



44th ANNUAL REPORT 2012-13

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BOARD OF DIRECTORS

Sri.A.Ravikumar Reddy	Managing Director
Smt A Nina Reddy	Joint Managing Director
Sri A Tarun Reddy	Director
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

Registered Office : No.146 Dr.Radhakrishnan Road,
Mylapore,
Chennai 600 004.
Phone : 044 - 28114700

**Company Secretary &
Chief Financial Officer** : Mr. N. S. Mohan
Mail Id : cs@saverahotel.com
Mobile : 7299011005

Bankers : Central Bank of India
Mid Corporate Branch
48/49 Montieth Road
Egmore, Chennai 600 008.

Auditors : M/s. D A Reddy & Co.,
Chartered Accountants
'Audi Nivas'
No.8, Kannaiah Street,
T.Nagar, Chennai 600 017.

Registrars & Transfer Agents : M/s. Cameo Corporate Services Ltd
'Subramaniam Building'
No.1, Club House Road
Chennai 600 002.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 44th Annual General Meeting of Savera Industries Limited will be held on Thursday, the 26th September, 2013 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, 2013, 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. B. Ranga Reddy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr. A.Tarun 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
8th August, 2013

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 17th September, 2013 to 26th September, 2013 (both days inclusive).
- c) The dividend on Equity Shares as recommended by the Board for the year ended 31st March, 2013, if approved at the Annual General Meeting, will be paid within 30 days i.e. on or before 25th October, 2013 to those members whose names appear in the Register of Members as on 26th September, 2013. 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.
- 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, 2006 and which remain unclaimed is due for transfer to the Fund by 20-09-2013. Members who have not encashed their dividends so far for the financial year ended 31st March, 2006 are requested to claim the amount from the company before 20.09.2013.
- 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 already commenced 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.
- 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 44th Annual General Meeting of the Company, Sri B. Ranga Reddy and Sri A. Tarun Reddy retire by rotation and being eligible, offer themselves for re-appointment.

Name	Brief Resume and Area of Experience	Other Directorship	Company Name
Sri. B. Ranga Reddy	<p>Sri. B. Ranga Reddy is a Science Graduate from University of Madras and has been a Director of our company for the past 5 years. He is associated with the Hotel Industry for over a period of several decades. His experience and knowledge in the Hotel Industry is of an immense value to the Company.</p> <p>Sri B. Ranga Reddy is a member of the Share Transfer Committee.</p> <p>Sri B. Ranga Reddy is not holding any shares in the Company</p>	Nil	Nil
Sri A Tarun Reddy	<p>Mr.A. Tarun Reddy, B.Tech (Industrial Bio-Tech), PGDHM (S.H.M.S, Switzerland) is an Engineer and has vast experience in hotel industry for more than 10 years. He is a dynamic and innovative executive. He is on our Board since Jan. 2004.</p> <p>Sri.A. Tarun Reddy is a member of the Investor Grievance Committee</p> <p>Sri A. Tarun Reddy is holding 4,32,800 shares in the Company.</p>	3	<p>Amaravathi Restaurants Pvt. Ltd</p> <p>Ruchi Agro Products Pvt Ltd</p> <p>Elkhill Agrotech Pvt Ltd.</p>

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

Chennai
8th August, 2013

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 44th Annual Report of the Company, together with its audited statement of Profit and Loss for the year ended 31st March, 2013 and the Balance Sheet as on that date.

FINANCIAL RESULTS

	31.3.2013	31.3.2012
		(₹ in lakhs)
Profit/(Loss) before tax for the year	498.99	929.28
Less: Provision for Income Tax for the year	106.30	216.08
Profit After tax	392.69	713.20
Profit Brought Forward	1936.38	1460.86
Profit Available for Appropriation	2329.07	2174.06
Transferred to General Reserve	39.27	71.32
Dividend and Dividend Distribution Tax	166.36	166.36
Profit carried forward to next year	2123.44	1936.38

OPERATING RESULTS

The revenue from operations rose by 13.37% from ₹ 5074.64 lakhs to ₹ 5753.06 lakhs. The company maintained the occupancy ratio at 71% as in the last year. The Income from the Rooms increased by 5.05% from ₹ 2241.48 lakhs to ₹ 2354.70 lakhs and increase in Average Room Rent by 2%, while Food and Beverages revenue increased by 14.57% from ₹ 1905.91 lakhs to ₹ 2183.53 lakhs. Other income increased by 31.01% from ₹ 927.25 lakhs to ₹ 1214.83 lakhs. The profit before tax stood at ₹ 498.99 lakhs as compared to ₹ 929.28 lakhs of last year, which includes an amount of ₹ 260.74 lakhs towards sale of land and building at Coimbatore. The fall in the profit is attributed mainly on account of increase in the cost of raw materials, power & fuel, salaries and finance charges. The profit after tax stood at ₹ 392.69 lakhs as compared to ₹ 713.20 lakhs of last year.

To sustain the business and compete with the other Hotels, maintaining the quality, improving the standards and styles, changing the ambience of the guest rooms, upgrading the facilities are necessary on year on year basis. Accordingly, during the year under review, your company took up the renovation work which is in progress. Such renovation work has affected the profitability of the company.

CONSOLIDATED FINANCIAL RESULTS

The consolidated turnover of the company for the financial year ended 31.03.2013 stood at ₹ 5844.69 lakhs as against ₹ 5426.06 lakhs for the previous year. The Profit after Tax amounted to ₹ 374.15 lakhs as against ₹ 682.83 lakhs for the previous year.

DIVIDEND

The Board of Directors of the Company has recommended a dividend of R 1.20 per equity share for the financial year ended 31.03.2013. The total outflow towards dividend will be ₹143.14 lakhs and ₹23.22 lakhs towards tax on dividend. The dividend, if approved, in the forthcoming Annual General Meeting will be paid within 30 days thereof to the members.

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 subsidiary companies such as Capital, Reserves, etc. are furnished separately in the Annual Report. .

The annual accounts of the subsidiary companies viz., Savera Hotels & Resorts Ltd and M/s. Elkhill Agrotech Pvt. 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.

In view of the fact that there has been no business activities in the subsidiary company, viz., Savera Hotels & Resorts Ltd, the necessary application for striking off the name of the company under section 560 of the Companies Act, 1956 through the Fast Track Exit Mode has been made. Accordingly, the name of the said subsidiary company, Savera Hotels & Resorts Limited, has been struck off the Register by the Registrar of Companies, Chennai and the company is dissolved with effect from 26th June, 2013.

DIRECTORS

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

During the year under review, Mrs. A. Nina Reddy took charge as the Joint Managing Director with effect from 14th February, 2013 on the existing terms and conditions (without any additional benefit) from the position of the Executive Director (Operations).

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.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report in accordance with Clause 55 of the Listing Agreement is not a mandatory requirement for the company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to 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, 2013, 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) The 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. Besides, 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 the purchase of green power and this is helping the company to conserve electrical energy and thereby reduce the power cost.

The company is recycling the waste water and sewage water and is using the treated water for gardening, cooling tower and cleaning purposes. The company is having R.O. Plant with U.V. Filter for the safe drinking water for our staff. The company is also exploring the other possibilities like Solar Energy System.

- (b) Hotel being a service industry, technology absorption, transfer etc., are not applicable.
- (c) Earnings in convertible foreign exchange for the year amounted to 303.94 lakhs for the services rendered to Foreign Tourist (Previous year ₹ 363.85 lakhs). Expenditure in Foreign Currency is ₹215.80 lakhs (Previous Year ₹ 479.32 lakhs).

PARTICULARS OF EMPLOYEES

No employee had drawn remuneration during 2012-13 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 : 8th August, 2013

A.Ravikumar Reddy
Chairman of the Board

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 2012-13.

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	-	23
2	Ms. A. Nina Reddy	Promoter- Executive	-	22
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	-	-
8	Mr. B. Ranga Reddy	Independent - Non Executive	-	-

Attendance of Directors at the Board Meeting held during financial year 2012-13 and last AGM is given below.

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

2. Board Meetings

The Board of the Company has also the various specialised committees constituted by it. Totally five meetings of the Board were held on 12.05.2012, 4.08.2012, 6.08.2012, 10-11-2012 and 14.02.2013 during the financial year 2012-13. 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 2012-13 were held 12.05.2012, 6.08.2012, 10.11.2012 and 14.02.2013. The attendance of Members at the Audit Committee held during financial year 2012-13 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 4-8-2012 & 14.02.2013 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 2012-13.

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

Remuneration Policy:

- i) The Executive Director is being paid remuneration as approved by the members from time to time.
- ii) Sitting fees of ₹ 10,000/- per meeting of the Board and ₹ 5,000/- per meeting of the Audit Committee & ₹ 2,500/- per meeting of the Remuneration Committee plus reimbursement of actual travel and out of pocket expenses incurred for attending such meetings were paid to non-executive Directors.
- iii) There is at present no other remuneration component to non-executive directors except sitting fees.

Remuneration to Directors

The details of remuneration paid to 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	27.59	Nil	Nil
2	Ms.A.Nina Reddy	JMD - Executive	27.59	Nil	Nil
3	Mr. A. Tarun Reddy	Non Executive	Nil	Nil	₹ 10,000/-
4	Ms. A. Nivruti Reddy	Non Executive	Nil	Nil	₹ 30,000/-
5	Mr.S.Rajaratnam	Non Executive	Nil	Nil	₹ 60,000/-
6	Mr. G. Sitharaman	Non Executive	Nil	Nil	₹ 60,000/-
7	Mr.A.Sudhakar Reddy	Non Executive	Nil	Nil	₹ 60,000/-
8	Mr.B.Ranga Reddy	Non Executive	Nil	Nil	₹ 40,000/-

* The remuneration includes Salary 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 2012-13. The Committee met on 6.08.2012 & 10.11.2012. 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	2	2
2	Mr.A. Tarun Reddy	Non-Executive	2	2
3	Mr.A.Ravikumar Reddy	Managing Director	2	2
4	Ms. A. Nivruti Reddy	Non-Executive	2	2

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
3	3	--

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 31.03.2013. 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 2012-13 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	13	13
2	Mr. B. Ranga Reddy - Member	13	13

(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 2012-13. 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
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
2011-12	The Music Academy, No.168, T.T.K. Road, Chennai-14	24.09.2012	11.00 A.M.	Nil

The Chairman of the Audit Committee Mr. G. Sitharaman attended the Annual General Meeting held on 24th September, 2012.

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

Details of Postal Ballot Process conducted during the year 2012-13 .

No Postal Ballot Process was conducted during the year 2012-13. Further, 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) The particulars of transactions between the company and its related parties are as per the Accounting Standard as set out in the audited Financial Statements.

- 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 Wholetime Directors of the Board. The committee also reviews the salary and perquisites of the top management personnel.

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

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

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

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

9. Means of Communication

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

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

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

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

10. General shareholder information

a) The 44th Annual General Meeting of the members of the company will be held on Thursday, the 26th September, 2013 at 11.00 a.m. at The Music Academy, Mini Auditorium, 168, TTK Road, Chennai 600 014.

b) Financial Calendar for the year 2013-14 (Tentative)

Results for Quarter ended June, 2013	- First Week of August, 2013
Results for Quarter ending September, 2013	- Second Week of Nov, 2013
Results for Quarter ending December, 2013	- Second week of Feb, 2014
Results for Quarter ending March, 2014	- Fourth Week of May, 2014

- c) **Date of Book Closure** – 17th September, 2013 to 26th September, 2013 (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 2013-14 have been paid to the stock exchanges.

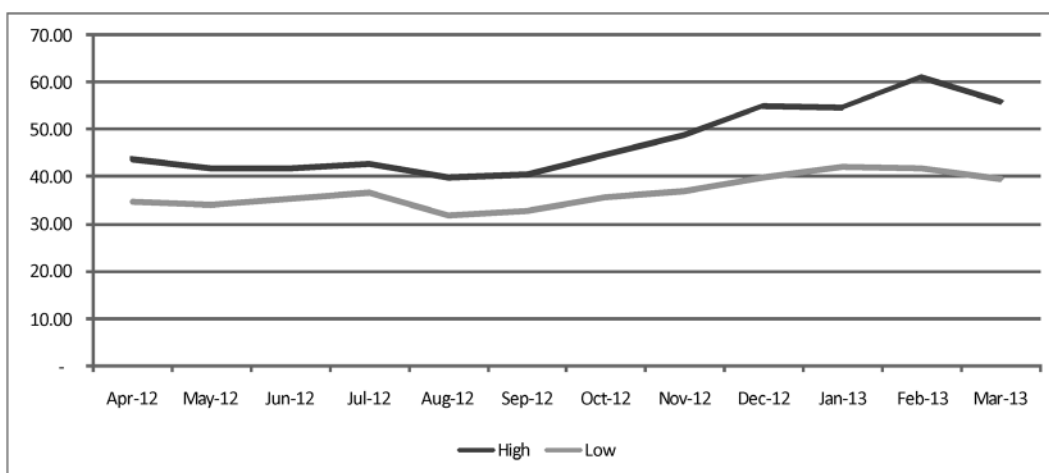
f) Stock Code of the Company

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 ₹ 60.95 (21.02.2013) and the lowest price per share was ₹ 32.00 (30.08.2012) during the year.

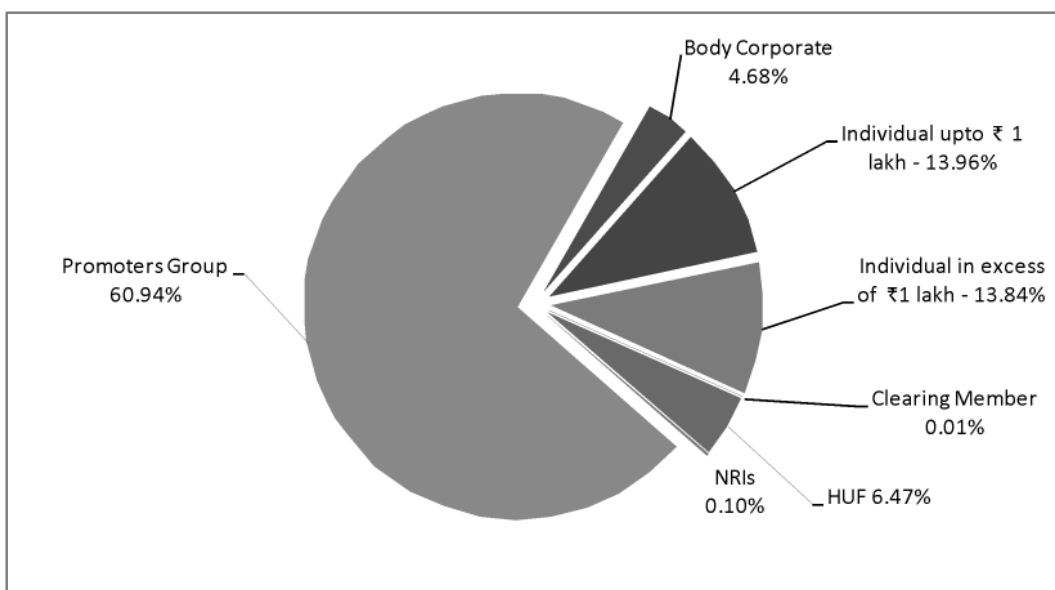
(in ₹)

Month	High Price	Low Price	Closing Price	No. of Shares	No. of Trades	Total Turnover
Apr-12	43.90	34.70	36.15	40,811	1,571	16,11,882
May-12	42.00	34.15	39.85	59,758	462	23,48,127
Jun-12	41.85	35.30	37.35	1,29,583	439	47,92,257
Jul-12	42.80	36.55	38.85	17,205	794	6,57,194
Aug-12	39.95	32.00	33.05	37,039	922	13,56,627
Sep-12	40.45	32.85	38.25	28,071	536	10,06,582
Oct-12	44.80	35.75	39.95	1,81,213	1,151	73,78,396
Nov-12	48.95	37.05	41.00	36,594	1,169	14,74,957
Dec-12	54.80	39.95	46.50	1,53,669	6,692	71,66,362
Jan-13	54.45	42.00	49.65	90,982	3,852	44,53,912
Feb-13	60.95	41.55	43.30	39,476	4,673	19,13,983
Mar-13	56.00	39.40	39.90	30,569	3,497	14,73,573



h) Shareholding Pattern as on 31.03.2013

Category of Shareholders	No. of share holders	Total No. of shares	No. of shares held in dematerialised form	In %
Promoter and Promoter Group	14	7268765	7268765	60.94
FI / Banks	-	-	-	-
Body Corporate	105	558403	551403	4.68
Individual shareholders holding nominal share capital up to ₹ 1 lakh	5948	1665327	1015435	13.96
Individual shareholders holding nominal share capital in excess of ₹1 lakh	40	1650736	1634336	13.84
Clearing member	10	1501	1501	0.01
HUF	114	771646	771646	6.47
NRIs	24	11622	11622	0.10
Total	6255	11928000	11254708	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 31.03.2013

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	5585	89.28	6990500	5.86
5001- 10000	325	5.20	2527000	2.12
10001 - 20000	149	2.38	2448190	2.05
20001 - 30000	49	0.78	1295380	1.09
30001 - 40000	29	0.46	1075280	0.90
40001 - 50000	19	0.30	911120	0.76
50001 - 100000	38	0.61	2722180	2.28
100001 - above	62	0.99	101310350	84.94
Total	6256	100.00	119280000	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 94.36 % of the shareholdings of the company have already been dematerialised as on 31st March, 2013. Further, it is stated that as on 30th June, 2013, around 94.42% of the shareholdings of the company are in dematerialised mode.

UNIT LOCATIONS

SAVERA HOTEL No.146 Dr.Radhakrishnan Road, Chennai 600 004 Tamilnadu Phone : 044 - 28114700	Walnut Hotel 5/76-4-16 & 17, Raidurga, Gachibowli-Tolichowki Road, Hyderabad 500 008 Phone : 040 - 2356 3906	Lotus Park Hotel 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. Savera Industries Limited New No.146, Dr. Radhakrishnan Road Chennai - 600 004 Tamilnadu Tel No. 044-28114700 Fax No. 044-28113475 Email: cs@saverahotel.com	M/s. Cameo Corporate Services Ltd., UNIT: Savera Industries Limited 'Subramanian building' No.1, Club House Road Chennai - 600 002 Tamilnadu Tel No. 044-28460390 Fax No. 044-28460129 Email: cameo@cameoindia.com

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, 2013 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)

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

Place : Chennai.
Date : 8th August, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENTS

Hospitality Industry is very important in many respects. Hotel Industry is a part of such hospitality. The development of hotel industry depends on the growth in Tourism and Travel, but also the economy of other sectors. This industry depends on elements like business, social, recreational, religious and other interests. Further, Tourists & Business Travellers pave the way for the growth in the hotel industry, which in turn, accelerates the more revenue and foreign exchange earnings.

To encourage the tourism sector, the government in recent times, has taken some measures which will benefit the sector. The Centre and the State are also working together a PPP (Public Private Partnership) model to increase hotel capacity. India occupies the sixty-eighth position among the top tourist destinations in the world.

The Mission of Ministry of Tourism, India is Promoting India as a major tourist destination so as to achieve a superior quality of life for People of India through tourism, which would provide a unique opportunity for physical invigoration, mental rejuvenation, cultural enrichment and spiritual elevation.

As per WTTC, in India, the total economic impact of the travel and tourism industry was amounted to ₹6385 billion, being 6.6% of the GDP and over 39 million jobs. The Foreign Tourist Arrivals in India for 2012 has been 6.65 million which is a 5.4% increase over 6.31 million tourists of 2011, as per statistics updated by the Indian Ministry of Tourism. From the perspective of tourism, Earnings in Foreign Exchange rose to ₹94,487 crores in 2012 from ₹77,591 crores in 2011, with a growth rate of 21.8% over 2011.

Manpower costs in the Indian hotel industry is one of the lowest in the world. This provides better margins for Indian hotel industry. India offers a readymade tourist destination with the resources it has. Thus the magnet to pull customers already exists and has potential to grow.

In spite of the above, as per the global scenario, there has been a considerable slowdown in the growth.

OPPORTUNITIES, FUTURE OUTLOOK AND THREATS

The United Nations World Tourism Organisation (UNWTO) expects growth to continue in 2013 at 3% , in line with UNWTO long term forecast. While Asia pacific and America will lead the growth, Europe and Middle East are expected to remain under pressure.

Domestic tourism is very huge in India, promoted by various intents. Pilgrim and leisure tourism are two important sectors. More opportunities are available for new businesses to enter and tap the segment. With the rising economic status of the middle class and affluent population, outbound travel is on the rise.

Demand between the national and the inbound tourists can be easily managed due to difference in the period of holidays. For international tourists the peak season for arrival is between September to March when the climatic conditions are suitable whereas the national tourist waits for school holidays, generally in the summer months.

In the long-term, the hotel industry in India has latent potential for growth. This is because India is an ideal destination for tourists as it is the only country with the most diverse topography. This number is expected to increase at a phenomenal rate thus pushing up the demand for the hotel industry.

As per World Travel and Tourism Council (WTTC), foreign tourist arrivals to India are forecasted to grow at a rate of 8% to 9% in the next coming years and predict that India will receive 14 million tourists by next ten years.

Your company has been improving the service levels and also upgrading the existing guest rooms, banquets, health clubs & food & beverages to meet the requirements of the guests. Besides, plans are on the anvil to take up the renovation at Chennai & Hyderabad Unit.

There is a threat that guest houses and service apartments replace the hotels. This is a growing trend in the west and is now catching up in India also, thus diverting the hotel traffic. Further recent National disaster in North India is also major threat for the foreign tourist arrival. Competition continuously prevails in the hotel industry particularly from the International hotel chains. They are planning to establish various hotels to take advantage of demand supply imbalance. Rising energy cost, irregular power supply and shortage of skilled labour, affect the revenues of the company.

RISKS & CONCERNS

The hotel industry is prone to impacts due to fluctuations in the economy caused by changes in global and domestic economies, changes in local market conditions, excess hotel room supply, reduced demand for hotel rooms and associated services, fluctuations in interest rates and foreign exchanges rates. There is stiff competition in the industry particularly from the International hotel chains. In general the hotel industry has more operating leverage which has further increased with on going renovations and quality up gradation. Recent competitiveness in international airfares and strengthening financial health of Indians resulted in destinations like Australia and Europe becoming more affordable to the average Indian traveler. This has increased outbound travel and presents a risk to the domestic segment for leisure resorts.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The company has in place an adequate internal control system. The controls have been devised to give a reasonable assurance with regard to maintaining of proper controls on accounting, operations monitoring, protecting the assets from unauthorized use or losses,

compliances with regulations and ensuring reliability of financial reporting. The internal controls are supplemented by the programme of internal audit.

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

(₹ in lakhs)

Particulars	31-03-2013	31-03-2012	% of change
Room Income	2354.70	2241.48	5.05
Food & Beverage Income	2183.53	1905.91	14.57
Other Income	1214.83	927.25	31.01
Total Income	5753.06	5074.64	13.37
Occupancy (%)	71	71	-

Overall income increased by 13.37% from ₹5074.64 lakhs to ₹ 5753.06 lakhs. The company maintained occupancy at 71% as in last year. Room revenues increased by 5.05% from ₹2241.48 lakhs to ₹2354.70 lakhs, while Food and Beverages income increased by 14.57% from ₹1905.91 lakhs to ₹2183.53 lakhs. Other income increased by 31.01% from ₹ 927.25 lakhs to ₹ 1214.83 lakhs.

Expenditure : As far as expenses are concerned, there is an increase of ₹ 854.11 lakhs in the total expenditure for the fiscal ended 31st March, 2013 which works out to 19% hike over the corresponding period last year

Finance Charges : Interest cost was higher at ₹ 62.28 lakhs for the year ended 31.03.2013 as compared to ₹ 322.12 lakhs over the corresponding period last year. This is due to additional borrowings for renovation of hotel premises.

Profit Before Tax : The profit before tax stood at ₹498.99 lakhs as compared to ₹ 929.28 lakhs of last year, which includes an amount of ₹260.74 lakhs towards sale of land and building at Coimbatore. The fall in the profit is attributed mainly on account of increase in the cost of raw materials, power & fuel, salaries and finance charges.

Profit After Tax: The profit after tax stood at ₹ 392.69 lakhs as compared to ₹ 713.20 lakhs of last year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT.

Human resource is the most important resource for running an industry especially for a hotel industry. Recruiting right staff and retaining them is one of the greatest challenges for the company. Retaining staff includes imparting a culture to give a feel like home at work. Saveria is one of the biggest standing hotel in Chennai with a history of more than four decades.

During the year under review, the following HR initiatives have been undertaken.

- 1) Sports day: Indoor and outdoor games were conducted where the team members participate to stretch and relax and showcase their talents which act as an excellent stress buster.
- 2) Staff day: This day is being celebrated as the Founder's Day every year. On this day, staff participate on stage in various cultural programmes.
- 3) Employee of the month/Star performer of the year: Best employee and Star performer of the year were chosen on the parameters set for the performance and rewarded accordingly resulting in motivation amongst the staff members.
- 4) Health check up and awareness camps: Free eye and dental check ups along with Aids awareness, blood donation and health awareness camps were conducted.
- 5) Women's week: To respect the Women, and also to appreciate the contribution made by the women staff to the company, women's day was celebrated.
- 6) Traditional: Festival like Pongal, Christmas etc were celebrated with a traditional theme with playoffs and carol singing.

Training, being one of the major activities of the company, was imparted to the staff members. Further, the company has undertaken Corporate Social Responsibility (CSR) initiatives. Under CSR, Savera foresighting the industry trend, started Savera Hotel Academy (SHA), where the company trains the school and college dropouts and they were suitably placed. During the year under review, the company has given training to the 30 students and accordingly took up to the Institute of Hotel Management for certification. Training them on the floor and off the floor and making them ready to face the competition, is one of the most challenges for the company. The company has introduced Savera Talent Enhancement Program (STEP). This is a plan choosing the candidates from each department and training them with the basic management applications for a period of three months and rewarding them with promotion and increments based on performance.

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, 2013 and that to the best of our knowledge and belief
 - i) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee that there were
 - i) No significant changes in internal control over financial reporting during the year.
 - ii) No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
 - iii) No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai

Date : 8th August, 2013

N S Mohan

Company Secretary & CFO

A. Ravikumar Reddy

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, 2013

Place : Chennai
Date : 8th August, 2013

A. Ravikumar Reddy
Managing Director

SAVERA INDUSTRIES LIMITED

**Standalone Financial Statements
2012-13**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SAVERA INDUSTRIES LTD

Report on the financial statements

1. We have audited the accompanying financial statements of Savera Industries Limited, ("the Company") which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management 's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the

manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2013.
- b) In the case of the Profit and Loss Statement, of the Profit for the year ended on that date: and
- c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on other Legal and Regulatory requirements

5. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

6. As required by Section 227 (3) of the Act, 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 appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Statement, and 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 Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.
- e) On the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act..

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

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

Place : Chennai.
Date : 27th May, 2013

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 5 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. There was no substantial disposal of fixed assets during the year.
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 is maintaining 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, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956, that need to be entered into the register in pursuance of the said section.
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, Luxury 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, 2013 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 : 27th May, 2013

Balance Sheet as at 31st March, 2013

₹ in Lakhs

Particulars	Note	AS AT 31.03.2013	AS AT 31.03.2012
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	1,192.80	1,192.80
(b) Reserves and Surplus	3	4,195.83	3,980.95
		5,388.63	5,173.75
Non-Current Liabilities			
(a) Long-Term Borrowings	4	2,246.68	2,187.87
(b) Other Non- Current Liabilities	5	14.29	24.29
		2,260.97	2,212.16
Current Liabilities			
(a) Short-term Borrowings	6	126.59	145.39
(b) Trade payables	7	173.33	184.77
(c) Other Current Liabilities	8	865.90	819.56
(d) Short term provisions	9	262.26	191.36
		1,428.08	1,341.08
TOTAL		9,077.68	8,726.99
ASSETS			
Non- Current Assets			
(a) Fixed assets			
(i) Tangible assets	10	7,039.28	6,020.33
(b) Non- Current Investments	11	328.32	328.32
(c) Deferred Tax Assets (Net)	12	14.41	(85.62)
(d) Long-term Loans and advances	13	549.82	991.61
		7,931.83	7,254.64
Current Assets			
(a) Inventories	14	77.14	88.85
(b) Trade Receivables	15	197.53	151.74
(c) Cash and Bank Balances	16	661.29	845.67
(d) Short-term Loans and advances	17	3.70	2.43
(e) Other Current Assets	18	206.19	383.66
		1,145.85	1,472.35
TOTAL		9,077.68	8,726.99
Significant Accounting Policies	1		

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

For and on behalf of the Board

A.Ravikumar Reddy
 Managing Director

A.Nina Reddy
 Joint Managing Director

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

N.S.Mohan
 Company Secretary & Chief Financial Officer

Place : Chennai
 Date : 27th May, 2013

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2013

₹ in Lakhs

Particulars	Note	AS AT 31.03.2013	AS AT 31.03.2012
INCOME			
Revenue from Operations	19	5,753.06	5,074.64
Less: Excise Duty		1.02	-
Revenue from Operations (Net)		5,752.04	5,074.64
Other Income	20	43.38	296.96
Total Revenue		5,795.42	5,371.60
EXPENSES			
Cost of Materials consumed	21	801.78	645.92
Purchase of Stock-in-trade	22	100.89	64.56
Change in Inventory of Stock-in-trade	23	(0.27)	0.82
Employee benefit expenses	24	1,384.01	1,206.36
Finance Cost	25	384.40	322.12
Depreciation	26	302.17	245.36
Other expenses	27	2,323.45	1,957.18
Total Expenses		5,296.43	4,442.32
Profit before tax		498.99	929.28
Tax expense:			
(1) Income Tax		206.33	198.86
(2) Deferred Tax Liability		(100.03)	17.22
		106.30	216.08
Profit after Taxation		392.69	713.20
Earnings per equity share:			
Basic and Diluted		3.29	5.98
Significant Accounting Policies	1		

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

CA D Audishesha Reddy, B.Com., F.C.A.
Proprietor (Membership No.019352)
Place : Chennai
Date : 27th May, 2013

For and on behalf of the Board

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
Joint Managing Director

N.S.Mohan
Company Secretary & Chief Financial Officer

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
A. Cash flow from Operating Activities		
Net profit before tax and extra-ordinary items	498.99	929.28
Adjustments for		
(a) (Profit)/Loss on sale of fixed assets	1.36	(260.74)
(b) Creditors written back	(5.11)	
(c) Renovation expenses written off	185.72	230.60
(d) Preliminary and preoperative expenses written off	7.48	7.48
(e) Interest Expenses	384.40	322.12
(f) Provision for employee benefits	17.91	
(g) Dividend/Interest Income	(33.95)	(35.12)
(h) Depreciation on fixed assets	302.17	245.37
	859.98	509.71
Operating profit before working capital changes	1,358.97	1,438.99
Adjustments for		
(a) (Increase)/Decrease in Other Current Assets	(12.11)	(8.56)
(b) (Increase)/Decrease in Trade Receivables	(63.40)	(16.50)
(c)(Increase)/Decrease in Inventories	11.70	1.90
(d) Increase/(Decrease) in Other Non- Current Liabilities	(10.00)	17.50
(e) Increase/(Decrease) in Trade Payables	(12.42)	24.19
(f) Increase/(Decrease) in Other Current Liabilities	21.77	294.21
	(64.46)	312.74
Cash generated from Operations	1,294.51	1,751.73
Income taxes paid/Refund	133.24	288.52
Net cash from Operating Activities (A)	1,161.27	1,463.21
B. Cash flow from Investing Activities		
Sale of fixed assets	7.65	700.00
Net Short term Loans Given	(1.20)	(0.50)
Net Long term Loans & Advances Realised	444.00	(571.69)
Renovation expenses paid	-	(322.19)
Dividend/ Interest Income Received	30.20	35.12
Purchase of Non Current Investments	-	(0.15)
Purchase of Fixed Assets	(1,349.87)	(595.15)
Net cash from Investing Activities (B)	(869.22)	(754.56)

C. Cash flow from Financing Activities:

Repayment of Short - term borrowings	(18.80)	9.24
Proceeds from Long - term borrowings	83.04	231.29
Dividend paid	(166.36)	(166.91)
Interest expense paid	(374.31)	(322.12)
Net cash used in financial activities (C)	(476.43)	(248.50)
Net increase in cash and cash equivalents (A) + (B) + (C)	(184.38)	460.15
Cash and cash equivalents at beginning of the period (see note 1)	845.67	385.52
Cash and cash equivalents at end of the period (see note 1)	661.29	845.67

NOTES TO THE STATEMENT:**Cash and Cash Equivalents**

	AS AT 31.03.2013	AS AT 31.03.2012
Balance with Scheduled Banks - In Current Account	638.38	829.43
- Cash on Hand	22.91	16.24
	661.29	845.67

- (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.005719S)

CA D Audishesha Reddy, B.Com., F.C.A.
Proprietor (Membership No.019352)
Place : Chennai
Date : 27th May, 2013

For and on behalf of the Board

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
Joint Managing Director

N.S.Mohan
Company Secretary & Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements for the year ended 31st March, 2013

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. 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.

Regarding Gratuity Fund being maintained with LIC, the details are furnished hereunder.

Opening Balance as on 1-04-2012	₹	1,70,27,036
Add: Contribution to the Fund during the year under review	₹	20,05,036
Add: Interest to the Fund	₹	14,86,125
Total	₹	2,05,18,197
Less: Disbursements	₹	29,43,986
Balance Fund as on 31-03-2013	₹	1,75,74,211
Actuarial value of accrued gratuity liability as on 31-03-2013	₹	1,88,65,599
The Fund with LIC	₹	1,75,74,211
The Provision for Contribution towards the Fund	₹	12,91,388

The said amount of ₹ 12,91,388/- will be paid before the due date for filing the Return of Income.

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.

C) Other Information

The Writ filed by the company challenging the notice issued by the Income Tax Department under Section 148 of the Income Tax Act, 1961, for the Assessment Year 2007-08 to disallow a portion of the renovation expenses is pending before the High Court of Madras.

NOTE 2: SHARE CAPITAL

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
(i) Authorised Share Capital		
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
(ii) Issued, Subscribed and Paid up		
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
	1,192.80	1,192.80
(a) Reconciliation of Equity shares		
Particulars	AS AT 31.03.2013	AS AT 31.03.2012
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	11,928,000	11,928,000
Shares outstanding at the end of the year	11,928,000	11,928,000

Footnotes:

- (i) 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.
- (ii) During the year ended March 31, 2013, 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 31.03.2013		AS AT 31.03.2012	
	No. of Shares	% of holding	No. of Shares	% of holding
A. Jayalakshamma	-	-	2,160,600	18.11
A. Nina Reddy	2,095,812	17.57	1,015,512	8.51
A. Ravikumar Reddy	1,603,840	13.45	-	-
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 31.03.2013	AS AT 31.03.2012
Revaluation Reserve		
As per last Balance Sheet	1,365.29	1,376.74
Less: Depreciation for the year	11.45	11.45
(A)	1,353.84	1,365.29
General Reserve		
Opening Balance	679.28	607.96
Add: Transferred from statement of Profit and Loss	39.27	71.32
(B)	718.55	679.28
Surplus/ (Deficit) in the Statement of Profit and Loss		
Opening Balance	1,936.38	1,460.86
Add: Profit for the year	392.69	713.20
Less: Transfer to General Reserve	39.27	71.32
Less: Proposed dividend	143.14	143.14
Less: Tax on Proposed dividend	23.22	23.22
(C)	2,123.44	1,936.38
TOTAL (A + B + C)	4,195.83	3,980.95

NOTE 4 : LONG TERM BORROWINGS

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Non- Current portion of:		
Term Loan		
From Banks (Refer Note (i) and (ii) below)	2,198.22	2,134.75
Long- term Finance lease obligations - Hire Purchase (Refer note (iii) and (iv) below)	48.46	53.12
	2,246.68	2,187.87

- (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

₹ in Lakhs

- (ii) Maturity profile of term loans

Term loan from Banks @ 13.25%

- (a) not later than one year
(b) later than one year and not later than three years
(c) later than three years

As at March, 2013	
	396.80
	1,348.72
	849.50

- (iii) Finance Lease obligations are secured against leased assets

- (iv) Maturity profile of Finance lease obligations

₹ in Lakhs

- (a) not later than one year
(b) later than one year and not later than five years
(c) later than five years

As at March, 2013	
	ICICI Bank
	39.12
	48.46
	-

NOTE 5 : OTHER NON-CURRENT LIABILITIES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Rental Deposit - Unsecured	6.79	6.79
Unaccrued Income realisable after next 12 months	7.50	17.50
	14.29	24.29

NOTE 6 : SHORT TERM BORROWINGS

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Loan repayable on Demand		
From Banks (Refer Footnote (i))	126.59	145.39
	126.59	145.39

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

NOTE 7 : TRADE PAYABLES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Trade payables other than Micro, Small and Medium Enterprises	173.33	184.77
	173.33	184.77

NOTE 8 : OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Current maturities of Long-term borrowings (Refer Footnote 4(i) and (ii))	396.80	375.73
Current maturities of Long-term Finance Lease - Hire Purchase (Refer Footnote 4(iii) and (iv))	39.12	25.63
Unaccrued Income realisable in next 12 Months	196.24	184.18
Creditors for expenses	144.49	159.31
Duties and Taxes Payable	73.01	60.03
Unclaimed Dividend (Refer Footnote (i) below)	16.24	14.68
	865.90	819.56

- (i) The amount reflects the position as on 31st March, 2013. The actual amount to be transferred to the "Investor education & protection fund" shall be determined and paid to the credit of the Fund on the due dates.

NOTE 9 : SHORT TERM PROVISIONS

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Provision for employee benefits - Bonus	42.91	25.00
Provision net off against Advance tax and TDS for the assessment year 2013-14	52.99	-
Provision for dividend	166.36	166.36
	262.26	191.36

Note 10 : FIXED ASSETS

₹ in Lakhs

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK					NET BLOCK	
	At Cost as at 1.04.2012	Additions	Deletions	At Cost as at 31.03.2013	Up to 31.03.2012	Depreciation for the year	With-drawals during the year	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets:										
1. LAND	2,821.28	235.05	-	3,056.33	-	-	-	-	3,056.33	2,821.28
2. BUILDINGS	1,345.22	-	-	1,345.22	362.37	21.93	-	384.30	960.92	982.85
3. FURNITURE & FITTINGS	1,280.03	978.80	-	2,258.83	821.99	115.36	-	937.35	1,321.48	458.04
4. VEHICLES	138.41	2.42	31.73	109.10	68.77	11.57	19.01	61.33	47.77	69.64
5. PLANT & MACHINERY	2,857.82	65.52	-	2,923.34	1,283.79	143.23	-	1,427.02	1,496.32	1,574.03
6. OFFICE EQUIPMENTS	118.12	18.11	-	136.23	89.10	9.41	-	98.51	37.72	29.02
Sub - Total	8,560.88	1,299.90	31.73	9,829.05	2,626.02	301.50	19.01	2,908.51	6,920.54	5,934.86
Leased Assets										
7. VEHICLES	97.29	45.39	-	142.68	11.82	12.12	-	23.94	118.74	85.47
Sub - Total	97.29	45.39	-	142.68	11.82	12.12	-	23.94	118.74	85.47
Total tangible assets	8,658.17	1,345.29	31.73	9,971.73	2,637.84	313.62	19.01	2,932.45	7,039.28	6,020.33
Previous Year	8,502.28	595.15	439.26	8,658.17	2,381.03	256.81	-	2,637.84	6,020.33	6,212.25

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

NOTES TO FINANCIAL STATEMENTS

Note 11 : Non - Current Investments

₹ in Lakhs

Particulars	Face Value	Holdings As at 31st March 2013	AS AT 31.03.2013	AS AT 31.03.2012
Non - Trade Investments (Valued at cost)				
Investment in quoted Equity Shares				
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	0.30
			1.14	1.14
Investment in Unquoted Shares of Subsidiary Company				
Elkhill Agrotech P Ltd	₹10/-	20,000	282.23	282.23
Savera Hotels & Resorts Ltd.,	₹10/-	49,600	4.96	4.96
			287.19	287.19
Investment in Unquoted Shares of Other Companies				
Clarion Wind Farms Pvt. Ltd.	₹10/-	400,000	40.00	40.00
			40.00	40.00
			328.32	328.32
(i) Aggregate amount of Quoted Investments			1.14	1.14
(ii) Market Value of Quoted Investments			119.43	89.92
(iii) Aggregate amount of Unquoted Investments			327.19	327.19

NOTE 12 : DEFERRED TAX ASSETS (NET)

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Deferred Tax Assets:		
Related to Fixed Assets	50.64	(96.49)
Deferred Tax Liabilities		
Related to Renovation Expenses	36.23	10.87
Deferred Tax Assets (Net)	14.41	(85.62)

NOTE 13: LONG TERM LOANS AND ADVANCES

₹ in Lakhs

Particulars		AS AT 31.03.2013	AS AT 31.03.2012
Loans and Advances to Related parties (Refer Footnote (i) below)			
Unsecured Considered Good		136.75	111.77
Loans and Advances to others			
Unsecured Considered Good		88.70	553.58
Security Deposits			
Unsecured Considered Good		244.42	244.01
Capital advance			
Unsecured Considered Good		-	5.70
Advance tax TDS, excess of Provision for Income tax for the period preceding AY2013-14		79.95	76.55
		549.82	991.61
Name of the Related Party	Relationship	31-Mar-13	31-Mar-12
Elkhill Agrotech private Limited	Subsidiary	127.37	102.39
Savera Hotels and Resorts Limited	Subsidiary	9.38	9.38
TOTAL		136.75	111.77

NOTE 14: INVENTORIES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
(At lower of average cost or market value)		
Food & Beverages	4.31	5.01
Wine & Liquor	7.87	7.60
Crockery & Cutlery	37.94	36.18
Linen & Housekeeping items	27.02	40.07
	77.14	88.85

NOTE 15: TRADE RECEIVABLES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Debts outstanding for a period exceeding 6 months		
Unsecured Considered good	6.30	11.59
Other debts		
Unsecured Considered good	191.23	140.15
	197.53	151.74

NOTE 16: CASH AND BANK BALANCES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Balance with Banks		
Current Account	113.74	174.29
Deposits with original maturity less than three months	-	636.49
Cash on Hand	22.91	16.24
Other Bank Balances		
Dividend Account	16.24	14.68
Margin Money	3.97	3.97
Deposits with original maturity more than three months	504.43	-
	661.29	845.67

Note 17 : Short-term Loans and Advances

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Loans and advances to staff	2.16	0.97
Advance tax TDS, excess of Provision for Income tax for the AY 2013-14	1.54	1.46
	3.70	2.43

NOTE 18: OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Prepaid expenses	59.83	47.72
Interest Accrued on Fixed Deposits	14.53	10.92
Renovation expenditure to the extent not written off	131.83	325.02
	206.19	383.66

NOTE 19: REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
(i) Rooms and Restaurants		
Rooms	2,354.70	2,241.48
Foods and Beverages	1,737.35	1,593.86
Wine and Liquor	446.18	312.05
	4,538.23	4,147.39
(ii) Banquets and Other services		
Banquet and Other Services	779.56	621.99
Telephone, Fax and Telex	3.07	2.92
Gym Collections	412.78	298.57
Room services	15.78	1.27
Miscellaneous income	3.64	2.50
	1,214.83	927.25
Less: Excise Duty	1.02	
	5,752.04	5,074.64

NOTE 20: OTHER INCOME

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Interest Income		
Fixed Deposits	29.12	31.53
Electricity Deposits	3.56	2.18
Dividend Income		
From Non- Current Investments	1.27	1.41
Net Gain on Sale of Fixed Assets		
Profit on sale of Land and Buildings	-	260.74
Profit on sale Old Furnitures	3.36	-
Other		
Miscellaneous Income	5.11	-
Foreign Exchange Fluctuations	0.96	1.10
	43.38	296.96

NOTE 21: COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Foods and Beverages		
Opening Stock	5.01	3.44
Add: Purchases	782.10	629.38
Less: Closing Stock	4.31	5.01
	782.80	627.81
Crockeries and Cutleries		
Opening Stock	36.18	30.82
Add: Purchases	20.74	23.47
Less: Closing Stock	37.94	36.18
	18.98	18.11
	801.78	645.92

NOTE 22: PURCHASE OF STOCK IN TRADE

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Purchase of Wines and Liquor	100.89	64.56
	100.89	64.56

NOTE 23: CHANGE IN INVENTORY OF STOCK IN TRADE

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Opening Stock	7.60	8.42
Less: Closing Stock	7.87	7.60
	(0.27)	0.82

NOTE 24: EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Salary, Wages, Bonus and Allowances	1,143.06	996.09
Contribution to provident and other funds	95.42	101.61
Staff Welfare	145.53	108.66
	1,384.01	1,206.36

NOTE 25: FINANCE COST

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Interest expenses	384.40	322.12
	384.40	322.12

NOTE 26: DEPRECIATION AND AMORTIZATION EXPENSES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Depreciation on Fixed Assets	313.62	256.81
Less: Transferred to revaluation reserve	11.45	11.45
	302.17	245.36

NOTE 27: OTHER EXPENSES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
(a) Administrative Expenses		
(i) Sundry Expenses	63.27	55.25
(ii) Printing & Stationery	45.56	33.01
(iii) Postage and Telephones	36.26	33.50
(iv) Donation	33.25	26.27
(v) Travelling & Conveyance	30.01	54.63
(vi) Bank Charges	6.69	5.15
(vii) AGM Expenses	5.03	3.45
(viii) News paper subscription	3.00	3.24
(ix) Sitting Fees	1.90	1.33
(x) Audit Committee	0.38	-
(xi) Remuneration Committee	0.25	-
(b) Power and Fuel	584.76	468.54
(c) Professional Charges	94.56	65.02
(d) Rental Expenses	87.75	74.17
(e) Loss on sale of Assets	4.72	-
(f) Lease rents	114.53	103.33
(g) Renovation	185.72	226.09
(h) Repairs and Maintenance		
(i) Buildings	123.89	63.72
(ii) Plant and Machinery	114.39	99.92
(iii) Vehicles	35.69	28.89
(iv) Others	93.64	77.01
(i) Sales Promotion Expenses	263.92	178.72
(j) Spa Expenses	49.07	49.56
(k) Upkeep and Service Cost	207.61	189.34
(l) Payment to Auditors		
(i) As Auditors	2.47	2.43
(ii) For Taxation Matters	1.12	1.10
(iii) For Other Services	1.12	1.10
(m) Pre Operative and Preliminary Expenses written off	7.48	7.48
(n) Insurance	24.75	23.68
(o) Rates & Taxes	100.66	81.25
	2,323.45	1,957.18

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 2012-13	Previous Year 2011-12
Sale of Rooms/F&B Income	303.94	363.85
	303.94	363.85

ii) Expenditure in Foreign Currency

(₹ in lakhs)

Particulars	Current Year 2012-13	Previous Year 2011-12
Membership Fee	1.12	0.88
Imported Machinery & Goods for renovation	194.80	456.11
Travel Agency Commission	14.62	5.99
Travelling Expenses	-	16.34
Professional Services	5.26	-
	215.80	479.32

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

(₹ in lakhs)

Particulars	Current Year 2012-13	Previous Year 2011-12
Company's contribution to PF	45.12	47.00
ESI	17.08	17.38
Gratuity	33.75	37.23
Company's contribution to PF for Key Management Personnel viz., Managing Director & Joint Managing Director	0.19	0.19
	96.14	101.80

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

As per Accounting Standard – AS 18 “Related Parties Disclosure” notified by the Companies (Accounting Standards) Rules, 2006 the required information are given below :

1) List of Related Parties are as follows

- A) Subsidiary Companies : Elkhill Agrotech Pvt Ltd
Savera Hotels & Resorts Limited
- B) Key Management Personnel : Mr.A.Ravikumar Reddy, Managing Director
Mrs.A.Nina Reddy, Joint Managing Director

Key Management Personnel :

Key Management Personnel comprise of Managing Director and Joint Managing Director who have the authority and the responsibility for planning and controlling the activities of the Company. The remuneration paid to such directors is ₹ 55.18 Lakhs (Previous year ₹ 74.40 Lakhs)

Details of Transactions with the Related parties are as follows

₹ in Lakhs

Loans & Advances outstanding	As at 31.03.2013	As at 31.03.2012
--- Elkhill Agrotech Pvt Ltd	127.37	102.39
--- Savera Hotels & Resorts Limited	9.38	9.38
	136.75	111.77

31. Disclosure pursuant to Accounting Standard 20- “Earning per Share”

₹ in Lakhs

Particulars	Current Year 2012-13	Previous Year 2011-12
Profit after tax	392.69	713.20
Nominal Value of Shares	10	10
No. of Equity Shares	11,928,000	11,928,000
Earnings per share- Basic and Diluted	3.29	5.98

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 for the previous 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:

₹ in Lakhs

Particulars	Current Year 2012-13	Previous Year 2011-12
Managing Director		
Salary – 5% on net profit (4% for Previous Year)	27.59	29.67
Commission – 1% on net profit	-	7.53
Salary & Perquisites	-	-
Joint Managing Director		
Salary – 5% on net profit (4% for Previous Year)	27.59	29.67
Commission – 1% on net profit	-	7.53

- 37.** The financial statements for the year ended 31st March, 2013, have been prepared in accordance with the Revised Schedule VI of the Companies Act, 1956. Previous year figures have been re-grouped wherever necessary.

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

FIVE YEARS AT A GLANCE

(₹ in lakhs)

	2012-13	2011-12	2010-11	2009-10	2008-09
INCOME	5795.42	5371.60	4689.81	3485.61	3939.38
OPERATING & GENERAL EXPENSES	4609.86	3874.84	3355.83	2535.81	2956.25
INTEREST	384.40	322.12	234.42	252.96	373.96
DEPRECIATION	302.17	245.36	219.49	197.79	274.45
PROFIT BEFORE TAX	498.99	929.28	880.07	499.04	334.72
TAXATION	106.30	216.08	312.77	191.55	243.45
PROFIT AFTER TAX	392.69	713.20	567.30	307.49	91.27
DIVIDEND, DIVIDEND DISTRIBUTION TAX & SURCHARGE	166.36	166.36	166.91	83.46	69.78
DIVIDEND %	12%	12%	12%	12%	10%
NET FIXED ASSETS	7039.28	6020.33	6121.25	5609.69	5692.97
CAPITAL	1192.80	1192.80	1192.80	596.4	596.4
RESERVES (INCLUDING REVALUATION)	4195.83	3980.95	3445.56	3653.02	3440.43
DEFERRED TAX LIABILITY	(14.41)	85.62	68.41	41.05	39.5
Bonus Issue	-	-	1:1	-	-

SAVERA INDUSTRIES LIMITED

**Consolidated Financial Statements
2012-13**

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

1. We have audited the accompanying consolidated financial statements of Savera Industries Limited ("the Company") and its subsidiary viz., Savera Hotels & Resorts Limited and Elkhill Agrotech Private Limited, which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Profit and Loss Statement and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and the consolidated cash flows of the company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the consolidated Balance Sheet, of the State of Affairs of the company as at March 31,2013;
 - b) In the case of the consolidated Profit and Loss Statement, of the Profit for the year ended on that date: and
 - c) In the case of the consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other Matter

5. We did not audit the financial statements of a subsidiary, Elkhill Agrotech Pvt.Ltd whose financial statements reflect total assets (net) of ₹ 95.71 lakhs as at March, 31,2013, total revenues of ₹ 49.26 lakhs and the net cash flows amounting to ₹ (18.54) lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

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

Place : Chennai.
Date : 27th May, 2013

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

CONSOLIDATED BALANCE SHEET AS AT 31.03.2013

₹ in Lakhs

Particulars	Note	AS AT 31.03.2013	AS AT 31.03.2012
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	1,192.80	1,192.80
(b) Reserves and Surplus	3	3,953.97	3,757.63
		5,146.77	4,950.43
Minority Interest		0.04	0.04
Non-Current Liabilities			
(a) Long-Term Borrowings	4	2,246.68	2,187.87
(b) Other Non- Current Liabilities	5	14.29	24.29
		2,260.97	2,212.16
Current Liabilities			
(a) Short-term Borrowings	6	126.62	155.60
(b) Trade payables	7	180.35	189.89
(c) Other Current Liabilities	8	869.05	833.24
(d) Short term provisions	9	262.26	191.36
		1,438.28	1,370.09
TOTAL		8,846.06	8,532.72
ASSETS			
Non- Current Assets			
(a) Fixed assets			
(i) Tangible assets	10	7,076.27	6,066.09
(ii) Intangible assets		20.00	20.00
(b) Goodwill on consolidation		82.23	82.23
(c) Non- Current Investments	11	41.14	41.14
(d) Deferred Tax Assets (Net)	12	14.41	(85.62)
(e) Long-term Loans and Advances	13	450.68	917.45
		7,684.73	7,041.29
Current Assets			
(a) Inventories	14	79.54	90.65
(b) Trade Receivables	15	197.53	151.74
(c) Cash and Bank Balances	16	661.50	845.89
(d) Short-term Loans and Advances	17	3.72	6.64
(e) Other Current Assets	18	219.04	396.51
		1,161.33	1,491.43
TOTAL		8,846.06	8,532.72
Significant Accounting Policies	1		

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

For and on behalf of the Board

A.Ravikumar Reddy
 Managing Director

A.Nina Reddy
 Joint Managing Director

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

N.S.Mohan
 Company Secretary & Chief Financial Officer

Place : Chennai
 Date : 27th May, 2013

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

₹ in Lakhs

Particulars	Note	AS AT 31.03.2013	AS AT 31.03.2012
INCOME			
Revenue from Operations	19	5,801.30	5,123.20
Less: Excise Duty		1.02	-
Revenue from Operations (Net)		5,800.28	5,123.20
Other Income	20	44.41	302.86
Total Revenue		5,844.69	5,426.06
EXPENSES			
Cost of Materials consumed	21	833.01	687.96
Purchase of Stock-in-trade	22	100.89	64.56
Change in Inventory of Stock-in-trade	23	(0.27)	0.82
Employee benefit expenses	24	1,398.75	1,222.44
Finance Cost	25	385.92	323.74
Depreciation	26	310.94	256.26
Other expenses	27	2,335.00	1,971.37
Total Expenses		5,364.24	4,527.15
Profit before tax		480.45	898.91
Tax expense:			
(1) Income Tax		206.33	198.86
(2) Deferred Tax Liability		(100.03)	17.22
		106.30	216.08
Profit after Taxation		374.15	682.83
Earnings per equity share:			
Basic and Diluted		3.14	5.72

Significant Accounting Policies**1**

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

For and on behalf of the Board

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
Joint Managing Director

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

N.S.Mohan
Company Secretary & Chief Financial Officer

Place : Chennai
Date : 27th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

₹ in Lakhs

PARTICULARS	As At 31-03-2013	As At 1-03-2012
A. Cash flow from Operating Activities		
Net profit before tax and extra-ordinary items	480.45	898.91
Adjustments for		
(a) (Profit)/Loss on sale of fixed assets	1.36	(260.74)
(b) Creditors written back	(5.11)	
(c) Renovation expenses written off	185.72	230.60
(d) Preliminary and preoperative expenses written off	7.48	7.48
(e) Interest Expenses	385.92	323.74
(f) Provision for employee benefits	17.91	
(g) Dividend/Interest Income	(33.95)	(35.12)
(h) Depreciation on fixed assets	310.94	256.26
	870.27	522.22
Operating profit before working capital changes	1,350.72	1,421.13
Adjustments for		
(a) (Increase)/Decrease in Other Current Assets	(12.11)	(8.66)
(b) (Increase)/Decrease in Trade Receivables	(63.41)	(13.84)
(c) (Increase)/Decrease in Inventories	11.10	2.60
(d) Increase/(Decrease) in Other Non- Current Liabilities	14.98	17.50
(e) Increase/(Decrease) in Trade Payables	(10.52)	27.37
(f) Increase/(Decrease) in Other Current Liabilities	11.24	(48.72)
	305.83	330.80
Cash generated from Operations	1,302.00	1,751.93
Income taxes paid/Refund	133.24	288.52
Net cash from Operating Activities (A)	1,168.76	1,463.41
B. Cash flow from Investing Activities		
Sale of fixed assets	7.65	700.00
Net Short term Loans Given	2.99	0.24
Net Long term Loans & Advances Realised	444.00	(571.27)
Renovation expenses paid	-	(322.29)
Dividend/ Interest Income Received	30.20	35.12
Purchase of Non Current Investments	-	(0.15)
Purchase of Fixed Assets	(1,349.87)	(595.30)
Net cash from Investing Activities (B)	(865.03)	(753.65)

C. Cash flow from Financing Activities:		
Repayment of Short - term borrowings	(18.80)	9.38
Proceeds from Long - term borrowings	83.04	231.29
Dividend paid	(176.52)	(166.91)
Interest expense paid	(375.84)	(323.74)
Net cash used in financial activities (C)	(488.12)	(249.98)
Net increase in cash and cash equivalents (A) + (B) + (C)	(184.39)	459.78
Cash and cash equivalents at beginning of the period (see note 1)	845.89	386.11
Cash and cash equivalents at end of the period (see note 1)	661.50	845.89

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

Balance with Scheduled Banks - In Current Account
- Cash on Hand

AS AT 31.03.2013**AS AT 31.03.2012**

638.43 829.60
23.07 16.29
661.50 845.89

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.005719S)

For and on behalf of the Board

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
Joint Managing Director

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

N.S.Mohan
Company Secretary & Chief Financial Officer

Place : Chennai
Date : 27th May, 2013

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 consolidated 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.

Regarding Gratuity Fund being maintained with LIC, the details are furnished hereunder.

Opening Balance as on 1-04-2012	₹	1,70,27,036
Add: Contribution to the Fund during the year under review	₹	20,05,036
Add: Interest to the Fund	₹	14,86,125
Total	₹	2,05,18,197
Less: Disbursements	₹	29,43,986
Balance Fund as on 31-03-2013	₹	1,75,74,211
Actuarial value of accrued gratuity liability as on 31-03-2013	₹	1,88,65,599
The Fund with LIC	₹	1,75,74,211
The Provision for Contribution towards the Fund	₹	12,91,388

The said amount of ₹ 12,91,388/- will be paid before the due date for filing the Return of Income.

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.

I) Leases

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

C) Other Information

The Writ filed by the company challenging the notice issued by the Income Tax Department under Section 148 of the Income Tax Act, 1961, for the Assessment Year 2007-08 to disallow a portion of the renovation expenses is pending before the High Court of Madras.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2 : Share Capital

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
(i) Authorised Share Capital		
1,20,00,000 equity shares of ₹10 each (Previous year	1,200.00	1,200.00
1,20,00,000 Equity Shares of ₹10 each)	1,200.00	1,200.00
(ii) Issued, Subscribed and Paid up		
1,19,28,000 Equity Shares of ₹10/- each (Previous year	1,192.80	1,192.80
1,19,28,000 Equity Shares of ₹10/- each)	1,192.80	1,192.80

(a) Reconciliation of Equity shares

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	11,928,000	11,928,000
Shares outstanding at the end of the year	11,928,000	11,928,000

Footnotes:

- (i) 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.
- (ii) During the year ended March 31, 2013, 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 31.03.2013		AS AT 31.03.2012	
	No. of Shares	% of holding	No. of Shares	% of holding
A. Jayalakshamma	-	-	2,160,600	18.11
A. Nina Reddy	2,095,812	17.57	1,015,512	8.51
A. Ravikumar Reddy	1,603,840	13.45	-	-
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 31.03.2013	AS AT 31.03.2012
Revaluation Reserve		
As per last Balance Sheet	1,365.29	1,376.74
Less: Depreciation for the year	11.45	11.45
(A)	1,353.84	1,365.29
General Reserve		
Opening Balance	679.28	607.96
Add: Transferred from statement of Profit and Loss	39.27	71.32
(B)	718.55	679.28
Surplus/ (Deficit) in the Statement of Profit and Loss		
Opening Balance	1,713.06	1,267.91
Add: Profit for the year	374.15	682.83
Less: Transfer to General Reserve	39.27	71.32
Less: Proposed dividend	143.14	143.14
Less: Tax on Proposed dividend	23.22	23.22
(C)	1,881.58	1,713.06
TOTAL (A+B+C)	3,953.97	3,757.63

NOTE 4 : LONG TERM BORROWINGS

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Non- Current portion of:		
Term Loan		
From Banks (Refer Note (i) and (ii) below)	2,198.22	2,134.75
Long- term Finance lease obligations - Hire Purchase (Refer note (iii) and (iv) below)	48.46	53.12
	2,246.68	2,187.87

- (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

₹ in Lakhs

(ii) Maturity profile of term loans

Term loan from Banks @ 13.25%

- (a) not later than one year
- (b) later than one year and not later than three years
- (c) later than three years

As at March 2013

396.80
1,348.72
849.50

(iii) Finance Lease obligations are secured against leased assets

₹ in Lakhs

(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 March 2013

ICICI Bank

39.12
48.46
-

NOTE 5 : OTHER NON-CURRENT LIABILITIES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Rental Deposit - Unsecured	6.79	6.79
Unaccrued Income realisable after next 12 months	7.50	17.50
	14.29	24.29

NOTE 6 : SHORT TERM BORROWINGS

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Loan repayable on Demand		
From Banks (Refer Footnote (i))	126.62	155.60
	126.62	155.60

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

NOTE 7 : TRADE PAYABLES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Trade payables other than Micro, Small and Medium Enterprises	180.35	189.89
	180.35	189.89

NOTE 8 : OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Current maturities of Long-term borrowings (Refer Footnote 4(i) and (ii))	396.80	375.73
Current maturities of Long-term Finance Lease - Hire Purchase (Refer Footnote 4(iii) and (iv))	39.12	25.63
Unaccrued Income realisable in next 12 Months	196.24	184.18
Creditors for expenses	147.64	172.99
Duties and Taxes Payable	73.01	60.03
Unclaimed Dividend (Refer Footnote (i) below)	16.24	14.68
	869.05	833.24

(i) The amount reflects the position as on 31st March, 2013. The actual amount to be transferred to the "Investor education & protection fund" shall be determined and paid to the credit of the Fund on the due dates.

NOTE 9 : SHORT TERM PROVISIONS

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Provision for employee benefits - Bonus	42.91	25.00
Provision net off against Advance tax and TDS for the assessment year 2013-14	52.99	-
Provision for dividend	166.36	166.36
	262.26	191.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10 : CONSOLIDATED FIXED ASSETS

₹ in Lakhs

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK					NET BLOCK	
	At Cost as at 1.04.2012	Additions	Deletions	At Cost as at 31.03.2013	Up to 31.03.2012	Deprecia- tion for the year	With- drawals during the year	Up to 31.03.2013	As at 31.03.2013	As at 31.03.2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets:										
1. LAND	2,821.28	235.05	-	3,056.33	-	-	-	-	3,056.33	2,821.28
2. BUILDINGS	1,345.22	-	-	1,345.22	362.38	21.93	-	384.31	960.91	982.84
3. FURNITURE & FITTINGS	1,280.17	978.80	-	2,258.97	822.09	115.36	-	937.45	1,321.52	458.08
4. VEHICLES	138.41	2.42	31.73	109.10	68.77	11.58	19.01	61.34	47.76	69.64
5. PLANT & MACHINERY	3,071.94	65.52	-	3,137.46	1,452.39	151.95	-	1,604.34	1,533.12	1,619.55
6. OFFICE EQUIPMENTS	118.53	18.11	-	136.64	89.30	9.45	-	98.75	37.89	29.23
Sub - Total	8,775.55	1,299.90	31.73	10,043.72	2,794.93	310.27	19.01	3,086.19	6,957.53	5,980.62
Leased Assets										
7. VEHICLES	97.29	45.39	-	142.68	11.82	12.12	-	23.94	118.74	85.47
Sub - Total	97.29	45.39	-	142.68	11.82	12.12	-	23.94	118.74	85.47
Total Tangible Assets	8,872.84	1,345.29	31.73	10,186.40	2,806.75	322.39	19.01	3,110.13	7,076.27	6,066.09
Intangible Assets:										
1. GOODWILL	102.23	-	-	102.23	-	-	-	-	102.23	102.23
Total Assets	8,975.07	1,345.29	31.73	10,288.63	2,806.75	322.39	19.01	3,110.13	7,178.50	6,168.32
Previous Year	8,819.03	595.30	439.26	8,975.07	2,539.04	267.71	-	2,806.75	6,168.32	6,279.98

Note 11 : Non - Current Investments

₹ in Lakhs

Particulars	Face Value	Holdings As at 31st March 2013	AS AT 31.03.2013	AS AT 31.03.2012
Non - Trade Investments (Valued at cost)				
Investment in quoted Equity Shares				
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	0.30
			1.14	1.14
Investment in Unquoted Shares of Other Companies				
Clarion Wind Farms Pvt. Ltd.	₹10/-	400,000	40.00	40.00
			40.00	40.00
			41.14	41.14
(i) Aggregate amount of Quoted Investments			1.14	1.14
(ii) Market Value of Quoted Investments			119.43	89.92
(iii) Aggregate amount of Unquoted Investments			40.00	40.00

NOTE 12 : DEFERRED TAX ASSETS (NET)

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Deferred Tax Assets:		
Related to Fixed Assets	50.64	(96.49)
Deferred Tax Liabilities		
Related to Renovation Expenses	36.23	10.87
Deferred Tax Assets (Net)	14.41	(85.62)

NOTE 13: LONG TERM LOANS AND ADVANCES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Loans and Advances to others		
Unsecured Considered Good	88.70	553.58
Security Deposits		
Unsecured Considered Good	282.03	281.62
Capital advance		
Unsecured Considered Good	-	5.70
Advance tax TDS, excess of Provision for Income tax for the period preceding AY2013-14	79.95	76.55
	450.68	917.45

NOTE 14: INVENTORIES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
(At lower of average cost or market value)		
Food & Beverages	4.31	5.01
Wine & Liquor	7.87	7.60
Crockery & Cutlery	37.94	36.18
Linen & Housekeeping items	27.02	40.07
Consumables Stores	2.40	1.80
	79.54	90.65

NOTE 15: TRADE RECEIVABLES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Debts outstanding for a period exceeding 6 months		
Unsecured Considered good	6.30	11.59
Other debts		
Unsecured Considered good	191.23	140.15
	197.53	151.74

NOTE 16: CASH AND BANK BALANCES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Balance with Banks		
Current Account	113.79	174.46
Deposits with original maturity less than three months	-	636.49
Cash on Hand	23.07	16.29
Other Bank Balances		
Dividend Account	16.24	14.68
Margin Money	3.97	3.97
Deposits with original maturity more than three months	504.43	
	661.50	845.89

NOTE 17: SHORT TERM LOANS AND ADVANCES

R in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Loans and Advances to staff	2.16	0.97
Advance tax TDS, excess of Provision for Income tax for the AY 2013-14	1.54	1.46
Other Advances - Unsecured Considered Good	0.02	4.21
	3.72	6.64

NOTE 18: OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Prepaid expenses	59.93	47.82
Interest Accrued on Fixed Deposits	14.53	10.92
Miscellaneous expenditure to the extent not written off	144.58	337.77
	219.04	396.51

NOTE 19: REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
(i) Rooms and Restaurants		
Rooms	2,354.70	2,241.48
Foods and Beverages	1,737.35	1,593.86
Wine and Liquor	446.18	312.05
Flowers	48.24	48.56
	4,586.47	4,195.95
(ii) Banquets and Other services		
Banquet and Other Services	779.56	621.99
Telephone, Fax and Telex	3.07	2.92
Gym Collections	412.78	298.57
Room services	15.78	1.27
Miscellaneous income	3.64	2.50
	1,214.83	927.25
Less: Excise Duty	1.02	
	5,800.28	5,123.20

NOTE 20: OTHER INCOME

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Interest Income		
Fixed Deposits	29.12	31.53
Electricity Deposits	3.56	2.18
Dividend Income		
From Non- Current Investments	1.27	1.41
Net Gain on Sale of Fixed Assets		
Profit on sale of Land and Buildings	-	260.74
Profit on sale of Furnitures	3.36	-

Others

Miscellaneous Income	5.11	-
Foreign Exchange Fluctuations	0.96	1.10
NAIP Subsidy	1.03	5.90
	44.41	302.86

NOTE 21: COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Foods and Beverages		
Opening Stock	5.01	3.44
Add: Purchases	782.10	629.38
Less: Closing Stock	4.31	5.01
A	782.80	627.81
Crockeries and Cutleries		
Opening Stock	36.18	30.82
Add: Purchases	20.74	23.47
Less: Closing Stock	37.94	36.18
B	18.98	18.11
Consumable Stores		
Opening Stock	1.80	2.50
Add: Purchases	31.83	41.34
Less: Closing Stock	2.40	1.80
C	31.23	42.04
(A + B + C)	833.01	687.96

NOTE 22: PURCHASE OF STOCK IN TRADE

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Purchase of Wines and Liquor	100.89	64.56
	100.89	64.56

NOTE 23: CHANGE IN INVENTORY OF STOCK IN TRADE

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Opening Stock	7.60	8.42
Less: Closing Stock	7.87	7.60
	(0.27)	0.82

NOTE 24: EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Salary, Wages, Bonus and Allowances	1,157.21	1,011.54
Contribution to provident and other funds	95.42	101.61
Staff Welfare	146.12	109.29
	1,398.75	1,222.44

NOTE 25: FINANCE COST

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Interest expenses	385.92	323.74
	385.92	323.74

NOTE 26: DEPRECIATION AND AMORTIZATION EXPENSES

₹ in Lakhs

Particulars	AS AT 31.03.2013	AS AT 31.03.2012
Depreciation on Fixed Assets	322.39	267.71
Less: Transferred to revaluation reserve	11.45	11.45
	310.94	256.26

NOTE 27: OTHER EXPENSES

₹ in Lakhs

Particulars	As at March 2013	As at March 2012
(a) Administrative Expenses		
(i) Sundry Expenses	63.38	55.80
(ii) Printing & Stationery	45.68	33.28
(iii) Postage and Telephones	36.78	33.92
(iv) Donation	33.25	26.27
(v) Travelling & Conveyance	31.53	55.73
(vi) Bank Charges	6.89	5.15
(vii) AGM Expenses	5.03	3.45
(viii) News paper subscription	3.00	3.24
(ix) Sitting Fees	1.90	1.33

(x) Audit Committee	0.38	-
(xi) Remuneration Committee	0.25	-
(b) Power and Fuel	586.08	470.22
(c) Repairs and Maintenance		
(i) Buildings	123.89	63.72
(ii) Plant and Machinery	114.39	99.92
(iii) Vehicles	35.69	28.89
(iv) Others	94.49	78.28
(d) Renovation	185.72	226.09
(e) Upkeep and Service Cost	207.61	189.34
(f) Sales Promotion Expenses	264.04	179.46
(g) Lease rents	114.53	103.33
(h) Rates & Taxes	100.71	81.45
(i) Loss on Sale of Assets	4.72	-
(j) Rental Expenses	90.91	77.17
(k) Professional Charges	96.69	66.92
(l) Spa Expenses	49.07	49.56
(m) Insurance	24.75	23.68
(n) Pre Operative and Preliminary Expenses written off	7.48	7.48
(o) Payment to Auditors		
(i) As Auditors	2.62	2.58
(ii) For Taxation Matters	1.12	1.10
(iii) For Other Services	1.12	1.10
(p) Floriculture expenditure	0.89	2.61
(q) Crop Insurance	0.41	0.30
	2,335.00	1,971.37

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 2012-13	Previous Year 2011-12
Sale of Rooms/F&B Income	303.94	363.85
	303.94	363.85

ii) Expenditure in Foreign Currency

₹ in Lakhs

Particulars	Current Year 2012-13	Previous Year 2011-12
Membership Fee	1.12	0.88
Imported Machinery & Goods for renovation	194.80	456.11
Travel Agency Commission	14.62	5.99
Travelling Expenses	-	16.34
Professional Services	5.26	-
	215.80	479.32

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, 2013 with regard to subsidiary companies is as follows:

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

₹ in lakhs

PARTICULARS	As at 31.03.2013	As at 31.03.2012
a) Share Capital	200.00	200.00
b) Reserves and Surplus	(241.86)	(223.33)
c) Total Assets	95.71	108.07
d) Total Liabilities	95.71	108.07
e) Turnover	49.26	54.46
f) Profit (Loss) before Taxation	(18.54)	(30.37)
g) Provision for Taxation	-	-
h) Profit (Loss) after Taxation	(18.54)	(30.37)
i) Proposed Dividend	-	-

M/s. Savera Hotels & Resorts Limited, Chennai

₹ in lakhs

PARTICULARS	As at 31.03.2013	As at 31.03.2012
a) Share Capital	5.00	5.00
b) Reserves and Surplus	-	-
c) Total Assets	14.38	14.37
d) Total Liabilities	14.38	14.37

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

₹ in Lakhs

Particulars	Current Year 2012-13	Previous Year 2011-12
Profit after tax	374.15	682.83
Nominal Value of Shares	10	10
No. of Equity Shares	11,928,000	11,928,000
Earnings per share- Basic and Diluted	3.14	5.72

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 for the previous years.

33. 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.

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

As per Accounting Standard – AS 18 "Related Parties Disclosure" notified by the Companies (Accounting Standards) Rules, 2006 the required information are given below :

1) List of Related Parties are as follows

- | | | | |
|----|--------------------------|---|--|
| A) | Subsidiary Companies | : | Elkhill Agrotech Pvt Ltd
Savera Hotels & Resorts Limited |
| B) | Key Management Personnel | : | Mr.A.Ravikumar Reddy, Managing Director
Mrs.A.Nina Reddy, Joint Managing Director |

Key Management Personnel :

Key Management Personnel comprise of Managing Director and Joint Managing Director who have the authority and the responsibility for planning and controlling the activities of the Company. The remuneration paid to such directors are ₹ 55.18 lakhs (Previous year ₹ 74.40 Lakhs)

Details of Transaction with the Related parties are as follows

₹ in Lakhs

Loans & Advances outstanding	As at 31.03.2013	As at 31.03.2012
--- Elkhill Agrotech Pvt Ltd	127.37	102.39
--- Savera Hotels & Resorts Limited	9.38	9.38
	136.75	111.77

35. The financial statements for the year ended 31st March, 2013, 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.005719S)

For and on behalf of the Board

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
Joint Managing Director

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

N.S.Mohan
Company Secretary & Chief Financial Officer

Place : Chennai
Date : 27th May, 2013

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	31.03.2013	31.03.2012
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	20,000 shares of ₹1000 each	49,600 shares of ₹10 each
	b) Extent of holding	100%	99%
3	Changes in the interest of Savera Industries Ltd between the end of the Subsidiary 's financial year and 31st March, 2013 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 Industries Ltd for the year ended 31st March, 2013. b) Not dealt with in the Accounts of Savera Industries Ltd for the year ended 31st March, 2013	(18.54)	(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 Industries Ltd for the year ended 31st March, 2013 b) Not dealt with in the Accounts of Savera Industries Ltd for the year ended 31st March, 2013	(30.37)	13.20
6	Material changes between the end of the Subsidiary's financial year and 31st March, 2013 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	127.37	102.39

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

For and on behalf of the Board

A.Ravikumar Reddy
 Managing Director

A.Nina Reddy
 Joint Managing Director

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

N.S.Mohan
 Company Secretary & Chief Financial Officer

Place : Chennai
 Date : 27th May, 2013



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

ATTENDANCE SLIP

Name and Address of Member

44th Annual General Meeting
26th September 2013 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="text"/> Member	<input type="text"/> Proxy

I hereby record my presence at the Annual General Meeting held on 26th September 2013.

(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 abovenamed 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 Thursday, the 26th September 2013 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 2013.

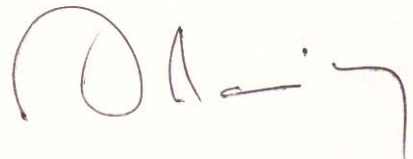

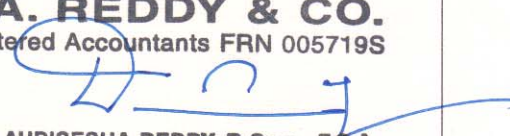

Affix a
₹ 1/-
Revenue
Stamp

Signature

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.

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges.

1	Name of the Company	Savera Industries Limited 146 Dr.Radhakrishnan Road Chennai 600 004.
2	Annual Financial Statement for the year ended	31 st March, 2013
3	Type of Audit observation	Unqualified
4	Frequency of observation	Not Applicable
5	To be signed by :	
	• Managing Director	
	• Chief Financial Officer	
	• Auditor	D.A. REDDY & CO. Chartered Accountants FRN 005719S  CA.D.AUDISESHA REDDY, B.Com., F.C.A. Proprietor-Membership No. 019352 No. 8, Kannaiah Street, T. Nagar, Chennai-600 017 anilaudi@yahoo.com
	• Audit Committee Chairman	

Savera Industries Limited

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

Tel.: 91-44-2811 4700, Fax: 91-44-2811 3475.

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