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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 VISION**

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

## CORPORATE INFORMATION

<b>Registered Office</b>	<b>:</b>	<b>No.146 Dr.Radhakrishnan Road, Mylapore, Chennai 600 004. Phone : 044 - 28114700</b>
<b>Company Secretary &amp; Chief Financial Officer</b>	<b>:</b>	<b>Mr. N. S. Mohan</b>
<b>Mail Id</b>	<b>:</b>	<b>cs@saverahotel.com</b>
<b>Mobile</b>	<b>:</b>	<b>7299011005</b>
<b>Bankers</b>	<b>:</b>	<b>Central Bank of India Industrial Finance Branch 48/49 Montieth Road Egmore, Chennai 600 008.</b>
<b>Auditors</b>	<b>:</b>	<b>M/s. D A Reddy &amp; Co., Chartered Accountants 'Audi Nivas' No.8, Kannaiah Street, T.Nagar, Chennai 600 017.</b>
<b>Registrars &amp; Transfer Agents</b>	<b>:</b>	<b>M/s. Cameo Corporate Services Ltd 'Subramaniam Building' No.1, Club House Road Chennai 600 002.</b>

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 43rd Annual General Meeting of Savera Industries Limited will be held on Monday, the 24th September, 2012 at 11.00 a.m. at The Music Academy, Mini Auditorium, 168, TTK Road, Chennai 600 014 to transact the following business.

1. To receive, consider and adopt the audited Profit and Loss Statement for the year ended 31st March, 2012, and the 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. S. Rajaratnam, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. A.Sudhakar Reddy who retires by rotation and being eligible, offers himself 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.

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

Chennai  
6th August, 2012

**N S Mohan**  
Company Secretary and CFO

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

**NOTES**

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON BEHALF OF THE MEMBER AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
- b) The Register of Members and the Share Transfer Books of the company will remain closed from 13th September, 2012 to 24th September, 2012 (both days inclusive).
- c) The dividend on Equity Shares as recommended by the Board for the year ended 31st March, 2012, if approved at the Annual General Meeting, will be paid within 30 days i.e. on or before 23rd October, 2012 to those members whose names appear in the Register of Members as on 24th September, 2012. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the Depositories for this purpose.
- d) 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, therefore, 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 shareholders' address available in the Members Register with the Registrar on that date. The ECS form is available on the company's website: [www.saverahotel.com](http://www.saverahotel.com).
- e) 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).
- f) 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.
- g) 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.

- h) Pursuant to Section 205A of the Companies Act, 1956 all dividends remaining unclaimed for seven years from the date they first became due for payment are now required to be transferred to the "Investor Education and Protection Fund" established by the Central Government under the provisions of the Companies Act, 1956. Members shall not be able to claim any unpaid dividend from the said Fund nor from the Company thereafter. It may be noted that unclaimed dividend declared for the year ended 31st March, 2005 and which remain unclaimed is due for transfer to the Fund by 21-10-2012. Members who have not encashed their dividends so far for the financial year ended 31st March, 2005 are requested to claim the amount from the company before end September, 2012.
- i) Members desiring any information as regards the Accounts are requested to write to the Company Secretary at an early date so as to enable the management to reply at the meeting.
- j) Members are requested to kindly bring their copy of the Annual Report to the meeting.
- k) 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.
- l) **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. Members who wish to receive notices/documents including those covered under Section 219 of the Companies Act, 1956 through electronic mode, are requested to register their e-mail id. with the Company/Registrars and Share Transfer Agents, M/s. Cameo Corporate Services Ltd quoting their folio number(s)/client ID. The notice of the Annual General Meeting and the copies of the Audited financial statements, Directors Report, Auditors Report, etc will also be displayed on the website of the company: [www.saverahotel.com](http://www.saverahotel.com).
- m) The SEBI has made it mandatory to submit Permanent Account Number (PAN) by every participant in the securities market. Members, who are holding shares in demat form (electronic), are requested to submit the PAN to their depository participants with whom they do maintain their demat accounts. Similarly, members who are holding shares in physical form, are requested to submit their PAN details to the Company/ Registrars & Share Transfer Agents, M.s.Cameo Corporate Services Ltd.

**AS REQUIRED UNDER CLAUSE 49 (VI) OF THE LISTING AGREEMENT WITH STOCK EXCHANGE, GIVEN BELOW ARE THE DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT.**

At this 43rd Annual General Meeting of the Company, Sri S. Rajaratnam and Sri A.Sudhakar Reddy retire by rotation and being eligible, offered themselves for re-appointment.

Name	Brief Resume and Area of Experience	Other Directorship	Company Name
Sri.S. Rajaratnam	<p>Sri.S.Rajaratnam MA, LLM, FCMA, is an advocate and an eminent tax expert who is having vast experience in Income Tax matters. He is a retired Commissioner of Income Tax and retired member of the Income Tax Appellate Tribunal. He has been on the Board since 1996.</p> <p>Sri.S.Rajaratnam is a member of the Audit Committee, &amp; Remuneration Committee.</p> <p>Sri S.Rajaratnam is holding 2000 shares of the Company</p>	5	<p>Vishwapriya Finance Ltd.</p> <p>Viswapriya (India) Ltd.</p> <p>Shriram Asset Management Co. Ltd.</p> <p>Mepco Industries Ltd.</p> <p>Periyar Technology Business Incubator</p>
Sri A Sudhakar. Reddy	<p>Mr.A.Sudhakar Reddy, is a Graduate and is having rich experience in hoteliering business for more than two decades. He has been on the Board since 2008.</p> <p>Sri.A.Sudhakar Reddy is a member of the Audit Committee, Remuneration Committee and the Chairman of the Investors Grievance Committee.</p> <p>Sri A.Sudhakar Reddy is holding 580 shares of the Company.</p>	1	<p>Savera Hotels &amp; Resorts Ltd</p> <p>(a subsidiary of Savera Industries Limited)</p>

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

Chennai  
6th August, 2012

**N S Mohan**  
Company Secretary and CFO

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



## DIRECTORS' REPORT

### To the members,

The Directors have pleasure in presenting the 43rd Annual Report of the Company, together with its audited statement of Profit and Loss for the year ended 31st March, 2012 and the Balance Sheet as on that date.

### FINANCIAL RESULTS

	(₹ in lakhs)	
	For the Year Ended	
	31.3.2012	31.3.2011
Profit/(Loss) before tax for the year	929.28	880.07
Less: Provision for Income Tax for the year	216.08	312.77
Profit After tax	713.20	567.30
Profit Brought Forward	1460.86	1117.20
Profit Available for Appropriation	2174.06	1684.50
Transferred to General Reserve	71.32	56.73
Dividend and Dividend Distribution Tax	166.36	166.91
Profit carried forward to next year	1936.38	1460.86

### OPERATING RESULTS

The revenues of the company rose to ₹ 50.75 crs. from ₹ 46.45 crs. (9.25 % increase). This is because of increase in room revenue by 9.18%, increase in occupancy rate to 71% from 70%, increase in Food & Beverages Income by 4.53% and increase in Average Room Rent by 2.60%

As can be seen above, the profit before tax is at ₹ 9.30 crs compared to ₹ 8.80 crs of last year, thus registering a marginal increase in profit of 5.6%.

During the year, the renovation work at Chennai unit was taken up and it is in progress. Such renovation work has affected the turnover of Chennai unit during the year under review and likely to do so in the next fiscal also. Besides, the company's other units at Bengaluru, and Hyderabad are in gestation period, which also affected the turnover.

### CONSOLIDATED FINANCIAL RESULTS

The consolidated turnover of the company for the financial year ended 31.03.2012 stood at ₹ 54.26 crs as against ₹ 47.65 crs for the previous year. The Profit after Tax amounted to ₹ 6.82 crs as against ₹ 5.81 crs for the previous year.

**DIVIDEND**

The Board of Directors of the Company has recommended a dividend of ₹ 1.20 per equity share for the financial year ended 31.3.2012. The total outflow towards dividend will be ₹ 143.14 lakhs and the tax on dividend works out to ₹ 23.22 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 the provisions of the Companies Act, 1956 and the Articles of Association of the Company, two of the Directors Mr. S. Rajaratnam and Mr. A. Sudhakar 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, shall be within the prescribed limit under section 224 (1B) of the Companies Act, 1956. .

**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, the Auditors' Certificate on the compliance of conditions of Corporate Governance and the report on Management Discussion and Analysis form part of the Annual Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) That in the preparation of the Annual Accounts for the year ended 31st March, 2012, 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 the Company are listed on Bombay Stock Exchange Limited, and Madras Stock Exchange Limited. Besides, the equity shares of the company are also traded in National Stock Exchange of India Limited, Mumbai through MSE. The listing fees have been paid to Madras Stock Exchange Ltd and Bombay Stock Exchange Ltd..

## **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 the Board of Directors) Rules,1988 is furnished hereunder.

- (a) Your Company is closely following the conservation of energy and save the earth programme by following the systems. Centralized Solar Hot Water systems are put in place at the Chennai Unit. LED and CLF lighting systems are in place almost in all the units of the company. Further, the company has centralized the LPG banking for its LPG distribution systems. Electrical consumptions and Diesel are closely monitored

and controlled by constant audit and upgradation. Apart from this, the company has entered into power purchase agreement for purchase of green power and this is helping the company to conserve electrical energy and thereby reduce the power cost.

- (b) Hotel being a service industry, technology absorption, transfer etc., are not applicable. The company has installed Wi-Fi internet, group mobile system, wireless systems for its security for faster communication.
- (c) Earnings in convertible foreign exchange for the year amounted to ₹ 363.85 lakhs for the services rendered to Foreign Tourist (Previous year ₹ 347.52 lakhs). Expenditure in Foreign Currency is ₹ 479.32 lakhs (Previous Year ₹ 20.99 lakhs).

### **PARTICULARS OF EMPLOYEES**

No employee had drawn remuneration during 2011-12 more than the amount prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (particulars of employees) Rules, 1975.

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 Board of Directors take this opportunity to thank the Central Bank of India, and other financial institutions for extending their financial support. They further express their thanks to the Central Government, State Government and other stakeholders for their patronage, support and guidance.

For and on behalf of the Board

Place : Chennai

Date : 6th August, 2012

**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 by putting in place procedures and systems, which are in accordance with best practices of governance. Your company believes that good corporate governance enhances the trust and confidence of all stakeholders. Good practice in corporate behaviour helps to enhance and maintain public trust in companies and stock market.

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

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

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

The company reports the following compliance of Corporate Governance for the financial year 2011-12.

### **1. Board of Directors**

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

Sl. No.	Name of the Directors	Category of Director	Directorship in Listed Companies	Directorship / Partners in other Companies
1	Mr. A. Ravikumar Reddy	Promoter – Executive	-	22
2	Ms. A. Nina Reddy	Promoter – Executive	-	19
3	Mr. A. Tarun Reddy	Promoter - Non Executive	-	8
4	Ms. A. Nivruti Reddy	Promoter - Non Executive	-	7
5	Mr. S. Rajaratnam	Independent – Non Executive	1	4
6	Mr. G. Sitharaman	Independent – Non Executive	-	1
7	Mr. A. Sudhakar Reddy	Independent – Non Executive	-	1
8	Mr. B. Ranga Reddy	Independent – Non Executive	-	1

Attendance of Directors at the Board Meeting held during financial year 2011-12 and last AGM is given below.

Sl. No.	Name of the Directors	No. of meetings held	No. of meeting attended	Last AGM Present/ Absent
1	Mr. A. Ravikumar Reddy	4	4	Present
2	Ms. A. Nina Reddy	4	4	Present
3	Mr. A. Tarun Reddy	4	2	Leave of absence granted
4	Ms. A. Nivruti Reddy	4	1	Present
5	Mr. S. Rajaratnam	4	4	Present
6	Mr. G. Sitharaman	4	4	Present
7	Mr. A. Sudhakar Reddy	4	4	Present
8	Mr. B. Ranga Reddy	4	4	Present

## 2. Board Meetings

The Board of the Company has also the various specialised committees constituted by it. Totally four meetings of the Board were held on 14.05.2011, 4.08.2011, 11.11.2011, and 4.02.2012 during the financial year 2011-12. The required information is circulated to the Directors, including the non-executive directors who have actively participated in the deliberations of the Board.

## 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 the Institute of Cost 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 judgment 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, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.
- It shall have full access to information contained in records of the company and external professional advice, if necessary.
- The recommendations of the audit committee on any matter relating to Financial Management including Audit Report shall be binding on the Board.
- 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 2011-12 were held on 14.05.2011, 04.08.2011, 11.11.2011, and 04.02.2012. The attendance of Members at the Audit Committee held during financial year 2011-12 is furnished hereunder.

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

#### 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 6th May, 2011 to discuss and recommend the remuneration of Executive Directors, to the Board.

Attendance of Members at the meeting of the Remuneration Committee held during financial year 2011-12.

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



**Remuneration Policy:**

- i) The Executive Director is being paid remuneration as approved by the members from time to time.
- ii) 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 were paid to non-executive Directors, up to 5th August, 2012.
- iii) Sitting fees of ₹. 10,000/- per meeting of the Board and ₹.5,000/- 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, from 6th August, 2012.
- iv) There is at present no other remuneration component to non-executive directors except sitting fees.

**Remuneration to Directors**

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

Sl. No	Name of the Directors	Category of Director	*Remuneration per annum (₹ in lakhs)	Bonus, Stock option, Pension Retirement benefits etc.	Sittings Fees for Board/ Committee Meeting
1	Mr.A.Ravikumar Reddy	MD – Executive	37.20	Nil	Nil
2	Ms.A.Nina Reddy	ED (O) – Executive	37.20	Nil	Nil
3	Mr. A. Tarun Reddy	Non Executive	Nil	Nil	₹ 10,000
4	Ms. A. Nivruti Reddy	Non Executive	Nil	Nil	₹ 5,000
5	Mr.S.Rajaratnam	Non Executive	Nil	Nil	₹ 32,500
6	Mr. G. Sitharaman	Non Executive	Nil	Nil	₹ 32,500
7	Mr.A.Sudhakar Reddy	Non Executive	Nil	Nil	₹ 32,500
8	Mr.B.Ranga Reddy	Non Executive	Nil	Nil	₹ 20,000

\* The remuneration includes Salary, Commission and Provident Fund.

**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 2011-12. The Committee met on 11.11.11. No sitting fees were paid to the members of the Investor's Grievances Committee to attend the meeting.

S. No.	Name of the Members	Category	No. of meetings held	No. of meetings attended
1	Mr.A. Sudhakar Reddy	Chairman & Non-Executive and Independent	1	1
2	Mr.A. Tarun Reddy	Non-Executive	1	1
3	Mr.A.Ravikumar Reddy	Managing Director	1	1
4	Ms. A. Nivruti Reddy	Non-Executive	1	1

#### **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
1	Nil	Nil

#### **6. (a) Share Transfer Committee**

The transfer deed requests received by the company are processed and transferred within the stipulated period. No valid transfer request remained pending for transfer to the transferees as on 31.03.2012. 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 2011-12 is furnished hereunder. No sitting fees were paid to the members of the Share Transfer Committee to attend the meeting.

Sl. No.	Name of the Members	No. of meetings held	No. of meetings attended
1	Mr.A.Ravikumar Reddy - Chairman	16	16
2	Mr. B. Ranga Reddy - Member	16	16

### (b) RECONCILIATION OF SHARE CAPITAL AUDIT

In terms of the Circular No. CIR/MRD/DP/ 30 /2010 dated 06.09.2010 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 2011-12. The reconciliation of share capital audit report was placed before the Board and submitted to the stock exchanges where our shares are listed.

### 7. General Body Meetings

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

For the Financial year	Venue	Date	Time	Special Resolution
2008-09	The Music Academy, No.168, T.T.K. Road, Chennai-14	30.09.2009	10.00 A.M.	NIL
2009-10	The Music Academy, No.168, T.T.K. Road, Chennai-14	25.09.2010	11.00 A.M.	Item No.9 : Alteration of Articles of Association - increase in Authorised Share Capital of the company
2010-11	Narada Gana Sabha 314 T.T.K. Road Chennai - 18	21.09.2011	11.00 A.M.	Nil

The Chairman of the Audit Committee Mr. G. Sitharaman attended the Annual General Meeting held on 21st September, 2011.

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

### Details of Postal Ballot Process conducted during the year 2011-12

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 resolutions in respect of enhancement of remuneration to Managing Director and Executive Director (Operations) pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956. Sri.R.Balasubramaniam, Practicing Company Secretary is the scrutinizer for conducting the postal ballot in a fair and transparent manner. He submitted his report to the Managing Director on 6.07.2011 and the results were announced by the Managing Director Mr.A.Ravikumar Reddy on 6.07.2011. The shareholders approved the

above resolutions with the requisite majority.

The Results of the Postal Ballot announced on 6-07-2011.

Particulars	No. of postal ballot forms received for Resolutions 1 & 2	No. of Shares for Resolution No.		% of total paid up equity capital
		1	2	
Total postal ballot forms received	258	71,24,160	71,24,160	59.73%
LESS: Invalid postal ballot forms (as per register)	Nil	Nil	Nil	Nil
Net valid postal ballot forms (as per register)	258	71,24,160	71,24,160	59.73%
Postal ballot forms with Assent for Resolutions	222	71,16,807	71,16,807	59.66%
Postal ballot forms with Dissent for Resolutions	36	7,353	7,353	0.07%

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

## 8. Disclosures

- i) There were no transactions with the Related Parties during the year under review.
- ii) 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](http://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](http://www.saverahotel.com) where the above information is also displayed.

E-Mail ID for the Investor Grievance is [cs@saverahotel.com](mailto: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 43rd Annual General Meeting of the members of the company will be held on Monday, the 24th September, 2012 at 11.00 a.m. at The Music Academy, Mini Auditorium, 168, TTK Road, Chennai 600 014

### b) Financial Calendar for the year 2012-13 (Tentative)

Results for Quarter ended June, 2012	-	First Week of August 2012
Results for Quarter ending September, 2012	-	Second Week of Nov.2012
Results for Quarter ending December, 2012	-	Second week of Feb 2013
Results for Quarter ending March, 2013	-	Second Week of May, 2013

- c) **Date of Book Closure** –13th September, 2012 to 24th September, 2012 (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 Ltd)  
Exchange Plaza, Plot No.C/1 G Block  
Bandra-Kurla Complex, Bandra (E)  
Mumbai 400 051

The Listing Fees for the financial year 2012-13 have been paid to the stock exchanges.

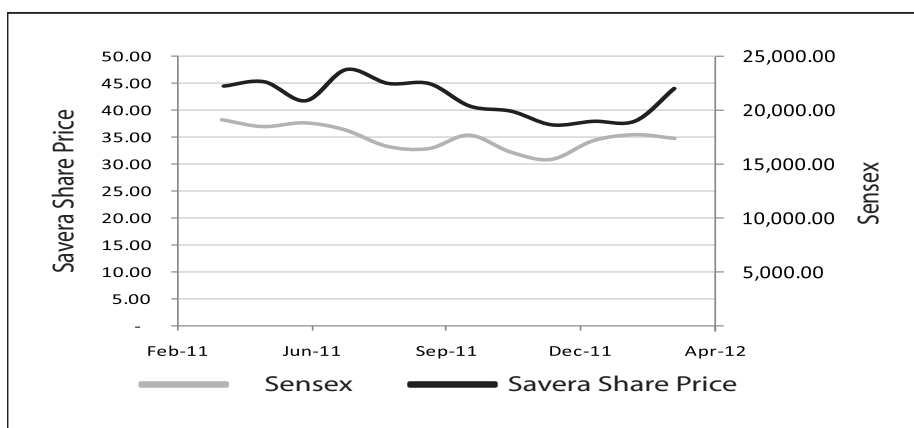
**f) Stock Code of the Company**

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 ₹ 47.50 (26.7.2011) and the lowest price per share was ₹ 29.30 (31.01.2012) during the year.

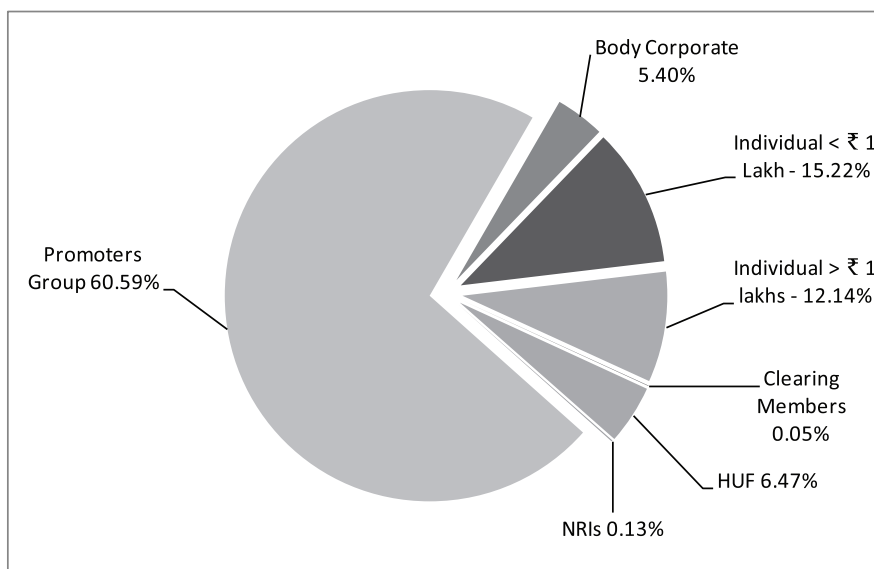
(in ₹)

Month	High Price	Low Price	Close Price	No.of Shares	No. of Trades	Total Turnover (₹)	Sensex
Apr-11	44.45	38.50	39.00	43,990	405	1,816,655	19,135.19
May-11	45.25	35.50	37.65	21,024	388	812,573	18,503.28
Jun-11	41.75	36.00	38.95	91,456	547	3,498,346	18,845.87
Jul-11	<b>47.50</b>	36.95	41.45	69,656	573	2,889,443	18,197.20
Aug-11	44.95	35.00	38.25	48,884	574	1,872,913	16,676.75
Sep-11	44.90	36.15	37.00	18,006	808	692,930	16,453.76
Oct-11	40.75	35.75	37.00	11,096	297	408,430	17,705.01
Nov-11	39.80	33.00	34.90	37,301	777	1,335,909	16,123.46
Dec-11	37.30	30.05	31.25	14,827	597	493,227	15,454.92
Jan-12	37.95	<b>29.30</b>	31.00	10,318	543	328,684	17,193.55
Feb-12	38.00	30.75	34.75	45,071	1,602	1,559,205	17,752.68
Mar-12	44.00	32.10	37.55	145,298	4,686	5,455,578	17,404.20



**h) Shareholding Pattern as on 31.03.2012**

Category of Shareholders	No. of shareholders	Total No. of shares	No. of shares held in dematerialised form	In %
Promoter and Promoter Group	16	7227359	6627359	60.59
FI / Banks	-	-	-	-
Body Corporate	121	644449	637449	5.40
Individual shareholders holding nominal share capital up to ₹1 lakh	6143	1815086	1134494	15.22
Individual shareholders holding nominal share capital in excess of ₹1 lakh	38	1448257	1419257	12.14
Clearing member	8	5504	5504	0.05
HUF	114	772292	772292	6.47
NRIs	30	15053	15053	00.13
Total	6470	11928000	10611408	100.00





**i) Registrars & Share Transfer Agents and Share Transfer System**

The Company has reappointed 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 shareholdings as on 31.3.2012**

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

Shareholding of Nominal Value	No. of holders	% to total No. of shareholders	Nominal value of shares (₹)	% to capital
10 - 5000	5729	88.55	7464380	6.26
5001- 10000	352	5.44	2755590	2.31
10001 - 20000	178	2.75	2871990	2.41
20001 - 30000	55	0.85	1437450	1.20
30001 - 40000	33	0.51	1209170	1.01
40001 - 50000	23	0.36	1100350	0.92
50001 - 100000	38	0.59	2847050	2.39
100001 - above	62	0.95	99594020	83.50
Total	6470	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 already has entered into agreements with the Depositories viz., NSDL and CDSL so as to provide the members to hold the shares in dematerialised form.

Around 88.96 % of the shareholdings of the company have already been dematerialised as on 31st March, 2012. Further, it is stated that as on 30th June, 2012, around 94.03 % of the shareholdings of the company are in dematerialised mode.

**UNIT LOCATIONS**

<b>SAVERA HOTEL</b> No.146 Dr.Radhakrishnan Road, Chennai 600 004 Tamilnadu Phone : 044 - 28114700	<b>Walnut Hotel</b> 5/76-4-16 & 17, Raidurga, Gachibowli-Tolichowki Road, Hyderabad 500 008 Phone : 040 - 2356 3906	<b>Lotus Park Hotel</b> S.No.95/2 Doddanekkundi Marathahalli Ring Road Bengaluru 560 037 Phone : 080- 25401144
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**k) Address for Correspondence**

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

Company's Registered Office & Secretarial Dept.	Company's Registrars & Share Transfer Agents
Company Secretary & Chief Financial Officer  M/s. Saver 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: Saver 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, 2012 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)

Place : Chennai.  
Date : 6th August, 2012

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE & DEVELOPMENTS

Hotel Industry is a part of hospitality industry in India. The growth of hotel industry goes along with the growth in Tourism and Travel. It is driven by business, social, recreational, religious and other interests. This industry depends upon economy of other sectors. Medical Tourism is also gaining momentum in India, thereby contributing to the growth of Tourism Industry. It is the constant phenomena that Tourists & Business Travellers increase year by year contributing to the growth of the hotel industry, which in turn, enhance the gross revenue and foreign exchange earnings of the Tourism Industry.

World Travel and Tourism Council expects travel and tourism demand in India to grow above 8 % annually till 2019, the highest growth, thereby making India second highest tourist destination after China.

There was a slowdown in the economic scenario in the year under review. Inflationary pressures continued to persist in the year 2011-12. Besides, the year witnessed a sharp increase not only in interest rates but also in other operating costs affecting the profitability of the company.

However, your company is continuously improving the service levels and upgrading the guest rooms, food & beverages, banquets, health clubs, etc., to maintain the standards.

### OPPORTUNITIES, FUTURE OUTLOOK AND THREATS

The construction of hotels is capital intensive with a long gestation period. As such, the Government is making efforts to stimulate investments in this sector and speed up the approval process to attract private sector investments. It is estimated that the room demand in the premium segment hotels in 10 major cities in India increased by around 5 per cent since last year. The room demand in India is expected to grow by approximately 10 per cent over the next five years. Several studies have highlighted the demand-supply gap in hotel rooms in India. Most of them have estimated a gap of 150,000 hotel rooms. A greater need is being felt in the mid-market and budget hotels segment in which a shortfall of around 100,000 rooms is estimated. The prospects for the hotel industries in India are bright. The International Tourist inflow into the country is rising. The entry by the various tourism agencies would result in getting attractive packages to the customers. The emerging Industrial Parks, Ports and other manufacturing facilities across the nation give a better future for budget and mid market hotels.

There exists competition from the International hotel chains. They are planning to establish various hotels to take advantage of demand supply imbalance. High energy cost, regular power cuts, and lack of skilled labour force, has great impact on the overall business of the company.

## RISKS & CONCERNS

The decrease in the personal disposable income on account of inflation, high land prices, low FSI, plethora of taxes, and low incentives are some key hurdles for hotel industry in India. Nearly 25 major international hotel companies like Accord, Marriott, Claridges, Shangri-la, and Carlson Hospitality are looking to enter India, either independently or in collaboration with domestic partners posing a threat to the existing hotels.

Inflation in the economy caused by changes in domestic and global economics, fluctuations in the interest rate and foreign exchange rates impact the business. Higher operating cost and the on-going renovation are the main concerns for our company.

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

The directors are always conscious of the need to have effective internal control systems in the organization. The devised internal control systems, which are in place, give us a reasonable assurance for maintenance of accounting, operations, monitoring and also protecting the assets of the company besides ensuring the compliances with the statutory regulations and reliability of financial reporting.

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

(₹ in lakhs)

Particulars	31-03-2012	31-03-2011	% of change
Room Income	2241.48	2053.05	9.18
Food & Beverage Income	1905.91	1823.40	4.53
Other Income	927.25	768.35	20.68
Total Income	5074.64	4644.80	9.25
Occupancy (%)	71	70	1

Overall income increased by 9.25% from ₹ 4644.80 lakhs to ₹ 5074.64 lakhs. Occupancy has increased from 70% to 71%. Room revenues increased by 9.18% from ₹ 2053.05 lakhs to ₹ 2241.48 lakhs, while Food and Beverages income increased by 4.53% from ₹ 1823.40 lakhs to ₹ 1905.91 lakhs. Other income increased by 20.68% from ₹ 768.35 lakhs to ₹ 927.25 lakhs.

**Expenditure :** As far as expenses are concerned, there is an increase of ₹ 632.58 lakhs in the total expenditure for the fiscal ended 31st March, 2012 which works out to 16.60% hike over the corresponding period last year

**Finance Charges :** Interest cost was higher at ₹ 322.12 lakhs for the year ended 31.03.2012 as compared to ₹ 234.42 lakhs over the corresponding last year. This is due to additional borrowings for renovation of hotel premises and also the increase in interest rates of the Bank.

**Profit Before Tax :** The profit before tax stood at ₹.930 lakhs compared to ₹. 880 lakhs of last year, thus registering a marginal increase in profit of 5.6%.

**Profit After Tax:** The profit after tax rose to ₹ 713.20 lakhs from ₹ 567.30 lakhs of last year, thus registering a growth rate of 25.71%.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT.**

The industrial relations with the employees are cordial. The company takes care of all its employees and treat them as one family. During the year under review 'Fast Track' (FT) training programme that offers the company employees a chance to learn and grow within the company through systematic coaching for 24 weeks with the assistance of training consultant was conducted. Besides, training programme which emphasizes on leadership, time management and other managerial skills for the existing and future managers, was organized. Such programmes facilitate in devising a goal "To be the best four star hotel in Chennai". The management chooses the best employee every month and also recognizes the employees who have put in more than 25 years of service and rewards them accordingly. Various competitions were conducted in their work areas to enhance their morale and motivation.

As a part of Corporate Social Responsibility, your company has started a training centre in the name of Savera Hotel Academy (SHA) to give the opportunity to the young under-privileged to 'learn and earn' a career in the hospitality sector. The Academy aims at developing competent persons for the hospitality industry through a high quality training programme with greater focus on practical training. In addition to theory training, the participants are given practical exposure at the hotel, by way of on-the-job training which gives them an opportunity to explore more avenues. This encourages the learners to get together and share knowledge and skills.

### **CAUTIONARY STATEMENT :**

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

## **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, 2012 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

N S Mohan

A. Ravikumar Reddy

Date : 6th August, 2012

Company Secretary & CFO

Managing Director

## CERTIFICATE

The Shareholders  
Savera Industries Ltd

I, A.Ravikumar Reddy, Managing Director of the Company, hereby confirm that all the members of the 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, 2012

Place : Chennai  
Date : 6th August, 2012

A. Ravikumar Reddy  
Managing Director

## FIVE YEARS AT A GLANCE

(₹ in lakhs)

	2011-12	2010-11	2009-10	2008-09	2007-08
INCOME	5371.60	4689.81	3485.61	3939.38	4540.31
OPERATING & GENERAL EXPENSES	3874.84	3355.83	2535.81	2956.25	3090.79
INTEREST	322.12	234.42	252.96	373.96	288.69
DEPRECIATION	245.36	219.49	197.79	274.45	219.07
PROFIT BEFORE TAX	929.28	880.07	499.04	334.72	941.76
TAXATION	216.08	312.77	191.55	243.45	330.8
PROFIT AFTER TAX	713.20	567.30	307.49	91.27	610.96
DIVIDEND, DIVIDEND DISTRIBUTION TAX & SURCHARGE	166.36	166.91	83.46	69.78	139.55
DIVIDEND %	12%	12%	12%	10%	20%
NET FIXED ASSETS	6020.33	6121.25	5609.69	5692.97	6580.09
CAPITAL	1192.80	1192.80	596.4	596.4	596.4
RESERVES (INCLUDING REVALUATION)	3980.95	3445.56	3653.02	3440.43	3430.39
DEFERRED TAX LIABILITY	85.62	68.41	41.05	39.5	36.69
Bonus Issue	-	1:1	-	-	-



## AUDITORS' REPORT

### TO THE MEMBERS OF SAVERA INDUSTRIES LTD

1. We have audited the attached Balance Sheet of Savera Industries Limited, Chennai 600 004 as at 31st March, 2012 and the Profit and Loss Statement 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 include 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. In our opinion, proper Books of Account as required by law, have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Profit and Loss Statement 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 Statement 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. 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 2012,
  - ii. In the case of Profit and Loss Statement, 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.
5. On the basis of the written representations, received from the Directors as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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.

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

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

Place : Chennai.  
Date : 6th August, 2012

**ANNEXURE TO THE AUDITORS' REPORT**

*(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, 2012 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.005719S)

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

Place : Chennai.

Date : 6th August, 2012

## BALANCE SHEET AS AT 31st March, 2012

₹ In lakhs

Particulars	Note	AS AT 31.03.2012	AS AT 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	2	1,192.80	1,192.80
(b) Reserves and Surplus	3	3,980.95	3,445.56
		5,173.75	4,638.36
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	2,187.87	1,956.58
(b) Deferred Tax Liability (Net)	5	85.62	68.41
(c) Other Non- Current Liabilities	6	24.29	6.79
		2,297.78	2,031.78
<b>Current Liabilities</b>			
(a) Short-term Borrowings	7	145.39	136.16
(b) Trade payables	8	184.77	160.58
(c) Other Current Liabilities	9	819.56	525.34
(d) Short term provisions	10	189.90	203.55
		1,339.62	1,025.63
<b>TOTAL</b>		<b>8,811.15</b>	<b>7,695.77</b>
<b>ASSETS</b>			
<b>Non- Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	6,020.33	6,121.25
(b) Non- Current Investments	12	328.32	328.18
(c) Long-term Loans and advances	13	933.41	343.38
		7,282.06	6,792.81
<b>Current Assets</b>			
(a) Inventories	14	88.85	90.74
(b) Trade Receivables	15	151.74	135.24
(c) Cash and Bank Balances	16	845.67	385.52
(d) Short-term Loans and advances	17	59.17	0.47
(e) Other Current Assets	18	383.66	290.99
		1,529.09	902.96
<b>TOTAL</b>		<b>8,811.15</b>	<b>7,695.77</b>
<b>Significant Accounting Policies</b>	<b>1</b>		

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

For and on behalf of the Board

A. Ravikumar Reddy  
Managing Director

A. Nina Reddy  
Executive Director (Operations)

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

N.S. Mohan  
Company Secretary and Chief Financial Officer

Place : Chennai  
Date : 6th August, 2012

## PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

₹ In lakhs

Particulars	Note	AS AT 31.03.2012	AS AT 31.03.2011
<b>INCOME</b>			
Revenue from Operations	19	5,074.64	4,644.80
Other Income	20	296.96	45.01
<b>Total Revenue</b>		<b>5,371.60</b>	<b>4,689.81</b>
<b>EXPENSES</b>			
Cost of Materials consumed	21	645.92	594.57
Purchase of Stock-in-trade	22	64.56	62.02
Change in Inventory of Stock-in-trade	23	0.82	0.11
Employee benefit expenses	24	1,206.36	928.52
Finance Cost	25	322.12	234.42
Depreciation	26	245.36	219.49
Other expenses	27	1,957.18	1,770.61
<b>Total Expenses</b>		<b>4,442.32</b>	<b>3,809.74</b>
Profit before tax		929.28	880.07
Tax expense:			
(1) Income Tax		198.86	285.41
(2) Deferred Tax Liability		17.22	27.36
		216.08	312.77
<b>Profit after Taxation</b>		<b>713.20</b>	<b>567.30</b>
<b>Earnings per equity share:</b>			
Basic and Diluted		<b>5.98</b>	<b>4.76</b>
<b>Significant Accounting Policies</b>	<b>1</b>		

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

For and on behalf of the Board

A. Ravikumar Reddy  
Managing Director

A. Nina Reddy  
Executive Director (Operations)

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

N.S. Mohan  
Company Secretary and Chief Financial Officer

Place : Chennai  
Date : 6th August, 2012

## CASHFLOW STATEMENT FOR THE YEAR 2011-12

₹ In lakhs

	AS AT 31.03.2012	AS AT 31.03.2011
<b>A. Cash flow from Operating Activities</b>		
Net profit before tax and extra-ordinary items	929.28	880.07
Adjustments for		
(a) (Profit)/Loss on sale of fixed assets	(260.74)	38.75
(b) Renovation expenses written off	230.60	177.57
(c) Preliminary and preoperative expenses written off	7.48	11.03
(d) Interest expense paid	322.12	234.42
(e) Dividend/Interest Income	(35.12)	(8.43)
(f) Depreciation on fixed assets	245.37	219.50
	<b>509.71</b>	<b>672.84</b>
Operating profit before working capital changes	<b>1,438.99</b>	<b>1,552.91</b>
Adjustments for		
(a) (Increase)/Decrease in Other Current Assets	(8.56)	(14.14)
(b) (Increase)/Decrease in Short Term Loans and Advances	(0.50)	(26.00)
(c) (Increase)/Decrease in Long Term Loans and Advances	(571.69)	16.11
(d) (Increase)/Decrease in Trade Receivables	(16.50)	(11.01)
(e) (Increase)/Decrease in Inventories	1.90	(1.28)
(f) Increase/(Decrease) in Other Non- Current Liabilities	17.50	-
(g) Increase/(Decrease) in Trade Payable	24.19	5.57
(h) Increase/(Decrease) in Other Current Liabilities	294.21	53.09
	<b>(259.45)</b>	<b>22.34</b>
<b>Cash generated from Operations</b>	<b>1,179.54</b>	<b>1,575.25</b>
Income taxes paid/Refund	288.52	391.32
<b>Net cash from Operating Activities (A)</b>	<b>891.02</b>	<b>1,183.93</b>
<b>B. Cash flow from Investing Activities</b>		
Sale of fixed assets	700.00	23.53
Renovation expenses paid	(322.19)	(235.21)
Dividend/ Interest Income	35.12	8.43
Purchase of Non Current Investments	(0.15)	(10.00)
Purchase of Fixed Assets	(595.15)	(804.78)
<b>Net cash from Investing Activities (B)</b>	<b>(182.37)</b>	<b>(1,018.03)</b>

**C. Cash flow from Financing Activities:**

Proceeds from Short - term borrowings	9.24	-
Proceeds from Long - term borrowings	231.29	450.02
Dividend paid		(83.45)
	(166.91)	
Interest expense paid	(322.12)	(234.42)
<b>Net cash used in financial activities (C)</b>	<b>(248.50)</b>	132.15
<b>Net increase in cash and cash equivalents (A) + (B) + (C)</b>	<b>460.15</b>	298.05
Cash and cash equivalents at beginning of the period (see note 1)	385.52	87.48
<b>Cash and cash equivalents at end of the period (see note 1)</b>	<b>845.67</b>	<b>385.52</b>

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

	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
Balance with Scheduled Banks - In Current Account	829.43	368.89
- Cash on Hand	16.24	16.63
	<b>845.67</b>	<b>385.52</b>

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

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

For and on behalf of the Board

A. Ravikumar Reddy  
Managing Director

A. Nina Reddy  
Executive Director (Operations)

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

N.S. Mohan  
Company Secretary and Chief Financial Officer

Place : Chennai  
Date : 6th August, 2012



## NOTES TO FINANCIAL STATEMENTS

*Notes to Financial Statements for the year ended 31st March, 2012*

### **Note 1:**

#### **Significant Accounting Policies**

##### **A) Corporate Information:**

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

##### **B) Accounting Policies**

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

##### **a) Fixed Assets**

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

##### **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) Impairment of Assets**

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

##### **d) Inventories**

Stocks of food, beverages & Operating supplies inventories are valued at average cost or market value whichever is lower. Crockerries and Cutleries are written off over a period of three years.

##### **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) Transactions in Foreign Exchange**

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

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

#### **g) Employee Benefits**

As per the requirements of Accounting Standard 15 "Employee Benefits" (Revised 2005) issued by the Institute of Chartered Accountants of India, the contribution to the Gratuity is determined using the projected unit credit method with actuarial valuation being carried out at each Balance Sheet date. The company has an arrangement with LIC for managing the Gratuity Fund. The demand raised from LIC based on Actuarial Report is paid by the company towards discharge of the gratuity liability.

#### **h) Borrowing Costs**

Interest and other borrowing cost on specific borrowings are capitalized.

#### **i) 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.

#### **j) Taxes on Income:**

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

**k) 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.

**l) 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2: SHARE CAPITAL

₹ In lakhs

Particulars	As at March 2012	As at March 2011
<b>(i) Authorised Share Capital</b>		
1,20,00,000 equity shares of ₹10 each (Previous year 1,20,00,000 Equity Shares of ₹10 each)	1,200.00	1,200.00
<b>(ii) Issued, Subscribed and Paid up</b>		
1,19,28,000 Equity Shares of ₹10/- each (Previous year 1,19,28,000 Equity Shares of ₹10/- each)	1,192.80	1,192.80
	<b>1,192.80</b>	<b>1,192.80</b>
<b>(a) Reconciliation of Equity shares</b>		
Particulars	As at March 2012	As at March 2011
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	11,928,000	5,964,000
Add: Shares Issued during the year - Bonus Issue		5,964,000
<b>Shares outstanding at the end of the year</b>	<b>11,928,000</b>	<b>11,928,000</b>

Footnotes:

**(i) Of the above, following were allotted:**

As fully paid up Bonus Shares:

59,64,000 Shares in 2010-11 by capitalisation of Securities Premium Reserve and General Reserve

**(ii)** The company has only one class of equity shares having a par value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**(iii)** During the year ended March 31, 2012, the amount of per share dividend recognized as distribution to equity shareholder was ₹ 1.20/- (Previous year ₹1.20/-)

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

Name of the shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
A. Jayalakshamma	2,160,600	18.11%	2,160,600	18.11%
A. Nina Reddy	1,015,512	8.51%	1,015,512	8.51%
Lalit Modi	702,280	5.89%	702,280	5.89%
A. Priyamvatha	687,600	5.76%	687,600	5.76%

**NOTE 3 : RESERVES AND SURPLUS**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Share premium account</b>		
As per last Balance sheet	-	375.00
Less: Transferred to Share Capital on account of issue of bonus shares	-	375.00
(A)	-	-
<b>Revaluation Reserve</b>		
As per last Balance Sheet	1,376.74	1,388.19
Less: Depreciation for the year	11.45	11.45
(B)	1,365.29	1,376.74
<b>General Reserve</b>		
Opening Balance	607.96	772.63
Add: Transferred from statement of Profit and Loss	71.32	56.73
Less: Transferred to Share Capital on account of issue of bonus shares	-	221.40
Closing Balance	679.28	607.96
(C)		
<b>Surplus/ (Deficit) in the Statement of Profit and Loss</b>		
Opening Balance	1,460.86	1,117.20
Add: Profit for the year	713.20	567.30
Less: Transfer to General Reserve	71.32	56.73
Less: Proposed dividend	143.14	143.14
Less: Tax on Proposed dividend	23.22	23.77
(D)	1,936.38	1,460.86
<b>TOTAL (A+B+C+D)</b>	<b>3,980.95</b>	<b>3,445.56</b>

**NOTE 4 : LONG TERM BORROWINGS**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Non- Current portion of:</b>		
Term Loan		
From Banks (Refer Note (i) and (ii) below)	2,134.75	1,902.64
Long- term Finance lease obligations - Hire Purchase (Refer note (iii) and (iv) below)	53.12	53.95
	<b>2,187.87</b>	<b>1,956.58</b>

(i) Secured by First Charge on entire Land & Building, Movable & Immovable Assets of the Company situated at Door No. 146, Dr. Radhakrishnan Road, Chennai – 4. & Property admeasuring 18.15 grounds, situated at Avinashi Road, Coimbatore

(ii) Maturity profile of term loans

Term loan from Banks @ 14.25%

(a) not later than one year

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

(c) later than three years

As at 31st March, 2012
375.73
1,101.79
1,032.96

(iii) Finance Lease obligations are secured against leased assets

(iv) Maturity profile of Finance lease obligations

(a) not later than one year

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

(c) later than five years

As at 31st March, 2012		
ICICI Bank	Reliance Capital Limited	Total
23.76	1.87	25.63
53.12	0.00	53.12
-	-	-

**NOTE 5 : DEFERRED TAX LIABILITY (NET)**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Deferred Tax Liability:</b>		
Related to Fixed Assets	-	0.06
Disallowance under Income Tax Act, 1961	96.49	68.35
<b>Total (A)</b>	<b>96.49</b>	<b>68.41</b>

<b>Deferred Tax Assets:</b>	-	-
On Carried forward losses	10.87	-
On retirement benefits	-	-
<b>Total (B)</b>	<b>10.87</b>	<b>-</b>
Deferred Tax Liability (Net) (A-B)	<b>85.62</b>	<b>68.41</b>

**NOTE 6 : OTHER NON-CURRENT LIABILITIES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Rental Deposit - Unsecured	6.79	6.79
Unaccrued Income realisable after next 12 months	17.50	-
	<b>24.29</b>	<b>6.79</b>

**NOTE 7 : SHORT TERM BORRWINGS**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Loan repayable on Demand		
From Banks ( Refer Footnote (i))	145.39	136.16
	<b>145.39</b>	<b>136.16</b>

- (i) Secured loan from bank consists of overdraft facilities. These are secured by hypothecation of domestic trade receivables.

**NOTE 8 : TRADE PAYABLES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Trade payables other than Micro, Small and Medium Enterprises	184.77	160.58
	<b>184.77</b>	<b>160.58</b>

**NOTE 9 : OTHER CURRENT LIABILITIES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Current maturities of Long-term borrowings (Refer Footnote 4(i) and (ii))	375.73	189.06
Current maturities of Long-term Finance Lease - Hire Purchase (Refer Footnote 4(iii) and (iv))	25.63	18.91
Unaccrued Income realisable in next 12 Months	184.18	133.83
Creditors for expenses	159.31	109.95
Duties and Taxes Payable	60.03	62.06
Unclaimed Dividend (Refer Footnote (i) below)	14.68	11.53
	<b>819.56</b>	<b>525.34</b>

- (i) The amount reflects the position as on 31st March, 2012, the actual amount to be transferred to the 'Investor education & protection fund' shall be determined and paid to the credit of the Fund on due dates.

**NOTE 10 : SHORT TERM PROVISIONS**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Provision for employee benefits - Bonus	25.00	25.00
Provision net off against Advance tax and TDS for the assessment year 2012-13	(1.46)	11.64
Provision for dividend	166.36	166.91
	<b>189.90</b>	<b>203.55</b>



## NOTES TO FINANCIAL STATEMENTS

### Note 11 : STANDALONE FIXED ASSETS

(₹ in lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK					NET BLOCK	
	At Cost as at 1.04.2011	Additions	Deletions	At Cost as at 31.03.2012	Up to 31.3.2011	Depreciation for the year	Withdrawals during the year	Up to 31.03.2012	As at 31.3.2012	As at 31.3.2011
	₹.	₹.	₹.	₹.	₹.	₹.	₹.	₹.	₹.	₹.
<b>Tangible Assets:</b>										
1. LAND	2,931.12	275.78	385.62	2,821.28	-	-	-	-	2,821.28	2,931.12
2. BUILDINGS	1,398.86	-	53.64	1,345.22	340.44	21.93	-	362.37	982.85	1,058.42
3. FURNITURE & FITTINGS	1,276.00	4.03	-	1,280.03	748.49	73.50	-	821.99	458.04	527.51
4. VEHICLES	111.08	4.56	-	115.64	48.75	10.05	-	58.80	56.84	62.33
5. PLANT & MACHINERY	2,579.93	277.89	-	2,857.82	1,152.00	131.79	-	1,283.79	1,574.03	1,427.93
6. OFFICE EQUIPMENTS	116.06	2.06	-	118.12	79.57	9.53	-	89.10	29.02	36.49
<b>Sub - Total</b>	<b>8,413.05</b>	<b>564.32</b>	<b>439.26</b>	<b>8,538.11</b>	<b>2,369.25</b>	<b>246.80</b>	<b>-</b>	<b>2,616.05</b>	<b>5,922.06</b>	<b>6,043.80</b>
<b>Leased Assets</b>										
7. VEHICLES	89.23	30.83	-	120.06	11.78	10.01	-	21.79	98.27	77.45
<b>Sub - Total</b>	<b>89.23</b>	<b>30.83</b>	<b>-</b>	<b>120.06</b>	<b>11.78</b>	<b>10.01</b>	<b>-</b>	<b>21.79</b>	<b>98.27</b>	<b>77.45</b>
<b>Total tangible assets</b>	<b>8,502.28</b>	<b>595.15</b>	<b>439.26</b>	<b>8,658.17</b>	<b>2,381.03</b>	<b>256.81</b>	<b>-</b>	<b>2,637.84</b>	<b>6,020.33</b>	<b>6,121.25</b>
Previous Year	7,827.35	804.78	129.85	8,502.28	2,217.66	230.94	67.57	2,381.03	6,121.25	5,609.69

Note : Depreciation includes ₹ 11.45 lakhs on revaluation of assets. (Previous Year ₹ 11.45 lakhs)

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12: NON CURRENT INVESTMENTS

₹ In lakhs

Particulars	Face Value	Holdings As at 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
<b>Non - Trade Investments ( Valued at cost)</b>				
<b>Investment in quoted Equity Shares</b>				
Oriental Hotels Limited	₹ 1/-	3,510	0.05	0.05
I.T.C. Limited	₹ 1/-	26,880	0.03	0.03
Indian Hotels Co. Ltd.	₹ 1/-	3,432	0.45	0.45
Apollo Hospitals Ltd.	₹ 5/-	4,000	0.30	0.30
Central Bank of India	₹ 10/-	295	0.30	0.16
			1.14	0.99
<b>Investment in Unquoted Shares of Subsidiary Company</b>				
20000 Elkhill Agrotech P Ltd	₹ 1000/-	20,000	282.23	282.23
49600 Savera Hotels & Resorts Ltd.,	₹ 10/-	49,600	4.96	4.96
			287.19	287.19
<b>Investment in Unquoted Shares of Other Companies</b>				
400000 Clarion Wind Farms Pvt. Ltd.	₹ 10/-	400,000	40.00	40.00
			40.00	40.00
			<b>328.32</b>	<b>328.18</b>
(i) Aggregate amount of Quoted Investments			1.14	0.99
(ii) Market Value of Quoted Investments			89.92	62.04
(iii) Aggregate amount of Unquoted Investments			327.19	327.19

### NOTE 13: LONG TERM LOANS AND ADVANCES

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Loans and Advances to Related parties (Refer Footnote (i) below)		
Unsecured Considered Good	111.77	111.35
Loans and Advances to others		
Unsecured Considered Good	553.58	38.09
Security Deposits		
Unsecured Considered Good	244.01	193.94
Capital advance		
Unsecured Considered Good	5.70	-
Advance tax, TDS excess of Provision for Income tax for the period preceding AY2012-13	18.35	-
	<b>933.41</b>	<b>343.38</b>

(i) Name of the Related Party	Relationship	As at 31st March, 2012	As at 31st March, 2011
Elkhill Agrotech private Limited	Subsidiary	102.39	102.08
Savera Hotels and Resorts Limited	Subsidiary	9.37	9.27
		111.76	111.35

NOTE 14: INVENTORIES			
Particulars		As at 31st March, 2012	As at 31st March, 2011
(At lower of average cost or market value)			
Food & Beverages		5.01	5.28
Wine & Liquor		7.60	8.42
Crockery & Cutlery etc.		36.18	28.98
Linen & Housekeeping items		40.07	48.06
		88.85	90.74

NOTE 15: TRADE RECEIVABLES			
Particulars		As at 31st March, 2012	As at 31st March, 2011
Debts outstanding for a period exceeding 6 months			
Unsecured Considered good		11.59	8.95
Other debts			
Unsecured Considered good		140.15	126.29
		151.74	135.24

NOTE 16: CASH AND BANK BALANCES			
Particulars		As at 31st March, 2012	As at 31st March, 2011
Balance with Banks			
Current Account		174.29	82.36
Deposits with original maturity less than three months		636.49	275.00
Cash on Hand		16.24	16.63
Other Bank Balances			
Dividend Account		14.68	11.53
Margin Money		3.97	-
		845.67	385.52

**NOTE 17: SHORT TERM LOAN AND ADVANCES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Loans and advances to staff	0.97	0.47
Advance tax, TDS excess of Provision for Income tax for the AY 2012-13	58.20	-
	<b>59.17</b>	<b>0.47</b>

**NOTE 18: OTHER CURRENT ASSETS**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Prepaid expenses	47.72	47.49
Interest Accrued on Fixed Deposits	10.92	2.60
Miscellaneous expenditure to the extent not written off	325.02	240.90
	<b>383.66</b>	<b>290.99</b>

**NOTE 19: REVENUE FROM OPERATIONS**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>(i) Rooms and Restaurants</b>		
Rooms	2,241.48	2,053.05
Foods and Beverages	1,593.86	1,492.39
Wine and Liquor	312.05	331.01
	<b>4,147.39</b>	<b>3,876.45</b>
<b>(ii) Banquets and Other services</b>		
Banquet and Other Services	623.26	537.07
Telephone, Fax and Telex	2.92	3.12
Gym Collections	298.57	227.10
Miscellaneous income	2.50	1.06
	<b>927.25</b>	<b>768.35</b>
	<b>5,074.64</b>	<b>4,644.80</b>

**NOTE 20: OTHER INCOME**

Particulars	₹ In lakhs	
	As at 31st March, 2012	As at 31st March, 2011
<b>Interest Income</b>		
Fixed Deposits	31.53	4.18
Electricity Deposits	2.18	2.73
<b>Dividend Income</b>		
From Non- Current Investments	1.41	1.52
<b>Net Gain on Sale of Fixed Assets</b>		
Profit on sale of Land and Buildings	260.74	(35.45)
<b>Others</b>		
Miscellaneous Income	-	4.06
Foreign Exchange Fluctuations	1.10	0.97
Insurance Claim	-	67.00
	<b>296.96</b>	<b>45.01</b>

**NOTE 21: COST OF MATERIALS CONSUMED**

Particulars	₹ In lakhs	
	As at 31st March, 2012	As at 31st March, 2011
<b>Foods and Beverages</b>		
Opening Stock	3.44	2.95
Add: Purchases	629.38	578.02
Less: Closing Stock	5.01	3.44
	<b>627.81</b>	<b>577.53</b>
<b>Crockeries and Cutleries</b>		
Opening Stock	30.82	27.48
Add: Purchases	23.47	20.38
Less: Closing Stock	36.18	30.82
	<b>18.11</b>	<b>17.04</b>
	<b>645.92</b>	<b>594.57</b>

**NOTE 22: PURCHASE OF STOCK IN TRADE**

Particulars	₹ In lakhs	
	As at 31st March, 2012	As at 31st March, 2011
Purchase of Wines and Liquor	<b>64.56</b>	<b>62.02</b>

**NOTE 23: CHANGE IN INVENTORY OF STOCK IN TRADE**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Opening Stock	8.42	8.53
Less: Closing Stock	7.60	8.42
	<b>0.82</b>	<b>0.11</b>

**NOTE 24: EMPLOYEE BENEFIT EXPENSE**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Salary, Wages, Bonus and Allowances	996.09	765.41
Contribution to Provident and other Funds	101.61	63.10
Staff Welfare	108.66	100.01
	<b>1,206.36</b>	<b>928.52</b>

**NOTE 25: FINANCE COST**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Interest expenses	<b>322.12</b>	<b>234.42</b>

**NOTE 26: DEPRECIATION AND AMORTIZATION EXPENSES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Depreciation on Fixed Assets	256.81	230.94
Less: Transferred to revaluation reserve	11.45	11.45
	<b>245.36</b>	<b>219.49</b>

**NOTE 27: OTHER EXPENSES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
(a) Administrative Expenses		
(i) Travelling & Conveyance	54.63	19.68
(ii) Sundry Expenses	55.25	42.08
(iii) Printing & Stationery	33.01	35.94
(iv) Donation	26.27	34.80
(v) Postage and Telephones	33.50	27.09
(vi) Bank Charges	5.15	47.78
(vii) AGM Expenses	3.45	3.02
(viii) Newspaper subscription	3.24	3.12
(ix) Sitting Fees	1.33	2.65
(b) Power and Fuel	468.54	435.70
(c) Professional Charges	65.02	46.90
(d) Rental Expenses	74.17	64.59
(e) Lease rents	103.33	51.77
(f) Renovation	226.09	165.59
(g) Repairs and Maintenance	-	-
(i) Buildings	63.72	71.80
(ii) Plant and Machinery	99.92	130.83
(iii) Vehicles	28.89	13.05
(iv) Others	77.01	94.41
(h) Sales Promotion Expenses	178.72	146.29
(i) Spa Expenses	49.56	44.91
(j) Upkeep and Service Cost	189.34	163.10
(k) Pre Operative and Preliminary Expenses written off	7.48	11.03
(l) Insurance	23.68	22.55
(m) Rates & Taxes	81.25	89.01
(n) Payment to Auditors	-	-
(i) As Auditors	2.43	1.60
(ii) For Taxation Matters	1.10	0.66
(iii) For Other Services	1.10	0.66
	<b>1,957.18</b>	<b>1,770.61</b>

## NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements for the year ended 31st March, 2012

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

i) Earnings in Foreign Exchange:

Particulars	Current Year	Previous Year
	2011-12	2010-11
Sale of Rooms/F&B Income	363.85	347.52
<b>Total</b>	<b>363.85</b>	<b>347.52</b>

ii) Expenditure in Foreign Currency

Particulars	Current Year	Previous Year
	2011-12	2010-11
Membership Fee	0.88	0.88
Imported Machinery & Goods for renovation	456.11	19.86
Travel Agency Commission	5.99	0.25
Travelling Expenses	16.34	-
<b>Total</b>	<b>479.32</b>	<b>20.99</b>

### 29. Disclosure pursuant to Accounting Standard 15- “Employee Benefits”:

Under the employee Benefits - Staff Costs are as follows : The Company’s contribution to Provident fund is ₹ 47.00 lakhs (Previous year ₹ 34.35 lakhs), ESI is ₹ 17.38 lakhs (Previous year ₹ 10.79 lakhs) and Gratuity is ₹ 37.23 lakhs (Previous year ₹ 16.74 lakhs). PF Contribution to Key Management Personnel viz., Managing Director and Executive Director (Operations) is ₹ 0.19 lakhs (Previous year ₹ 0.19 lakhs).

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

There were no transactions with the Related Parties during the year under review.



**31. Disclosure pursuant to Accounting Standard 20- "Earning per Share"**

₹ in lakhs

Particulars	Current Year	Previous Year
	2011-12	2010-11
Profit after tax	713.20	567.30
Nominal Value of Shares	10	10
No. of Equity Shares	11,928,000	11,928,000
Earnings per share- Basic and Diluted	5.98	4.76

**32.** 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.

**33.** Pre-operative expenses represent the start up cost in setting up the units and have been amortized over a period of 5 years.

**34.** Renovation expenditure has been treated as deferred revenue expenditure and amortized over a period of three (3) years.

**35.** Micro and Small Enterprises:

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

**36.** Salaries, wages and other benefits include Managerial Remuneration under section 349 of the Companies Act, 1956, which are as follows:

Particulars	Current Year	Previous Year
	2011-12	2010-11
Managing Director		
Salary – 4% on net profit	29.67	-
Commission – 1% on net profit	7.53	-
Salary & Perquisites	-	16.20
Executive Director (Operations)		
Salary – 4% on net profit	29.67	-
Commission – 1% on net profit	7.53	-
Salary & Perquisites	-	16.20

**37.** The financial statements for the year ended 31st March, 2012, have been prepared in accordance with the Revised Schedule VI of the Companies Act, 1956. Previous year figures have been regrouped wherever necessary.

**38.** The figures have been rounded off to the nearest rupee.

**SAVERA INDUSTRIES LIMITED**

**Consolidated Financial Statements  
2011-12**

## **AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF SAVERA INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS**

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 2012, the consolidated Profit and Loss Statement and the 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 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, 2012 of ₹ 14.37 lakhs 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, 2012 of ₹ 96.87 lakhs and Group's share of total revenue of ₹ 54.46 lakhs and the Group's share of total cash flows of ₹ (30.37) lakhs 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, 2012 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.

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, 2012.
- b) In case of the Consolidated Profit and Loss Statement, 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 : 6th August, 2012

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

## Consolidated Balance Sheet as at 31st March, 2012

₹ In lakhs

Particulars	Note	AS AT 31st MARCH, 2012	AS AT 31st MARCH, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	2	1,192.80	1,192.80
(b) Reserves and Surplus	3	3,757.63	3,252.61
		4,950.43	4,445.41
<b>Minority Interest</b>		0.04	0.04
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	2,187.87	1,956.58
(b) Deferred Tax Liability (Net)	5	85.62	68.41
(c) Other Non- Current Liabilities	6	24.29	6.79
		2,297.78	2,031.78
<b>Current Liabilities</b>			
(a) Short-term Borrowings	7	155.60	146.22
(b) Trade payables	8	189.89	162.52
(c) Other Current Liabilities	9	833.24	527.40
(d) Short term provisions	10	189.90	203.55
		1,368.63	1,039.69
<b>TOTAL</b>		<b>8,616.88</b>	<b>7,516.92</b>
<b>ASSETS</b>			
<b>Non- Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	6,066.09	6,177.75
(ii) Intangible assets		102.23	102.23
(b) Non- Current Investments	12	41.14	40.99
(c) Long-term Loans and advances	13	859.25	269.63
		7,068.71	6,590.60
<b>Current Assets</b>			
(a) Inventories	14	90.65	93.25
(b) Trade Receivables	15	151.74	137.90
(c) Cash and Bank Balances	16	845.89	386.11
(d) Short-term Loans and advances	17	63.38	5.42
(e) Other Current Assets	18	396.51	303.64
		1,548.17	926.32
<b>TOTAL</b>		<b>8,616.88</b>	<b>7,516.92</b>
Significant Accounting Policies	1		

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

For and on behalf of the Board

A. Ravikumar Reddy  
Managing Director

A. Nina Reddy  
Executive Director (Operations)

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

N.S. Mohan  
Company Secretary and Chief Financial Officer

Place : Chennai  
Date : 6th August, 2012

## Consolidated Profit and Loss Statement for the Year Ended 31st March, 2012

₹ In lakhs

Particulars	Note	AS AT 31.03.2012	AS AT 31.03.2011
<b>INCOME</b>			
Revenue from Operations	19	5,123.20	4,711.13
Other Income	20	302.86	53.78
<b>Total Revenue</b>		<b>5,426.06</b>	<b>4,764.91</b>
<b>EXPENSES</b>			
Cost of Materials consumed	21	687.96	613.15
Purchase of Stock-in-trade	22	64.56	62.02
Change in Inventory of Stock-in-trade	23	0.82	0.11
Employee benefit expenses	24	1,222.44	943.83
Finance Cost	25	323.74	235.79
Depreciation	26	256.26	233.01
Other expenses	27	1,971.37	1,783.73
<b>Total Expenses</b>		<b>4,527.15</b>	<b>3,871.64</b>
Profit before tax		898.91	893.27
Tax expense:			
(1) Income Tax		198.86	285.41
(2) Deferred Tax Liability		17.22	27.36
		216.08	312.77
Profit after Taxation		<b>682.83</b>	<b>580.50</b>
Earnings per equity share:			
Basic and Diluted		<b>5.72</b>	<b>4.87</b>
Significant Accounting Policies	1		

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

For and on behalf of the Board

A. Ravikumar Reddy  
Managing Director

A. Nina Reddy  
Executive Director (Operations)

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

N.S. Mohan  
Company Secretary and Chief Financial Officer

Place : Chennai  
Date : 6th August, 2012

## Consolidated Cashflow Statement for the year 2011-12

₹ In lakhs

	AS AT 31.03.2012	AS AT 31.03.2011
<b>A. Cash flow from Operating Activities</b>		
Net profit before tax and extra-ordinary items	898.91	893.27
Adjustments for		
(a) (Profit)/Loss on sale of fixed assets	(260.74)	38.75
(b) Renovation expenses written off	230.60	177.57
(c) Preliminary and preoperative expenses written off	7.48	10.95
(d) Interest expense paid	323.74	235.79
(e) Dividend/Interest Income	(35.12)	(8.43)
(f) Depreciation on fixed assets	256.26	233.01
	<b>522.22</b>	687.64
Operating profit before working capital changes	<b>1,421.13</b>	1,580.91
Adjustments for		
(a) (Increase)/Decrease in Other Current Assets	(8.66)	(14.14)
(b) (Increase)/Decrease in Short Term Loans and Advances	0.24	(52.81)
(c) (Increase)/Decrease in Long Term Loans and Advances	(571.27)	16.11
(d) (Increase)/Decrease in Trade Receivables	(13.84)	(11.35)
(e) (Increase)/Decrease in Inventories	2.60	(0.22)
(f) Increase/(Decrease) in Other Non- Current Liabilities	17.50	-
(g) Increase/(Decrease) in Trade Payable	27.37	5.55
(h) Increase/(Decrease) in Other Current Liabilities	305.83	53.09
	<b>(240.23)</b>	<b>(3.77)</b>
<b>Cash generated from Operations</b>	<b>1,180.90</b>	<b>1,577.14</b>
Income taxes paid/Refund	288.52	391.32
<b>Net cash from Operating Activities (A)</b>	<b>892.38</b>	<b>1,185.82</b>
<b>B. Cash flow from Investing Activities</b>		
Sale of fixed assets	700.00	23.53
Renovation expenses paid	(322.29)	(235.21)
Dividend/ Interest Income	35.12	8.43

Purchase of Non Current Investments	(0.15)	(10.00)
Purchase of Fixed Assets	(595.30)	(804.78)
<b>Net cash from Investing Activities (B)</b>	<b>(182.62)</b>	<b>(1,018.03)</b>
<b>C. Cash flow from Financing Activities:</b>		
Proceeds from Short - term borrowings	9.38	-
Proceeds from Long - term borrowings	231.29	449.92
Dividend paid	(166.91)	(83.45)
Interest expense paid	(323.74)	(235.79)
<b>Net cash used in financing activities (C)</b>	<b>(249.98)</b>	<b>130.68</b>
<b>Net increase in cash and cash equivalents (A)+(B)+(C)</b>	<b>- 459.78</b>	<b>- 298.47</b>
Cash and cash equivalents at beginning of the period (see note 1)	- 386.11	- 87.64
<b>Cash and cash equivalents at the end of the period (see note 1)</b>	<b>- 845.89</b>	<b>- 386.11</b>
<b>NOTES TO THE STATEMENT:</b>	<b>AS AT 31.03.2012</b>	<b>AS AT 31.03.2011</b>
<b>(1) Cash and Cash Equivalents</b>		
Balance with Scheduled Banks - In Current Account	829.60	369.07
- Cash on Hand	16.29	17.04
	<b>845.89</b>	<b>386.11</b>
Cash and Cash Equivalents consist of balances with banks. Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts.		
<b>(2)</b> The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.		
<b>(3)</b> Previous year's figures have been regrouped wherever necessary to confirm to current year's classification.		
As per our report attached For D.A. Reddy & Co., Chartered Accountants (Firm Regn. No.005719 S)	For and on behalf of the Board	
	A. Ravikumar Reddy Managing Director	A. Nina Reddy Executive Director (Operations)
CA D Audisesha Reddy, B.Com, F.C.A. Proprietor (Membership No.019352)	N.S. Mohan Company Secretary and Chief Financial Officer	
Place : Chennai		
Date : 6th August, 2012		



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1:

#### A. Group Information:

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

The consolidated financial statements relate to its subsidiaries (i) Elkhill Agrotech Private Limited (100%) and (ii) M/s. Savera Hotels and Resorts Limited (99%).

#### B. Principles of consolidation

- a) The financial statements of the company and its subsidiary companies are combined on a line – by – line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – “ Consolidated Financial Statements”
- b) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized as Goodwill or Capital reserve as the case may be.
- c) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- d) Minority's Interest's share of net assets of consolidate subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

#### C. Other Significant Accounting Policies

##### A) Accounting Polices:

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

##### a) Fixed Assets

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

**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) Impairment of Assets**

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

**d) Inventories**

Stocks of food, beverages & Operating supplies inventories are valued at average cost or market value whichever is lower. Crockeries and Cutleries are written off over a period of three years.

**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) Transactions in Foreign Exchange**

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

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

**g) Employee Benefits**

As per the requirements of Accounting Standard 15 "Employee Benefits" (Revised 2005) issued by the Institute of Chartered Accountants of India, the contribution to the Gratuity is determined using the projected unit credit method with actuarial valuation being carried out at each Balance Sheet date. The company has an arrangement with LIC for managing the Gratuity Fund. The demand raised from LIC based on Actuarial Report is paid by the company towards discharge of the gratuity liability.

**h) Borrowing Costs**

Interest and other borrowing cost on specific borrowings are capitalized.

### **i) 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.

### **j) Taxes on Income:**

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

### **k) 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.

### **l) 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2: SHARE CAPITAL

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>(i) Authorised Share Capital</b>		
1,20,00,000 equity shares of ₹.10 each (Previous year 1,20,00,000 Equity Shares of ₹.10 each)	1,200.00	1,200.00
<b>(ii) Issued, Subscribed and Paid up</b>		
1,19,28,000 Equity Shares of ₹.10/- each (Previous year 1,19,28,000 Equity Shares of ₹.10/- each )	1,192.80	1,192.80
	<b>1,192.80</b>	<b>1,192.80</b>
<b>(a) Reconciliation of Equity shares</b>		
<b>Particulars</b>	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares outstanding at the beginning of the year	11,928,000	5,964,000
Add: Shares Issued during the year - Bonus Issue		5,964,000
<b>Shares outstanding at the end of the year</b>	<b>11,928,000</b>	<b>11,928,000</b>

Foot notes:

**(i) Of the above, following were allotted:**

As fully paid up Bonus Shares:

59,64,000 Shares in 2010-11 by capitalisation of Securities Premium Reserve and General Reserve

**(ii)** The company has only one class of equity shares having a par value of ₹10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.

**(iii)** During the year ended March 31, 2012, the amount of per share dividend recognized as distribution to equity shareholder was ₹1.20/- (Previous year ₹1.20/-)

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

Name of the shareholder	As at March 2012		As at March 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
A. Jayalakshamma	2,160,600	18.11%	2,160,600	18.11%
A. Nina Reddy	1,015,512	8.51%	1,015,512	8.51%
Lalit Modi	702,280	5.89%	702,280	5.89%
A. Priyamvadha	687,600	5.76%	687,600	5.76%

**NOTE 3 : RESERVES AND SURPLUS**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Share premium account</b>		
As per last Balance Sheet	-	375.00
Less: Transferred to Share Capital on account of issue of bonus shares	-	375.00
<b>(A)</b>	-	-
<b>Revaluation Reserve</b>		
As per last Balance Sheet	1,376.74	1,388.19
Less: Depreciation for the year	11.45	11.45
<b>(B)</b>	1,365.29	1,376.74
<b>General Reserve</b>		
Opening Balance	607.96	772.63
Add: Transferred from statement of Profit and Loss	71.32	56.73
Less: Transferred to Share Capital on account of issue of bonus shares	-	221.40
Closing Balance <b>(C)</b>	679.28	607.96
<b>Surplus/ (Deficit) in the Statement of Profit and Loss</b>		
Opening Balance	1,267.91	911.05
Add: Profit for the year	682.83	580.50
Less: Transfer to General Reserve	71.32	56.73
Less: Proposed dividend	143.14	143.14
Less: Tax on Proposed dividend	23.22	23.77
<b>(D)</b>	1,713.06	1,267.91
<b>TOTAL (A+B+C+D)</b>	<b>3,757.63</b>	<b>3,252.61</b>

**NOTE 4 : LONG TERM BORROWINGS**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Non- Current portion of: Term Loan		
From Banks (Refer Note (i) and (ii) below)	2,134.75	1,902.64
Long- term Finance lease obligations - Hire Purchase (Refer note (iii) and (iv) below)	53.12	53.95
	<b>2,187.87</b>	<b>1,956.58</b>

(i) Secured by First Charge on entire Land & Building, Movable & Immovable Assets of the Company situated at Door No. 146, Dr. Radhakrishnan Road, Chennai – 4. & Property admeasuring 18.15 grounds, situated at Avinashi Road, Coimbatore

(ii) Maturity profile of term loans

Term loan from Banks @ 14.25%

(a) not later than one year

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

(c) later than three years

As at 31st March, 2012

375.73

1,101.79

1,032.96

(iii) Finance Lease obligations are secured against leased assets

(iv) Maturity profile of Finance lease obligations

As at 31st March, 2012

(a) not later than one year

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

(c) later than five years

ICICI Bank	Reliance Capital Limited	Total
23.76	1.87	25.63
53.12	0.00	53.12
-	-	-

**NOTE 5 : DEFERRED TAX LIABILITY (NET)**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Deferred Tax Liability:</b>		
Related to Fixed Assets	-	0.06
Disallowance under Income Tax Act, 1961	96.49	68.35
<b>Total (A)</b>	<b>96.49</b>	<b>68.41</b>
<b>Deferred Tax Assets:</b>		
On Carried forward losses	10.87	-
On retirement benefits	-	-
<b>Total (B)</b>	<b>10.87</b>	<b>-</b>
<b>Deferred Tax Liability (Net) (A-B)</b>	<b>85.62</b>	<b>68.41</b>

**NOTE 6 : OTHER NON-CURRENT LIABILITIES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Rental Deposit - Unsecured	6.79	6.79
Unaccrued Income realisable after next 12 months	17.50	-
	<b>24.29</b>	<b>6.79</b>

**NOTE 7 : SHORT TERM BORRWINGS**

Particulars	As at 31st March, 2012	As at 31st March, 2011
Loan repayable on Demand		
From Banks ( Refer Footnote (i))	155.60	146.22
	<b>155.60</b>	<b>146.22</b>

(i) Secured loan from bank consists of overdraft facilities. These are secured by hypothecation of domestic trade receivables.

**NOTE 8 : TRADE PAYABLES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Trade payables other than Micro, Small and Medium Enterprises	189.89	162.52
	<b>189.89</b>	<b>162.52</b>

**NOTE 9 : OTHER CURRENT LIABILITIES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Current maturities of Long-term borrowings (Refer Footnote 4(i) and (ii))	375.73	189.06
Current maturities of Long-term Finance Lease - Hire Purchase (Refer Footnote 4(iii) and (iv))	25.63	18.91
Unaccrued Income realisable in next 12 Months	184.18	133.83
Creditors for expenses	172.99	112.01
Duties and Taxes Payable	60.03	62.06
Unclaimed Dividend (Refer Footnote (i) below)	14.68	11.53
	<b>833.24</b>	<b>527.40</b>

(i) The amount reflects the position as on 31st March, 2012 the actual amount to be transferred to the "Investor Education & Protection Fund" shall be determined and paid to the credit of the Fund on due dates.

**NOTE 10 : SHORT TERM PROVISIONS**

₹ In lakhs

<b>Particulars</b>	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
Provision for employee benefits - Bonus	25.00	25.00
Provision net off against Advance tax and TDS for the as- sessment year 2012-13	(1.46)	11.64
Provision for dividend	166.36	166.91
	<b>189.90</b>	<b>203.55</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### Note 11 : CONSOLIDATED FIXED ASSETS

₹ in lakhs

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	At Cost as at 1.04.2011	Additions	Deletions	At Cost as at 31.03.2012	Up to 31.3.2011	Depreciation for the year	Withdrawals during the year	Up to 31.03.2012	As at 31.3.2012	As at 31.3.2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets:</b>										
1. LAND	2,931.12	275.78	385.62	2,821.28	-	-	-	-	2,821.28	2,931.12
2. BUILDINGS	1,398.86	-	53.64	1,345.22	340.44	21.94	-	362.38	982.84	1,058.41
3. FURNITURE & FITTINGS	1,276.14	4.03	-	1,280.17	748.58	73.51	-	822.09	458.08	527.56
4. VEHICLES	111.08	4.56	-	115.64	48.75	10.05	-	58.80	56.84	62.33
5. PLANT & MACHINERY	2,793.90	278.04	-	3,071.94	1,309.76	142.63	-	1,452.39	1,619.55	1,484.14
6. OFFICE EQUIPMENTS	116.47	2.06	-	118.53	79.73	9.57	-	89.30	29.23	36.74
<b>Sub - Total</b>	<b>8,627.57</b>	<b>564.47</b>	<b>439.26</b>	<b>8,752.78</b>	<b>2,527.26</b>	<b>257.70</b>	<b>-</b>	<b>2,784.96</b>	<b>5,967.82</b>	<b>6,100.30</b>
<b>Leased Assets</b>										
7. VEHICLES	89.23	30.83	-	120.06	11.78	10.01	-	21.79	98.27	77.45
<b>Sub - Total</b>	<b>89.23</b>	<b>30.83</b>	<b>-</b>	<b>120.06</b>	<b>11.78</b>	<b>10.01</b>	<b>-</b>	<b>21.79</b>	<b>98.27</b>	<b>77.45</b>
<b>Total tangible assets</b>	<b>8,716.80</b>	<b>595.30</b>	<b>439.26</b>	<b>8,872.84</b>	<b>2,539.04</b>	<b>267.71</b>	<b>-</b>	<b>2,806.75</b>	<b>6,066.09</b>	<b>6,177.75</b>
<b>Intangible Assets:</b>										
1. GOODWILL	102.23	-	-	102.23	-	-	-	-	102.23	102.23
<b>Total assets</b>	<b>8,819.03</b>	<b>595.30</b>	<b>439.26</b>	<b>8,975.07</b>	<b>2,539.04</b>	<b>267.71</b>	<b>-</b>	<b>2,806.75</b>	<b>6,168.32</b>	<b>6,279.98</b>
Previous Year	8,144.10	804.78	129.85	8,819.03	2,362.16	244.46	67.57	2,539.05	6,279.98	5,781.94

Note : Depreciation includes ₹ 11.45 lakhs on revaluation of assets. (Previous Year ₹ 11.45 lakhs)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 12: NON CURRENT INVESTMENTS

₹ in lakhs

Particulars	Face Value	Holdings As at 31st March 2012	As at 31st March, 2012	As at 31st March, 2011
<b>Non - Trade Investments ( Valued at cost)</b>				
<b>Investment in quoted Equity Shares</b>				
Oriental Hotels Limited	₹ 1/-	3,510	0.05	0.05
I.T.C. Limited	₹ 1/-	26,880	0.03	0.03
Indian Hotels Co. Ltd.	₹ 1/-	3,432	0.45	0.45
Apollo Hospitals Ltd.	₹ 5/-	4,000	0.30	0.30
Central Bank of India	₹10/-	295	0.30	0.16
			1.14	0.99
<b>Investment in Unquoted Shares of Other Companies</b>				
400000 Clarion Wind Farms Pvt. Ltd.	₹10/-	400,000	40.00	40.00
			40.00	40.00
			<b>41.14</b>	<b>40.99</b>
(i) Aggregate amount of Quoted Investments			1.14	0.99
(ii) Market Value of Quoted Investments			89.92	62.04
(iii) Aggregate amount of Unquoted Investments			40.00	40.00

### NOTE 13: LONG TERM LOANS AND ADVANCES

₹ in lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Loans and Advances to others		
Unsecured Considered Good	553.58	38.09
Security Deposits		
Unsecured Considered Good	281.62	231.54
Capital advance		
Unsecured Considered Good	5.70	-
Advance tax, TDS excess of Provision for Income tax for the period preceding AY2012-13	18.35	-
	<b>859.25</b>	<b>269.63</b>

**NOTE 14: INVENTORIES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>(At lower of average cost or market value)</b>		
Food & Beverages	5.01	5.28
Wine & Liquor	7.60	8.42
Crockery & Cutlery etc.	36.18	28.98
Linen & Housekeeping items	40.07	48.06
	1.80	2.51
	<b>90.65</b>	<b>93.25</b>

**NOTE 15: TRADE RECEIVABLES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Debts outstanding for a period exceeding 6 months		
Unsecured Considered good	11.59	11.61
Other debts		
Unsecured Considered good	140.15	126.29
	<b>151.74</b>	<b>137.90</b>

**NOTE 16: CASH AND BANK BALANCES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Balance with Banks		
Current Account	174.46	82.54
Deposits with original maturity less than three months	636.49	275.00
Cash on Hand	16.29	17.04
Other Bank Balances		
Dividend Account	14.68	11.53
Margin Money	3.97	-
	<b>845.89</b>	<b>386.11</b>

**NOTE 17: SHORT TERM LOAN AND ADVANCES**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Loans and advances to staff	0.97	0.47
Advance tax, TDS excess of Provision for Income tax for the AY 2012-13	58.20	-
Capital Advance -Unsecured Considered Good	-	0.74
Other Advances - Unsecured Considered Good	4.21	4.21
	<b>63.38</b>	<b>5.42</b>

**NOTE 18: OTHER CURRENT ASSETS**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
Prepaid expenses	47.82	47.49
Interest Accrued on Fixed Deposits	10.92	2.60
Miscellaneous expenditure to the extent not written off	337.77	253.55
	<b>396.51</b>	<b>303.64</b>

**NOTE 19: REVENUE FROM OPERATIONS**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>(i) Rooms and Restaurants</b>		
Rooms	2,241.48	2,053.05
Foods and Beverages	1,593.86	1,492.39
Wine and Liquor	312.05	331.01
Flowers	48.56	66.33
	<b>4,195.95</b>	<b>3,942.78</b>
<b>(ii) Banquets and Other services</b>		
Banquet and Other Services	623.26	537.07
Telephone, Fax and Telex	2.92	3.12
Gym Collections	298.57	227.10
Miscellaneous income	2.50	1.06
	<b>927.25</b>	<b>768.35</b>
	<b>5,123.20</b>	<b>4,711.13</b>

**NOTE 20: OTHER INCOME**

₹ In lakhs

Particulars	As at 31st March, 2012	As at 31st March, 2011
<b>Interest Income</b>		
Fixed Deposits	31.53	4.18
Electricity Deposits	2.18	2.73
<b>Dividend Income</b>		
From Non- Current Investments	1.41	1.52
<b>Net Gain on Sale of Fixed Assets</b>		
Profit on sale of Land and Buildings	260.74	(35.45)
<b>Others</b>		
Miscellaneous Income	-	4.06
Foreign Exchange Fluctuations	1.10	0.97
Insurance Claim	-	67.00
NAIP Subsidy	5.90	8.77
	<b>302.86</b>	<b>53.78</b>

**NOTE 21: COST OF MATERIALS CONSUMED**

Particulars	₹ In lakhs	
	As at 31st March, 2012	As at 31st March, 2011
<i>Foods and Beverages</i>		
Opening Stock	3.44	2.95
Add: Purchases	629.38	578.02
Less: Closing Stock	5.01	3.44
	627.81	577.53
<i>Crockeries and Cutleries</i>		
Opening Stock	30.82	27.48
Add: Purchases	23.47	20.38
Less: Closing Stock	36.18	30.82
	18.11	17.04
<i>Consumable Stores</i>		
Opening Stock	2.50	3.56
Add: Purchases	41.34	17.52
Less: Closing Stock	1.80	2.50
	42.04	18.58
	<b>687.96</b>	<b>613.15</b>

**NOTE 22: PURCHASE OF STOCK IN TRADE**

Particulars	₹ In lakhs	
	As at 31st March, 2012	As at 31st March, 2011
Purchase of Wines and Liquor	64.56	62.02

**NOTE 23: CHANGE IN INVENTORY OF STOCK IN TRADE**

Particulars	₹ In lakhs	
	As at 31st March, 2012	As at 31st March, 2011
Opening Stock	8.42	8.53
Less: Closing Stock	7.60	8.42
	0.82	0.11

**NOTE 24: EMPLOYEE BENEFIT EXPENSES**

Particulars	₹ In lakhs	
	As at 31st March, 2012	As at 31st March, 2011
Salary, Wages, Bonus and Allowances	1,011.54	780.09
Contribution to Provident and other Funds	101.61	63.10
Staff Welfare	109.29	100.64
	<b>1,222.44</b>	<b>943.83</b>

**NOTE 25: FINANCE COST**

Particulars	₹ in lakhs	
	As at 31st March, 2012	As at 31st March, 2011
Interest expenses	323.74	235.79

**NOTE 26: DEPRECIATION AND AMORTIZATION EXPENSES**

Particulars	₹ in lakhs	
	As at 31st March, 2012	As at 31st March, 2011
Depreciation on Fixed Assets	267.71	244.46
Less: Transferred to revaluation reserve	11.45	11.45
	<b>256.26</b>	<b>233.01</b>

**NOTE 27: OTHER EXPENSES**

Particulars	₹ in lakhs	
	As at 31st March, 2012	As at 31st March, 2011
(a) Administrative Expenses		
(i) Travelling & Conveyance	55.73	20.87
(ii) Sundry Expenses	55.80	43.03
(iii) Printing & Stationery	33.28	36.11
(iv) Donation	26.27	34.80
(v) Postage and Telephones	33.92	27.52
(vi) Bank Charges	5.15	47.77
(vii) AGM Expenses	3.45	3.02
(viii) Newspaper subscription	3.24	3.12
(ix) Sitting Fees	1.33	2.65
(b) Power and Fuel	470.22	437.47
(c) Repairs and Maintenance		
(i) Buildings	63.72	71.80
(ii) Plant and Machinery	99.92	130.83
(iii) Vehicles	28.89	13.05
(iv) Others	78.28	94.72
(d) Renovation	226.09	165.59
(e) Upkeep and Service Cost	189.34	163.10
(f) Sales Promotion Expenses	179.46	146.29
(g) Lease rents	103.33	51.77
(h) Rates & Taxes	81.45	89.18
(i) Rental Expenses	77.17	67.58
(j) Professional Charges	66.92	48.91
(k) Spa Expenses	49.56	44.91
(l) Insurance	23.68	22.55
(m) Pre Operative and Preliminary Expenses written off	7.48	11.03
(n) Payment to Auditors		
(i) As Auditors	2.58	1.75
(ii) For Taxation Matters	1.10	0.66
(iii) For Other Services	1.10	0.66
(o) Floriculture expenditure	2.61	2.59
(p) Crop Insurance	0.30	0.40
	<b>1,971.37</b>	<b>1,783.73</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2012

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

i) Earnings in Foreign Exchange:

₹ in lakhs

Particulars	Current Year	Previous Year
	2011-12	2010-11
Sale of Rooms/F&B Income	363.85	347.52
<b>Total</b>	<b>363.85</b>	<b>347.52</b>

ii) Expenditure in Foreign Currency

₹ in lakhs

Particulars	Current Year	Previous Year
	2011-12	2010-11
Membership Fee	0.88	0.88
Imported Machinery & Goods for renovation	456.11	19.86
Travel Agency Commission	5.99	0.25
Travelling Expenses	16.34	-
<b>Total</b>	<b>479.32</b>	<b>20.99</b>

### 29. Disclosure pursuant to Section 212 (8) of the Companies Act, 1956 :

The summary of financial information under Section 212(8) of the Companies Act, 1956 for the financial year ended 31st March, 2012 with regard to subsidiary companies is as follows:

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

₹ in lakhs

PARTICULARS	As at 31.03.2012	As at 31.03.2011
a) Share Capital	200.00	200.00
b) Reserves and Surplus	(223.33)	(192.95)
c) Total Assets	108.07	123.19
d) Total Liabilities	108.07	123.19
e) Turnover	54.46	75.11
f) Profit (Loss) before Taxation	(30.37)	13.20
g) Provision for Taxation	-	-
h) Profit (Loss) after Taxation	(30.37)	13.20
i) Proposed Dividend	-	-

**M/s. Savera Hotels & Resorts Limited, Chennai**

₹ in lakhs

<b>PARTICULARS</b>	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
a) Share Capital	5.00	5.00
b) Reserves and Surplus	0	0
c) Total Assets	14.37	14.27
d) Total Liabilities	14.37	14.27

**30. Disclosure pursuant to Accounting Standard 20- "Earning per Share"**

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
	<b>2011-12</b>	<b>2010-11</b>
Profit after tax	682.83	580.50
Nominal Value of Shares	10	10
No. of Equity Shares	11,928,000	11,928,000
Earnings per share- Basic and Diluted	5.72	4.87

**31.** Pre-operative expenses represent the start up cost in setting up the units and have been amortized over a period of 5 years

**32.** Renovation expenditure has been treated as deferred revenue expenditure and amortized over a period of three (3) years.

**33.** Micro and Small Enterprises:

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

**34. Disclosure pursuant to Accounting Standard 18 "Related Parties disclosure":**

There were no transactions with the Related Parties during the year under review.

**35.** The financial statements for the year ended 31st March, 2012, have been prepared in accordance with the Revised Schedule VI of the Companies Act, 1956. Previous year figures have been regrouped wherever necessary.

**36.** The figures have been rounded off to nearest rupee.

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

For and on behalf of the Board

A. Ravikumar Reddy  
Managing Director

A. Nina Reddy  
Executive Director (Operations)

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

N.S. Mohan  
Company Secretary and Chief Financial Officer

Place : Chennai  
Date : 6th August, 2012



## STATEMENT PURSUANT TO SECTION 212

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to the Subsidiary Companies **M/s. ELKHIL AGROTECH PRIVATE LTD and SAVERA HOTELS AND RESORTS LTD**

₹ in lakhs

S. no.	Particulars	Elkhil Agrotech (P) Ltd	Savera Hotels & Resorts Ltd
1	Financial Year of the Company ended on	<b>31.03.2012</b>	<b>31.03.2012</b>
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 a) No. of Shares  b) 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 31st March, 2012 a) No.of shares acquired	Nil	Nil
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 Industires Ltd for the year ended 31st March, 2012. b. Not dealt with in the Accounts of Savera Industires Ltd for the year ended 31st March, 2012	(30.37)	-
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 Industires Ltd for the year ended 31st March, 2012 b. Not dealt with in the Accounts of Savera Industires Ltd for the year ended 31st March, 2012	13.20	-
6	Material changes between the end of the Subsidiary's financial year and 31st March, 2012 a) Fixed Assets b) Investments c) Money lent by the Subsidiary Company d) Money borrowed to the Subsidiary company other than for meeting current liabilities	102.39	9.37

For and on behalf of the Board

A.Ravikumar Reddy  
Managing Director

A.Nina Reddy  
Executive Director (Operations)

Place : Chennai  
Date : 6th August, 2012

N.S.Mohan  
Company Secretary & CFO



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

**ATTENDANCE SLIP**

Name and Address of Member		43rd Annual General Meeting 24th September 2012 at 11.00 A.M.  Venue : The Music Academy Mini Auditorium, 168, TTK Road, Chennai - 600 014	
Folio No./Client ID	Holding Shares	<input type="checkbox"/> Member	<input type="checkbox"/> Proxy

I hereby record my presence at the Annual General Meeting held on 24th September 2012.

(Member's / Proxy's Signature)

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



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

**PROXY FORM**

Regd. Folio No. / Client ID Number with DP

I / We ..... of ..... Being a member / members of the above named Company hereby appoint..... of ..... of failing him..... as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday, the 24th September 2012 at 11.00 a.m. at The Music Academy, Mini Auditorium, 168, T.T.K. Road, Chennai – 600 014 and at any adjournment thereof.

Signed this.....day of.....2012.

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, Mylapore, Chennai - 600 004, Tamil Nadu, not less than 48 hours before the time for holding the meeting.





**MANDATE FORM**  
Electronic Clearing Service

1. Particulars of the Shareholders

- a. Regd. Folio No. : \_\_\_\_\_
- b. Name of the First Shareholder (Block Letters) : \_\_\_\_\_

2. Particulars of the Bank

- a. Name of the Bank : \_\_\_\_\_
- b. Address of the Branch : \_\_\_\_\_

\_\_\_\_\_ Pin code \_\_\_\_\_

- c. Account No. : \_\_\_\_\_  
(as appearing in your cheque book)

- d. Account Type : SB / CD / CC

- e. 9 digit code number 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 No.)

**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

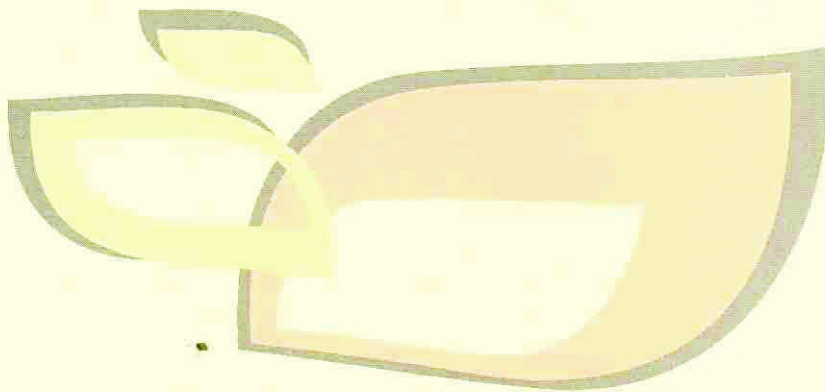
(Signature of the first holder)  
As per specimen signature with the Company

Place : Name : \_\_\_\_\_

Date : Address : \_\_\_\_\_

Pincode : \_\_\_\_\_





**Savera Industries Limited**

No.146, Dr. Radhakrishnan Salai  
Mylapore, Chennai 600 004  
[www.saverahotel.com](http://www.saverahotel.com)