31.3.2011**

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

Share holding of Nominal Value	No. Of holders	% to total No. of shareholders	Nominal value of shares (₹)	% to capital
10-5000	5662	87.93	77,84,440	6.53
5001-10000	382	5.93	30,23,660	2.54
10001-20000	175	2.72	28,41,600	2.38
20001-30000	58	0.90	15,14,310	1.27
30001-40000	31	0.48	11,33,360	0.95
40001-50000	22	0.34	10,41,330	0.87
50001-100000	42	0.66	31,40,660	2.63
100001-above	67	1.04	9,88,00,640	82.83
Total	6439	100.00	11,92,80,000	100.00

Dematerialisation of Shares and liquidity

The equity shares of the company shall be traded compulsorily in dematerialised form only. The company has already entered into agreements with the Depositories NSDL and CDSL so as to provide the members to hold the shares in dematerialised form.

Around 82.66 % of the shareholdings of the Company have already been dematerialised.

UNIT LOCATIONS

SAVERA HOTEL	WALNUT HOTEL	LOTUS PARK HOTEL
No.146 Dr. Radhakrishnan Road, Chennai 600 004 Tamilnadu	5/76-4-16 & 17, Raidurga, Gachibowli-Tolichowki Road, Hyderabad - 500 008	S.No.95/2 Doddanekkundi Marathahalli Ring Road Bengaluru 560 037

k) **Address for Correspondence**

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

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

l) **Report on Corporate Governance:**

The Company regularly submits to the Stock Exchanges, within the prescribed period, quarterly report on Corporate Governance. A certificate from the Statutory Auditors of the Company on Corporate Governance is attached as an annexure to this Report.

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING
AGREEMENT WITH THE STOCK EXCHANGES.**

To
**The Members of
SAVERA INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Savera Industries Limited for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of Management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

Chennai.
4.08.2011

CA. D.Audisesha Reddy, B.Com., F.C.A.
Proprietor
Membership No.019352

CERTIFICATE

The Shareholders
Savera Industries Ltd

I, A.Ravikumar Reddy, Managing Director of the Company, hereby confirm that all the members of your Board and the Senior Management Personnel of your Company, have confirmed the compliance to the Code of Conduct of the Company, during the year ended 31st March, 2011

Chennai
4.08.2011

A. Ravikumar Reddy
Managing Director

CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER CERTIFICATION

The Board of Directors
Savera Industries Limited
Chennai

We certify that :

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief
 - i) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee that there were
 - i) No significant changes in internal control over financial reporting during the year.
 - ii) No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
 - iii) No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai
Date : 4.08.2011

N.S.Mohan
Company Secretary & CFO

A.Ravikumar Reddy
Managing Director

FIVE YEARS AT A GLANCE

(₹ in lakhs)

PARTICULARS	31ST MARCH,				
	2011	2010	2009	2008	2007
INCOME	4728.56	3485.61	3939.38	4540.31	3859.69
OPERATING & GENERAL EXPENSES	3394.57	2535.81	2956.25	3090.79	2713.37
INTEREST	234.42	252.96	373.96	288.69	191.40
DEPRECIATION	219.49	197.79	274.45	219.07	186.01
PROFIT BEFORE TAX	880.08	499.04	334.72	941.76	768.91
TAXATION	312.76	191.55	243.45	330.80	277.41
PROFIT AFTER TAX	567.32	307.49	91.27	610.96	491.50
DIVIDEND, DIVIDEND DISTRIBUTION TAX & SURCHARGE	166.91	83.46	69.78	139.55	139.55
DIVIDEND %	12%	12%	10%	20%	20%
BONUS ISSUE	1 : 1	-	-	-	-
NET FIXED ASSETS	6121.25	5609.69	5692.97	6580.09	6116.06
CAPITAL	1192.80	596.40	596.40	596.40	596.40
RESERVES (INCLUDING REVALUATION)	3445.58	3653.02	3440.43	3430.39	2970.42
DEFERRED TAX LIABILITY	68.40	41.05	39.50	36.69	61.97

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF SAVERA INDUSTRIES LTD

1. We have audited the attached Balance Sheet of Saver Industries Limited, Chennai 600 004 as at 31st March, 2011 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 the 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 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.

SAVERA INDUSTRIES LIMITED

- 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, 2011,
 - 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
(Firm Regn. No.005719 S)

Place : Chennai
Date : 4.08.2011

CA. D.Audisesha Reddy, B.Com., F.C.A.
Proprietor
Membership No.019352

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.
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 maintained under Section 301 of the Companies Act, 1956 except the loans granted to its subsidiaries.
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, 2011 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 Institution 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 from Banks or other Institutions.
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 and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
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
(Firm Regn. No.005719 S)

Place : Chennai
Date : 4.08.2011

CA. D.Audisesha Reddy, B.Com., F.C.A.
Proprietor
Membership No.019352

BALANCE SHEET AS AT 31.03.2011

(₹ in thousands)

S.No	Particulars	Sch	AS AT 31.03.2011	AS AT 31.03.2010
I	SOURCE OF FUNDS			
1	Share Holders Funds			
a.	Share Capital	1	119280	59640
b.	Reserves and Surplus	2	344558	365302
			463838	424942
2	Loans Funds			
a.	Secured Loans	3	230072	185069
b.	Unsecured Loans		-	-
			230072	185069
3	Deferred Tax Liability (Net)	4	6840	4105
	TOTAL		700750	614116
II	APPLICATION OF FUNDS			
1	Fixed Assets			
a.	Gross Block	5	850228	782735
b.	Less: Depreciation		238103	221766
	Net Block		612125	560969
2	Investments	6	32818	31818
3	Current Assets, Loans and Advances			
a.	Inventories	7	9074	8947
b.	Sundry Debtors	8	13524	12423
c.	Cash & Bank Balances	9	11050	8746
d.	Loans & Advances	10	66917	37013
	TOTAL (A)		100565	67129
	Less: Current Liabilities & Provisions	11		
a.	Current Liabilities		48473	42607
b.	Provisions		20376	22622
	TOTAL (B)		68849	65229
	Net Current Assets (A-B)		31716	1900
4	Misc. Expenditure to the extent not Written Off.	12	24091	19429
	TOTAL		700750	614116

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

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

Place : Chennai
Date : 4.08.2011

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director
(Operations)

N.S. Mohan
Company Secretary and Chief Financial Officer

SAVERA INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.3.2011

(₹ in thousands)

S.No	Particulars	Sch	31.03.2011	31.03.2010
I	INCOME			
	Rooms, Restaurants, Banquets and other services	13	441830	333068
	Income from O2 Health Studios	14	22747	14852
	Other Income	15	8279	640
			472856	348560
II	EXPENDITURE			
	Food, Beverages & Liquor consumed	16	63967	45994
	Operating and Administration Expenses	17	275490	207587
	Financial Charges	18	23442	25296
	Depreciation	5	21949	19779
			384848	298656
III	PROFIT FOR THE YEAR			
	Profit before Taxation		88008	49904
	Less : Provision for taxation			
	Income Tax		28541	19000
	Deferred Tax Liability		2735	155
	Profit after Taxation		56732	30749
	Add : Profit brought forward from Previous Year		111720	90085
	Profits available for Appropriation		168452	120834
IV	APPROPRIATION			
a	Transfer to General Reserve		5673	768
b	Proposed Dividend		14314	7157
c	Provisions for Dividend Distribution Tax		2377	1189
	Balance Carried to Balance Sheet		146088	111720
			168452	120834
V	EARNING PER SHARE - BASIC AND DILUTED	₹	4.76	5.16
	Weighted average No. of Equity Shares (Face Value of ₹10 each)		11928000	5964000

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

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

Place : Chennai
Date : 4.08.2011

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director
(Operations)

N.S. Mohan
Company Secretary and Chief Financial Officer

SCHEDULE FORMING PART OF THE BALANCE SHEET

(₹ in thousands)

S.No	Particulars	AS AT 31.03.2011	AS AT 31.03.2010
1	SHARE CAPITAL		
	Authorised		
	1,20,00,000 Equity Shares of ₹10/- each	120000	70000
	Issued, Subscribed and Paid up		
	1,19,28,000 Equity Shares of ₹10/- each (Of the above shares, 59,64,000 shares are allotted as fully paid-up by way of bonus shares)	119280	59640
2	RESERVES AND SURPLUS		
	a. Share premium Account	37500	37500
	Less: Bonus issue transferred to share capital	37500	—
		—	37500
	b. Revaluation Reserve	138819	139964
	Less: Depreciation for the year	1145	1145
		137674	138819
	c. General Reserve - Opening Balance	77263	76495
	Add: Transferred from P & L	5673	768
	Less: Bonus issue transferred to share capital	22140	—
		60796	77263
	d. Profit & Loss A/c	146088	111720
	(a+b+c+d)	344558	365302
3	SECURED LOANS		
	a. Term Loan with CBI	206094	30547
	b. Term Loan with SBH	—	43759
	c. Term Loan with IOB	—	17935
	d. Over Draft Loan with CBI	13616	65
	e. Term Loan with SIB	—	49486
	f. HDFC Bank	3076	8708
	g. ICICI Bank	—	17358
	h. ICICI Bank HP	6794	1394
	i. Reliance Consumer Finance	492	807
	j. State Bank of Mysore	—	15010
		230072	185069

SCHEDULE - 5 FIXED ASSETS

(₹ in thousands)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	Original Cost /Revaluation as at 1.04.2010	Additions during the year	Withdrawals during the year	Original Cost as at 31.3.2011	Depreciation upto 31.3.2010	Depreciation for the year 2010-11	Withdrawn during the year	Depreciation upto 31.03.2011	Net block as on 31.3.2011	Net block as on 31.3.2010
LAND	293112	-	-	293112	-	-	-	-	293112	293112
BUILDINGS	139886	-	-	139886	31651	2193	-	34044	105842	108035
FURNITURE & FITTINGS	95377	35720	3497	127600	70418	5520	1089	74849	52751	24959
VEHICLES	14560	7296	1825	20031	5671	1644	1263	6052	13979	8888
PLANT & MACHINERY	229318	36281	7606	257993	106735	12846	4381	115200	142793	122584
OFFICE EQUIPMENTS	10482	1161	57	11606	7091	891	24	7958	3646	3391
TOTAL	782735	80478	12985	850228	221766	23094	6757	238103	612125	560969
PREVIOUS YEAR	771409	17322	5996	782735	202112	20924	1270	221766	560969	569297

Note: Of the above, assets costing ₹12024 have been purchased on Hire Purchase.

SCHEDULE FORMING PART OF THE BALANCE SHEET

(₹ in thousands)

S.No	Particulars	AS AT 31.03.2011	AS AT 31.03.2010
4	DEFERRED TAX LIABILITY		
	Deferred Tax Liability as on 31.03.2011	6840	4105
		6840	4105
6	INVESTMENTS (At Cost)		
	Shares (Quoted) (Fully paid)		
	a. Oriental Hotels Limited	5	5
	b. I.T.C. Limited	3	3
	c. Indian Hotels Co. Ltd.	45	45
	d. Apollo Hospitals Enterprise Ltd.	30	30
	e. Central Bank of India	16	16
	(Market Value as on 31.03.2011 ₹62.04 lakhs)		
	Shares (Unquoted)		
	Clarion Wind Forms (P) Ltd.	4000	4000
	In Subsidiary Companies - (Unquoted)		
	a. Elkhill Agrotech (P) Ltd	28223	27223
	b. Savera Hotels & Resorts Ltd.	496	496
		32818	31818
7	INVENTORIES		
	(At lower of Average cost or market value)		
	a. Food & Beverages	528	295
	b. Wine & Liquor	842	853
	c. Crockery & Cutlery	2898	2749
	d. Linen & Housekeeping items	4806	5050
		9074	8947
8	SUNDRY DEBTORS		
	a. Debts outstanding for a period exceeding 6 months	895	1035
	b. Other debts	12629	11388
		13524	12423

SCHEDULE FORMING PART OF THE BALANCE SHEET

(₹ in thousands)

S.No	Particulars	AS AT 31.03.2011	AS AT 31.03.2010
9	CASH AND BANK BALANCES		
	a. Cash on Hand	1661	986
	b. Balance with Scheduled Banks in Current Accounts	9389	7760
		11050	8746
10	LOANS AND ADVANCES (Unsecured and considered good)		
	a. Advances recoverable in cash or in kind for value to be received		
	- Subsidiaries	11135	13816
	- Others	7926	10346
	b. Deposits	47856	12851
		66916	37013
11	CURRENT LIABILITIES AND PROVISIONS		
	a. Current Liabilities		
	Sundry Creditors	-	-
	- Dues to Micro, Small & Medium Enterprises	-	-
	- Others	46641	40947
	Unclaimed Dividend	1153	981
	Rental Deposits	679	679
		48473	42607
	b. Provisions		
	Provision for Income Tax & FBT	107517	78976
	Less : Advance Income Tax and TDS	(106332)	(67200)
	Net of Income Tax and TDS	1185	11776
	Proposed Dividend & Dividend Distribution Tax	16691	8346
	Employee Benefits	2500	2500
		20376	22622
12	MISCELLANEOUS EXPENDITURE		
	Deferred Lease & Renovation Expenditure	20582	14817
	Misc. Expenditure - Pre Operative and Preliminary Expenses	3509	4612
		24091	19429

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

(₹ in thousands)

S.No	Particulars	31.03.2011	31.03.2010
13	ROOMS, RESTAURANTS, BANQUETS, & OTHER SERVICES		
	a. Rooms	205304	140926
	b. Food & Beverages	149335	117800
	c. Wine & Liquor	33101	26588
	d. Other Services	53681	47243
	e. Telephone, Fax and Telex	312	376
	f. Exchange fluctuation	97	135
		441830	333068
14	INCOME FROM O2 HEALTH STUDIO		
	a. O2 - Collections & Membership	22747	14852
		22747	14852
15	OTHER INCOME		
	a. Dividend from domestic Companies	152	70
	b. Interest on MES deposit	273	247
	c. Interest on FD	418	93
	d. Other income from Coimbatore property	406	230
	e. Additional compensation on Sale of Land	330	-
	f. Insurance Claim	6700	-
		8279	640
16	(A) FOOD & BEVERAGES CONSUMED		
	Opening Stock	296	330
	Add : Purchases	57802	41164
	Less: Closing Stock	344	296
		57754	41198
	(B) WINE AND LIQUOR CONSUMED		
	Opening Stock	853	455
	Add : Purchases	6202	5194
	Less: Closing Stock	842	853
		6213	4798
	(A) + (B)	63967	45994

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT

(₹ in thousands)

S.No	Particulars	31.03.2011	31.03.2010
17	OPERATING AND ADMINISTRATIVE EXPENSES		
a.	Crockeries and Cutleries consumed	1704	1439
b.	Staff cost	92602	72440
c.	Power & Fuel	37954	36290
d.	Coal & Gas	5534	4552
e.	Upkeep & Service cost	16310	12029
f.	Repairs & Maintenance	29560	12617
g.	Renovation	16559	10981
h.	Rates & Taxes	8901	8354
i.	Sales Promotion expenses	13967	10107
j.	Administrative Expenses	26884	17157
k.	Professional Expenses	4690	3239
l.	Audit Expenses		
	- Auditors	160	160
	- For Tax Matters	66	66
	- Out of Pocket Expenses	66	66
m.	Rent	11384	9504
n.	Telephones	1917	1738
o.	Insurance	2254	2185
p.	Preliminary & Pre operative Expenses W.Off	1103	948
q.	Loss on sale of assets	3875	3715
		275490	207587
18	FINANCIAL CHARGES		
a.	Interest on Secured Loans	23442	25296
		23442	25296

NOTES ON ACCOUNTS

SCHEDULE 19

I. ACCOUNTING POLICIES

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

a) Inventories

Stocks of food, beverages & operating supply inventories are valued at average cost or market value whichever is lower.

b) Depreciation

Depreciation is provided on straight-line basis, at rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on revalued assets to the extent of revaluation is debited to revaluation reserve.

c) Fixed Assets

Fixed Assets are carried at cost less depreciation. Land, Building and Plant & Machinery were revalued on 31.03.1993.

d) Transactions in Foreign Exchange

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

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

e) 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, market value or net asset value. Investment in subsidiary company is treated as Long Term Investment (Considering the nature of business and based on the independent expert opinion, the decline in value of investment is temporary).

f) Employee Benefits

As per the requirements of Accounting Standard 15 "Employee Benefits" (Revised 2005) issued the Institute of Chartered Accountants of India, the contribution to the Gratuity is determined using the projected unit credit method with accrual valuation being carried out on each balance sheet date. Only the additional provision required is charged to the Profit & Loss Account for the relevant year is Nil (Previous Year ₹ 16.73 lakhs).

g) Borrowing Costs

Interest and other borrowing cost on specific borrowings are capitalised.

h) Segment Reporting

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

i) Leases

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

j) Taxes on Income

Deferred Tax is computed in accordance with the Accounting Standard 22 (AS-22) 'Accounting for Taxes on Income'. Tax expenses which are accrued in the same period are 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.

k) Impairment of Assets

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

l) Accounting for Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in terms of Accounting Standard (AS) 29 – 'Provisions, Contingent Liabilities and Contingent Assets' when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent Assets are not recognized in the financial statements.

II NOTES TO THE ACCOUNTS

- a) Being a Hotel industry, the company is exempt vide order No. 46/112/2009 CL – III dated 15.05.2009 to furnish Quantitative details.

- b) Term Loans from Banks (Industrial Finance Branch) are secured by the following Charges on the Assets.

(₹ in thousands)

S.No.	Particulars	Sanctioned Amount	Charge Creation Details
A)	Central Bank of India		
1	Working Capital	15000	Secured by First Charge on entire Land & Building, Movable & Immovable Assets of the Company situated at Door No. 146, Dr. Radhakrishnan Road, Chennai – 4.
2	Take over Loan	129000	
3	Corporate Loan	30000	
4	Chiller Plant I	6750	
5	Chiller Plant II	5700	
6	O2 Health Studio	8250	
7	Lotus Park	46500	
8	Renovation Loan	39300	
B)	HDFC Bank Term Loan	25000	Charge Created for Card Receivables only

- c) Salaries, wages and other benefits under Schedule 18 include Managerial Remuneration under section 349 of the Companies Act, 1956, are as follows:

(₹ in thousands)

	Current Year 2010-11	Previous year 2009-10
Managing Director		
Salary	1080	780
Perquisites	540	450
Executive Director (Operations)		
Salary	1080	780
Perquisites	540	450

- d) Details of Repairs & Maintenance in Schedule 18 comprise as follows:

(₹ in thousands)

	Current Year 2010-11	Previous year 2009-10
For Buildings	7180	2646
For Plant & Machinery	13068	6544
For Others	9312	3427
Total	29560	12617

- e) (i) Earnings in Foreign Exchange:

(₹ in thousands)

Particulars	Current year 2010-11	Previous year 2009-10
Sale of Rooms/F&B Income	34752	24601
Total	34752	24601

(ii) Expenditure in Foreign Currency

Particulars	(₹ in thousands)	
	Current year 2010-11	Previous year 2009-10
Membership Fee	88	133
Imported Machinery	1986	4385
Travel Agency Commission	25	-
Total	2099	4518

- f) Pre-operative expenses represent the start up cost in setting up the units and has been amortised over a period of 5 years.
- g) Renovation expenditure has been treated as deferred revenue expenditure and amortised over a period of three (3) years.
- h) Disclosure Under AS – 6: out of the total depreciation of ₹23094 thousands for the year, ₹21949 thousands debited to Profit and Loss Account and balance ₹1145 thousands transferred to revaluation reserve account.
- i) Disclosure Under AS – 15 (Revised) – Under the employee Benefits-Staff Cost, the Company's contribution to Provident fund is ₹3435 thousands (Previous year ₹2523 thousands), ESI is ₹1079 thousands (Previous year ₹1001 thousands) and Gratuity ₹1673 thousands (Previous year ₹2847 thousands). PF contribution to Key Management Personnel viz., Managing Director and Executive Director (Operations) is ₹19 thousands (Previous year ₹19 thousands).
- j) As per Accounting Standard – AS 18 "Related Parties disclosure" the required information are given below:
- The company disclosed that Water was purchased for ₹1962 thousands (Previous year ₹1543 thousands) from M/s. Shyam Hotels & Restaurants where directors of the company are common.
 - The company disclosed that the fixed assets were purchased for ₹52000 thousands from M/s. Amaravathi Restaurants (P) Ltd. where directors of the company are common.
 - The company disclosed that the receivables from the subsidiary companies are ₹11135 thousands (Previous year ₹13816 thousands).
- k) Accounting for Leases AS-19: Cost of asset purchased on HP basis is ₹12024 thousands. Lease Rental Payable in the next one year is ₹2503 thousands, in the next 1 to 5 year is ₹6267 thousands and more than 5 years is nil.
- l) Earning Per Share AS-20:
Earning per share is computed based on the following:

Particulars	(₹ in thousands)	
	Current year 2010-11	Previous year 2009-10
Profit after tax (₹)	56732	30749
Nominal value of shares (₹)	10.00	10.00
No. of Equity shares	1,19,28,000	59,64,000
Earning Per Share-Basic and Diluted (₹)	4.76	5.16

- m) As per Accounting Standards 21 on "Consolidated Financial Statement", Accounting Standard 23 on "Accounting for investments in Associates in Consolidated Financial Statements" the Company has presented consolidated financial statements separately including that of subsidiaries entities in this annual report.
- n) 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, 2011 comprises of the following:

Particulars	(₹ in thousands)	
	As at 31.03.2011	As at 31.03.2010
Deferred Tax Liability		
Related to Fixed Assets	6	1871
Disallowance under Income Tax Act, 1961	6834	2234
Total	6840	4105
Deferred Tax Assets		
On carried forward losses	-	-
On retirement Benefits	-	-
Total	-	-
Net Deferred Tax Asset / (Liability) as on 31.03.2011	(6840)	(4105)

- o) Micro, Small and Medium Enterprises:
- (a) There is no interest paid / payable during the year by the Company to the suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006
- (b) The above information takes into account only those suppliers who have responded to the enquiries made by the Company for the purpose.
- p) Previous year figures have been regrouped wherever necessary.
- q) The figures have been rounded off to nearest rupee.

Schedules 1 to 19 form an integral part of the Balance Sheet and the Profit and Loss Account.

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

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

Place : Chennai
Date : 4.08.2011

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director
(Operations)

N.S. Mohan
Company Secretary and Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

(₹ in thousands)

	FOR THE YEAR ENDED	
	31.3.2011	31.3.2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extraordinary items	88008	49905
Adjustment for :		
a) Depreciation	21949	19779
b) Pre-Operative expenses written off	1103	(646)
c) Investments		
d) Interest/Dividend	(843)	(413)
e) Interest Expenses	23442	25296
f) Renovation Expenses	17757	13389
g) Net Deferred Expenses		
h) Goodwill Difference		
i) Loss on sale of Assets	3875	3806
j) Provisions		
Operating Profit before working capital changes	155291	111116
Adjustments for : Increase / (Decrease)		
a) Trade and other receivables	(1101)	4698
b) Inventories	(128)	(739)
c) Loans and Advances	(29903)	3552
d) Provisions and Current Liabilities	5866	16409
	(25266)	23920
Cash generated from operations	130025	135036
Direct Taxes paid	(39132)	(22466)
Cash flow before extra-ordinary items	90893	112570
Extraordinary items		
NET CASH FLOW FROM OPERATING ACTIVITIES	90893	112570
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(80478)	(17322)
Renovation Expenses	(23521)	(13389)
Sale of Fixed Assets	2352	920
Capital Work in Progress transferred to Fixed Assets		
Acquisitions of Companies (as per annexure)		
Purchase of Investments	(1000)	(4000)
Sale of Investments		
Interest Received	691	343
Dividend Received	152	70
NET CASH USED IN INVESTING ACTIVITIES	(101804)	(33378)

(₹ in thousands)

	FOR THE YEAR ENDED	
	31.3.2011	31.3.2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital		
Proceeds from long term borrowings	211554	31413
Repayment of long term borrowings	(166552)	(76536)
Interest Paid	(23442)	(25296)
Dividend paid inclusive of tax	(8345)	(6978)
NET CASH USED IN FINANCING ACTIVITIES	13215	(77397)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2304	1795
CASH AND CASH EQUIVALENTS AS AT 01.04.2010 (opening balance)	8746	6951
CASH AND CASH EQUIVALENTS AS AT 31.03.2011 (closing balance)	11050	8746

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director
(Operations)

N.S. Mohan
Company Secretary and Chief Financial Officer

AUDITORS' CERTIFICATE

This is to certify that the above cash flow statement is drawn from the audited financial statements for the year ended 31.03.2011 and is in accordance with the requirements under clause 32 of the listing agreement entered into with the stock exchanges.

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

CA. D.Audhishesha Reddy, B.Com., F.C.A.
Proprietor
Membership No. 019532

Place : Chennai
Date : 4.08.2011

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

BALANCE SHEET DATE

3	1	-	0	3	-	2	0	1	1
---	---	---	---	---	---	---	---	---	---

 STATE CODE

1	8
---	---

II. CAPITAL RAISED DURING THE YEAR (Amount ₹ in thousands)

PUBLIC ISSUE

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

RIGHTS ISSUE

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

BONUS ISSUE

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

PRIVATE PLACEMENT

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

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

TOTAL LIABILITIES

			7	0	0	7	5	0
--	--	--	---	---	---	---	---	---

TOTAL ASSETS

			7	0	0	7	5	0
--	--	--	---	---	---	---	---	---

SOURCES OF FUNDS

PAID UP CAPITAL

			1	1	9	2	8	0
--	--	--	---	---	---	---	---	---

RESERVES & SURPLUS

			3	4	4	5	5	8
--	--	--	---	---	---	---	---	---

SECURED LOANS

			2	3	0	0	7	2
--	--	--	---	---	---	---	---	---

UNSECURED LOANS

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

DEFERRED TAX LIABILITY

					6	8	4	0
--	--	--	--	--	---	---	---	---

APPLICATION OF FUNDS

NET FIXED ASSETS

			6	1	2	1	2	5
--	--	--	---	---	---	---	---	---

INVESTMENTS

					3	2	8	1	8
--	--	--	--	--	---	---	---	---	---

NET CURRENT ASSETS

			3	1	7	1	6
--	--	--	---	---	---	---	---

MISC. EXPENDITURE

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

ACCUMULATED LOSS

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

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

TURNOVER

			4	7	2	8	5	6
--	--	--	---	---	---	---	---	---

TOTAL EXPENDITURE

			3	8	4	8	4	8
--	--	--	---	---	---	---	---	---

+ - PROFIT / LOSS BEFORE TAX

✓					8	8	0	0	8
---	--	--	--	--	---	---	---	---	---

+ - AFTER TAX

✓					5	6	7	3	2
---	--	--	--	--	---	---	---	---	---

EARNING PER SHARE IN ₹

4	.	7	6
---	---	---	---

DIVIDEND RATE

1	2
---	---

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 OF M/S. SAVERA INDUSTRIES LIMITED,
AND ITS SUBSIDIARIES**

To
The Board of Directors of
M/s. Savera Industries Limited
and its Subsidiaries.

We have examined the attached consolidated Balance Sheet of M/s. Savera Industries Limited and its subsidiaries M/s. Elkhill Agrotech (P) Ltd., and M/s. Savera Hotels & Resorts Limited, as at 31st March 2011, the consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of M/s. Savera Industries Limited management and have been prepared by its management on the 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 standard 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 misstatement. An audit includes examining, on a test , 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 have audited the Financial Statements of its subsidiary M/s. Savera Hotels & Resorts Limited. Those financial statements reflect the Group's share of total assets as at 31st March, 2011 of ₹1427 thousands as considered in the consolidated financial statements.

We did not audit the Financial Statements of its subsidiary M/s. Elkhill Agrotech (P) Ltd., Ooty, whose financial statements reflect the Group's share of total assets as at 31st March, 2011 of ₹11919 thousands and Group's share of total revenue of ₹7511 thousands and the Group's share of total cash flows of ₹1320 thousands for the year ended on that date as considered in the consolidated financial statements. These financial statements of the subsidiary for the year ended 31st March, 2011 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 subsidiary, is based solely on the report of the other auditor.

SAVERA INDUSTRIES LIMITED

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

Based on our audit and 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. Savera Industries Limited and its subsidiaries as at 31st March, 2011.
- 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 for the year ended on that date.

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

Place : Chennai
Date : 4.08.2011

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

CONSOLIDATED BALANCE SHEET

(₹ in thousands)

S.No	Particulars	Sch	AS AT 31.03.2011	AS AT 31.03.2010
I	SOURCE OF FUNDS			
1	Share Holders Funds			
a.	Share Capital	1	119280	59640
b.	Reserves and Surplus	2	325261	344686
			444541	404326
2	Loans Funds			
a.	Secured Loans	3	231078	186048
b.	Unsecured Loans	4		38
			231078	186086
3	Minority Interest		4	4
4	Deferred Tax Liability (Net)	5	6840	4105
	TOTAL		682463	594521
II	APPLICATION OF FUNDS			
1	a) Goodwill on Consolidation		8223	7223
	b) Fixed Assets			
	Gross Block	6	873680	806187
	Less: Depreciation		253905	236216
	Net Block		619775	569971
2	Investments	7	4099	4099
3	Current Assets, Loans and Advances			
a.	Inventories	8	9325	9302
b.	Sundry Debtors	9	13790	12655
c.	Cash & Bank Balances	10	11109	8762
d.	Loans & Advances	11	60036	27452
	TOTAL (A)		94260	58171
	Less: Current Liabilities & Provisions	12		
a.	Current Liabilities		48873	43008
b.	Provisions		20376	22621
	TOTAL (B)		69249	65629
	Net Current Assets (A-B)		25011	(7458)
4	Misc. Expenditure to the extent not Written Off.	13	25355	20686
	TOTAL		682463	594521

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

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

Place : Chennai
Date : 4.08.2011

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director
(Operations)

N.S. Mohan
Company Secretary and Chief Financial Officer

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

(₹ in thousands)

S.No	Particulars	Sch	31.03.2011	31.03.2010
I	INCOME			
	Rooms, Restaurants, Banquets and other services	14	441830	333068
	Income from Floriculture	15	6633	3699
	Income from O2 Health Studio	16	22747	14852
	Other Income	17	9156	840
			480366	352459
II	EXPENDITURE			
	Food, Beverages & Liquor consumed	18	63967	45994
	Floriculture Expenditure	19	2117	4520
	Operating and Administrative Expenses	20	278075	210476
	Financial Charges	21	23579	25422
	Depreciation on Fixed Assets		23301	21455
			391039	307867
III	PROFIT			
	Profit before Taxation		89327	44592
	Less : Provision for taxation			
	Income Tax		28541	19000
	Deferred Tax Asset / (Liability)		2735	155
	Profit after Taxation		58051	25437
	Add : Profit brought forward from Previous Year		91105	74782
	Profits available for Appropriation		149156	100219
IV	APPROPRIATION			
	Transfer to General Reserve		5673	768
	Proposed Dividend		14314	7157
	Provisions for Dividend Distribution Tax		2377	1189
	Balance Carried to Balance Sheet		126792	91105
			149156	100219
V	EARNING PER SHARE - BASIC & DILUTED			
	Weighted average	₹	4.87	4.27
	No. of Equity Shares (Face Value of ₹10 each)		11928000	5964000

As per our report annexed

For D.A. Reddy & Co.,
Chartered Accountants
(Firm Regn. No.005719 S)CA D Audishesha Reddy, B.Com, F.C.A.
Proprietor
(Membership No.019352)Place : Chennai
Date : 4.08.2011

For and on behalf of the Board

A. Ravikumar Reddy
Managing DirectorA. Nina Reddy
Executive Director
(Operations)N.S. Mohan
Company Secretary and Chief Financial Officer

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in thousands)

S.No	Particulars	AS AT 31.03.2011	AS AT 31.03.2010
1	SHARE CAPITAL		
	Authorised		
	1,20,00,000 Equity Shares of ₹10/- each	120000	70000
	Issued, Subscribed and Paid up		
	1,19,28,000 Equity Shares of ₹10/- each (Of the above, 59,64,000 shares are allotted as fully paid-up by way of bonus shares)	119280	59640
2	RESERVES AND SURPLUS		
	a. Share Premium Account	37500	37500
	Less: Bonus issue transferred to share capital	37500	-
		-	37500
	b. Revaluation of Assets	138818	139963
	Less: Depreciation for the year	1145	1145
		137673	138818
	c. General Reserve - Opening Balance	77263	76495
	Add: Transferred from P & L	5673	768
	Less: Bonus issue transferred to share capital	22140	-
		60796	77263
	d. Balance in Profit & Loss A/c	126792	91105
	(a+b+c+d)	325261	344686
3	SECURED LOANS		
	From Banks	231078	186048
		231078	186048
4	UNSECURED LOAN	-	38
		-	38
5	DEFERRED TAX LIABILITY		
	Deferred Tax Liability as on 31.3.2011	6840	4105
		6840	4105

SCHEDULE - 5 CONSOLIDATED FIXED ASSETS

(₹ in thousands)

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	Original Cost /Revaluation as at 1.04.2010	Additions during the year	Withdrawals during the year	Original Cost as at 31.3.2011	Depreciation upto 31.3.2010	Depreciation for the year 2010-11	Withdrawn during the year	Depreciation upto 31.03.2011	Net block as on 31.3.2011	Net block as on 31.3.2010
LAND	293112	-	-	293112	-	-	-	-	293112	293112
BUILDINGS	139886	-	-	139886	31852	2193	-	34045	105841	108035
FURNITURE & FITTINGS	95391	35720	3497	127614	70424	5521	1089	74856	52758	24965
VEHICLES	14559	7296	1825	20030	5671	1645	1263	6053	13977	8888
PLANT & MACHINERY	250715	36281	7806	279390	121168	14191	4381	130978	148412	129549
OFFICE EQUIPMENTS	12524	1181	57	13648	7101	896	24	7973	5675	5422
TOTAL	806187	80478	12985	873680	236216	24446	6757	253905	619775	569971
PREVIOUS YEAR	794630	17353	5996	806187	214886	22800	1270	236216	569971	579944

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in thousands)

S.No	Particulars	AS AT 31.03.2011	AS AT 31.03.2010
7	INVESTMENTS (At Cost)		
	Shares (Quoted) (Fully paid)		
	a. Oriental Hotels Limited	5	5
	b. I.T.C. Limited	3	3
	c. Indian Hotels Co. Ltd.	45	45
	d. Apollo Hospitals Enterprise Ltd.	30	30
	e. Central Bank of India	16	16
	Market Value as on 31.3.2011 (₹ 62.04 lakhs)		
	f. Clarion Wind Forms Pvt. Ltd. (Unquoted)	4000	4000
		4099	4099
8	INVENTORIES		
	(At lower of average cost or market value)		
	a. Food & Beverages	528	295
	b. Wine & Liquor	842	853
	c. Crockery & Cutlery Etc	2898	2748
	d. Linen & Housekeeping items	4806	5050
	e. Floriculture Stores	251	356
		9325	9302
9	SUNDRY DEBTORS		
	Unsecured and considered good		
	a. Debts outstanding for a period exceeding 6 months	895	1035
	b. Other debts	12895	11620
		13790	12655
10	CASH AND BANK BALANCES		
	a. Cash on Hand	1703	990
	b. Balance with Scheduled Banks in Current Account	9406	7772
		11109	8762
11	LOANS AND ADVANCES		
	(unsecured and considered good)		
	- Subsidiaries	11135	13816
	- Others	8420	10841
	Deposits	40481	2795
		60036	27452

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in thousands)

S.No	Particulars	AS AT 31.03.2011	AS AT 31.03.2010
12	CURRENT LIABILITIES AND PROVISIONS		
	a. Current Liabilities		
	Sundry Creditors	-	-
	- Dues to Micro, Small & Medium Enterprises	-	-
	- Others	47041	41348
	- Unclaimed Dividend	1153	981
	Rental Deposits	679	679
		48873	43008
	b. Provisions		
	Provision for Income Tax & FBT	107517	78976
	Less : Advance Income Tax and TDS	(106332)	(67200)
	Net of Income Tax and TDS	1185	11776
	Proposed Dividend & Dividend Distribution Tax	16691	8345
	Employee Benefits	2500	2500
		20376	22621
13	MISCELLANEOUS EXPENDITURE		
	Deferred Lease & Renovation Expenditure	20581	14817
	Misc. Expenditure - Pre Operative and Preliminary Expenses	4874	5869
		25455	20686

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	31.03.2011	31.03.2010
14	ROOMS, RESTAURANTS, BANQUETS, & OTHER SERVICES	
	a. Rooms	205304
	b. Food & Beverages	149335
	c. Wine & Liquor	33101
	d. Other Services	53681
	e. Telephone, Fax and Telex	312
	f. Exchange fluctuation	97
		441830
15	INCOME FROM FLORICULTURE	
	a. Sale of Flowers	6633
		6633
		333068

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(₹ in thousands)

S.No	Particulars	31.03.2011	31.03.2010
16	INCOME FROM O2 HEALTH STUDIO		
	a. Collections & Membership	22747	14852
		22747	14852
17	OTHER INCOME		
	a. Dividend from domestic Companies	152	70
	b. Interest on MES deposit	273	247
	c. Interest on FD	418	93
	d. Other income from Coimbatore property	406	230
	e. Additional compensation on Sale of Land	330	-
	f. Insurance Claim	6700	-
	g. NAIP Subsidy	878	199
		9156	840
	GRAND TOTAL (14+15+16+17)	480366	352459
18	(A) FOOD & BEVERAGES CONSUMED		
	Opening Stock	296	330
	Add : Purchases	57802	41164
	Less: Closing Stock	344	296
		57754	41198
	(B) WINE AND LIQUOR CONSUMED		
	Opening Stock	853	455
	Add : Purchases	6202	5194
	Less: Closing Stock	842	853
		6213	4796
	(A) + (B)	63967	45994
19	FLORICULTURE EXPENDITURE		
	a. Packing materials	57	23
	b. Fertilizers & Chemicals	154	67
	c. Planting Materials purchased & consumed	1858	4301
	d. Fuel Expenses	13	27
	e. Soil development charges	11	44
	f. Crop Supporting System	16	50
	g. Poly House	8	8
		2117	4520

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(₹ in thousands)

S.No	Particulars	31.03.2011	31.03.2010
20	OPERATING AND ADMINISTRATIVE EXPENSES		
a.	Crockeries and Cutleries consumed	1704	1439
b.	Staff cost	94132	73992
c.	Power & Fuel	38104	36420
d.	Coal & Gas	5534	4552
e.	Upkeep & Service cost	16310	12029
f.	Repairs & Maintenance	29592	12700
g.	Renovation	16559	10981
h.	Rates & Taxes	8918	8375
i.	Sales Promotion expenses	13967	10107
j.	Administrative Expenses	27322	17709
k.	Professional Expenses	4705	3254
l.	Audit Expenses		
	- Auditors	180	180
	- For Tax Matters	66	66
	- Out of Pocket Expenses	66	66
m.	Rent	11683	9796
n.	Telephones	1961	1789
o.	Insurance	2294	2225
p.	Preliminary & Pre-Operative Expenses W.Off	1103	1081
q.	Loss on sale of assets	3875	3715
		278075	210476
21	FINANCIAL CHARGES		
	Interest on Secured Loans	23579	25422
		23579	25422

NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE 22

1. (a) The company and description of Business:

Savera Industries Limited is incorporated in India in November 1969, and is engaged in the business of Hoteliering.

(b) Principles of Consolidation:

The consolidated financial statements relate to its subsidiaries: (i) M/s. Elkhill Agrotech (P) Limited (100%). (ii) M/s. Savera Hotels & Resorts Limited (99%). 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 companies 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 unrealized profits or losses in accordance with the 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 companies, considered in the consolidated financial statements are as follows:

2. ACCOUNTING POLICIES

- a. Land, Building and Plant & Machinery of Savera Industries Limited 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 ₹23094 thousands (Previous Year ₹22600 thousands) on straight-line method of which ₹1145 thousands (Previous year ₹1145 thousands) has been transferred to Revaluation Reserve Account and for the subsidiary company, gross depreciation for the year is ₹1352 thousands (Previous year ₹1676 thousands) on written down value method.
 - d. Accumulated depreciation on revaluation of assets amounting to ₹25684 thousands (Building ₹8833 thousands (Previous year ₹8342 thousands) and Plant & Machinery ₹16851 thousands (Previous year ₹16197 thousands) has been debited to Revaluation Reserve Account.
3. Inventories are valued at average cost or market value whichever is lower.
4. (a) Earnings in convertible Foreign Exchange for the year amounted to ₹34752 thousands (Previous year ₹24601 thousands)
- (b) Expenditure in Foreign Currency amounted to ₹2099 thousands (Previous year ₹4518 thousands)
5. Refer point No. II(b) of Schedule 20 of Notes to the Accounts given in the Annual Report for the details of term loans from Banks (CBI and HDFC) and security provided to them and the details of charges on the assets.

6. As the turnover of the company includes sale of food and beverages, it is not possible to give quantitative details of the turnover of the food and beverages as the company is exempted from giving these particulars vide order No. 46/112/2009 CL – III dated : 15.05.2009 in respect of financial years ended 31.03.2010 and 31.03.2011.
7. Amounts due to Micro, Small and Medium Enterprises: The identification of micro, small and medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the management. As certified by the management, amounts overdue as on 31st March, 2011 to Micro, Small Medium Enterprises on account of principle amount together with interest is ₹ Nil (Previous Year – Nil)
8. The summary of financial information as per the approval under Section 212 (8) of the Companies Act, 1956 for the financial year ended 31st March, 2011 by the Ministry of Corporate Affairs, Government of India with regard to subsidiary companies is as follows:

M/s. Elkhill Agrotech (P) Limited, Ooty, Tamilnadu

	(₹ In Thousands)	
	As at 31.03.2011	As at 31.03.2010
a. Share Capital	20000	20000
b. Reserves & Surplus	(19295)	(20616)
c. Total Assets	11919	13305
d. Total Liabilities	11919	13305
e. Turnover	7511	3899
f. Profit (Loss) before taxation	1320	(5313)
g. Provision for Taxation	-	-
h. Profit (Loss) after Taxation	1320	(5313)
i. Proposed dividend	-	-

M/s Savera Hotels & Resorts Limited, Chennai.

	(₹ In Thousands)	
	As at 31.03.2011	As at 31.03.2010
a. Share Capital	500	500
b. Reserves & Surplus	-	-
c. Total Assets	1427	1412
d. Total Liabilities	1427	1412

9. Pre-operative expenses represent the Start – up cost in setting up the units and amortised over the remaining period of the lease.
10. Deferred Revenue Expenditure has been amortised over the period of three years under Straight Line Method as in earlier years.
11. During the year 2007 the company has formulated a group gratuity scheme in respect of certain employees which is covered by the group gratuity scheme with the Life Insurance Corporation of India. In respect of other employee benefits, provision for such benefits is provided in terms of Accounting Standard – 15 (Revised) – "Employee Benefits".

12. In accordance with the Accounting Standards (AS) – 28 "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.
13. In accordance with the Accounting Standards (AS) – 13 "Accounting for 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.
14. In accordance with the Accounting Standards (AS) – 16, "Borrowing costs" the company has not incurred borrowing costs on acquiring qualifying assets (ie., 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).

15. Earning Per Share

Particulars	(₹ in thousands)	
	Current year 2010-11	Previous year 2009-10
Profit after tax (₹)	58051	25437
Nominal value of shares (₹)	10.00	10.00
No. of Equity shares	1,19,28,000	59,64,000
Earning Per Share – Basic and Diluted (₹)	4.87	4.27

16. Previous year figures have been regrouped wherever necessary.

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

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

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

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

Place : Chennai
Date : 4.08.2011

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director
(Operations)

N.S. Mohan
Company Secretary and Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011

(₹ in thousands)

	FOR THE YEAR ENDED	
	31.3.2011	31.3.2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extraordinary items	89327	44591
Adjustment for :		
a) Depreciation	23301	21455
b) Pre-Operative expenses written off	1095	(383)
c) Investments	-	-
d) Interest/Dividend	(843)	(413)
e) Interest Expenses	23579	25422
f) Renovation Expenses	17757	13389
g) Net Deferred Expenses	-	-
h) Goodwill Difference	-	-
i) Loss on sale of Assets	3875	3806
j) Provisions	-	-
Operating Profit before working capital changes	158091	107867
Adjustments for : Increase / (Decrease)		
a) Trade and other receivables	(1135)	4569
b) Inventories	(22)	(878)
c) Loans and Advances	(32584)	7802
d) Provisions and Current Liabilities	5865	15499
	(27876)	26992
Cash generated from operations	130215	134860
Direct Taxes paid	(39132)	(22466)
Cash flow before extra-ordinary items	91083	112394
Extraordinary items	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	91083	112394
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(80478)	(17353)
Renovation Expenses	(23521)	(13389)
Sale of Fixed Assets	2352	919
Capital Work in Progress transferred to Fixed Assets	-	-
Acquisitions of Companies (as per annexure)	-	-
Purchase of Investments	-	-
Sale of Investments	(1000)	(4000)
Interest Received	691	343
Dividend Received	152	70
NET CASH USED IN INVESTING ACTIVITIES	(101804)	(33410)

(₹ in thousands)

	FOR THE YEAR ENDED	
	31.3.2011	31.3.2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital		
Proceeds from long term borrowings	211544	31413
Repayment of long term borrowings	(166552)	(76558)
Interest Paid	(23579)	(25422)
Dividend paid inclusive of tax	(8345)	(6978)
NET CASH USED IN FINANCING ACTIVITIES	13068	(77545)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2347	1439
CASH AND CASH EQUIVALENTS AS AT 01.04.2010 (opening balance)	8762	7323
CASH AND CASH EQUIVALENTS AS AT 31.03.2011 (closing balance)	11109	8762

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director
(Operations)

N.S. Mohan
Company Secretary and Chief Financial Officer

AUDITORS' CERTIFICATE

This is to certify that the above cash flow statement is drawn from the audited financial statements for the year ended 31.03.2011 and is in accordance with the requirements under clause 32 of the listing agreement entered into with the stock exchanges.

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

Place : Chennai
Date : 4.08.2011

CA. D.Audhishesha Reddy, B.Com., F.C.A.
Proprietor
Membership No. 019532

SAVERA INDUSTRIES LIMITED

STATEMENT PURSUANT TO SECTION 212

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to the Subsidiary Companies M/s. ELKHILL AGROTECH (P) LTD. and SAVERA HOTELS & RESORTS LTD.

(₹ in thousands)

		ELKHILL AGROTECH (P) LTD.	SAVERA HOTELS & RESORTS LTD.
1	Financial Year of the Company ended on	31.03.2011	31.03.2011
2	Fully paid up equity shares held by Savera Industries Ltd. in the Subsidiary company at the end of the financial year of the Subsidiary company No. of Shares Extent of holding	20,000 shares of ₹1000/- each 100%	49,600 shares of ₹10/- each 99%
3	Changes in the interest of Savera Industries Ltd. between the end of the Subsidiary's financial year and 31 st March, 2011 a. No. of shares acquired	-	-
4	The net aggregate of Profit/Loss of the Subsidiary company of the financial year, so far as they concern the members of Savera Industries Ltd. were: a. Dealt with in the Accounts of Savera Industries Ltd. for the year ended 31 st March, 2011. b. Not dealt with in the Accounts of Savera Industries Ltd. for the year ended 31 st March, 2011	1320	-
5	The net aggregate of Profit/Loss of the Subsidiary company for the previous financial year, so far as they concern the members of Savera Industries Ltd. were: a. Dealt with in the Accounts of Savera Industries Ltd. for the year ended 31 st March, 2011. b. Not dealt with in the Accounts of Savera Industries Ltd. for the year ended 31 st March, 2011	(5313)	-
6	Material changes between the end of the Subsidiary's financial year and 31 st March, 2011 a. Fixed Assets b. Investments c. Money lent by the Subsidiary Company d. Money borrowed by the Subsidiary company other than for meeting current liabilities	10208	927

For and on behalf of the Board

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Executive Director
(Operations)

N.S. Mohan
Company Secretary and Chief Financial Officer



SAVERA INDUSTRIES LIMITED

Registered Office : No. 146, Radhakrishnan Road, Chennai - 600 004, Tamilnadu.

ATTENDANCE SLIP

Name and Address of Member

42nd Annual General Meeting
21st September, 2011 at 11.00 a.m.
Venue : Narada Gana Sabha 314, TTK Road Chennai 600 018.

Folio No./Client Id	Holding No. of Shares

<input type="checkbox"/> Member	<input type="checkbox"/> Proxy

I hereby record my presence at the Annual General Meeting held on 21st September 2011.

--

(Member's / Proxy's Signature)

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



SAVERA INDUSTRIES LIMITED

Registered Office : No. 146, Radhakrishnan Road, Chennai - 600 004, Tamilnadu.

PROXY FORM

Regd. Folio No. / Clident ID Number with DP

I / We of Being a member / members of the above named Company hereby appoint of of falling 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 21st September 2011 at 11.00 A.M. at Narada Gana Sabha, 314, TTK Road, Chennai 600 018 and at any adjournment thereof.

Signed this..... day of..... 2011,

Signature.....

Affix a ₹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, Chennai 600 004, Tamil Nadu, not less than 48 hours before the time for holding the meeting.



SAVERA INDUSTRIES LIMITED

Mandate form

Electronic Clearing Service

1. Particulars of the Shareholders

- a. Regd. Folio No. : _____
- b. Name of the First Share-Holder (Block Letters) : _____

2. Particulars of the Bank

- a. Name of the Bank : _____
- b. Address of the Branch : _____

_____ Pincode _____
- c. Account No. (as appearing in your cheque book) : _____
- d. Account Type : SB / CD / CC
- e. 9 digit code No. of the Bank and branch appearing on the MICR cheque issued by the Bank :

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(Please attach a photocopy of cheque for verifying the accuracy of the Code Number)

DECLARATION

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effective at all for reasons of incomplete or incorrect information, I would not hold the company responsible.

(Signature of the first holder)

As per specimen signature with the Company

Name : _____

Address: _____

Place :

Date :

Pincode: _____

