



45th ANNUAL REPORT 2013-14

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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 G Sitharaman	Director
Sri A Sudhakar Reddy	Director
Sri B Ranga Reddy	Director
Sri S Sridhara Rao	Additional 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 (CFO up to 12/08/2014)	:	Mr. N. S. Mohan
Mail Id	:	cs@saverahotel.com
Mobile	:	7299011005
Chief Financial Officer (From 13/08/2014)	:	Mr. R. Dayakar Naidu
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 Firm Regn. No. 005719S '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.

SAVERA INDUSTRIES LIMITED

(CIN : L55101TN1969PLC005768)

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

Email : hotsave@md2.vsnl.net.in, Website : saverahotel.com

Phone : 044 28114700 Fax : 044 28113475.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the forty fifth Annual General Meeting of Savera Industries Limited will be held on Monday, the 22nd September, 2014 at 10.00 a.m. at The Music Academy Mini Auditorium, No.168 TTK Road, Chennai 600 014 to transact the following business.

ORDINARY BUSINESS :

1. Adoption of Financial Statements

To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including the audited Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. Declaration of Dividend

To declare Dividend on Equity Shares.

3. Appointment of Ms. A. Nivruti as a director

To appoint a Director in place of Ms.A.Nivruti (holding DIN 00576167), who retires by rotation and being eligible offers herself for re-appointment.

4. Appointment and remuneration of Auditors

To reappoint auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 48th Annual General Meeting and authorize the Board to fix their remuneration and to pass the following resolution.

“Resolved that pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s.D.A.Reddy & Co., (Firm Regn No.005719S), Chartered Accountants, be and are hereby reappointed as the auditors of the company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 48th Annual General Meeting(subject to ratification

of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors be and are hereby authorized to fix the remuneration.”

SPECIAL BUSINESS :

5. Appointment of Mr. G. Sitharaman as an Independent Director

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

‘RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.G.Sitharaman (holding DIN No. 02187616) Director of the Company, in respect of whom the company the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold the office for a term of five years from 22nd September, 2014 to 21st September,2019, not liable to retire by rotation.”

6. Appointment of Mr. A. Sudhakar Reddy as an Independent Director

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

‘RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. A. Sudhakar Reddy (holding DIN No. 01898228) Director of the Company, in respect of whom the company the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold the office for a term of five years from 22nd September, 2014, to 21st September,2019, not liable to retire by rotation.”

7. Appointment of Mr. B. Ranga Reddy as an Independent Director

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

‘RESOLVED that pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.B.Ranga Reddy (holding DIN No. 01833835) Director of the Company, in respect of whom the company the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold the office for a term of three years from 22nd September, 2014, to 21st September,2017, not liable to retire by rotation.”

8. Appointment of Mr. S. Sridhara Rao as an Independent Director

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

“RESOLVED that pursuant to Section 149, 150 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Mr. S. Sridhara Rao, (holding DIN No. 06927991) who was appointed as an Additional Director of the company by the Board of Directors on 13th August,2014 and who holds office until the date of the forthcoming Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the company has received a notice in writing from him under Section 160 of the Companies Act,2013 signifying his candidature as an independent director, be and is hereby appointed as an Independent Director of the company for a period of three years from 22nd September, 2014 to 21st September, 2017, not liable to retire by rotation.”

9. Authority to borrow moneys in excess of the paid up capital and free reserves of the company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.

‘RESOLVED that in supersession of the Ordinary Resolution passed by the members at the 42nd Annual General Meeting held on 21st September, 2011 and pursuant to section 180 (1) (c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the company to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the company’s

bankers in the ordinary course of business, shall not be in excess of Rs.100 crores (Rupees One Hundred Crores only) over and above the aggregate of the paid up share capital and free reserves of the company.”

10. Authority to the Board for mortgaging and/or charging of assets of the company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the members at the 42nd Annual General Meeting of the Company held on 21st September, 2011 and in pursuance of the provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) , the Company do hereby accord its consent to mortgaging and/or charging by the Board of Directors of the Company, all or any of the movable or immovable properties, both present and future, or the whole or substantially the whole of the undertaking or undertakings of the Company for securing any loan as may be obtained from Banks/Other Financial Institutions, provided that the total amount so borrowed and to be borrowed (excluding temporary loans obtained from the banks in the ordinary course of business) shall not be in excess of Rs.100 crores (Rupees One Hundred Crores only) over and above the aggregate of the paid up share capital and free reserves of the company.

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

By Order of the Board
For Saveria Industries Limited

Chennai
13th August, 2014

N S Mohan
Company Secretary

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 20th September, 2014 to 22nd September, 2014 (both days inclusive) for the purpose of the Annual General Meeting and determining the entitlement of the shareholders to the dividend for the financial year 2013-14.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company, carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of the notice in writing is given to the company.

4. The dividend of Rupee 1.20 paise only per share has been recommended by the Board of Directors for the financial year ended 31st March, 2014 and subject to the approval of the shareholders at the ensuing Annual General Meeting.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to

write to the Company.

6. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will as per section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956) be transferred to the Investor Education and Protection Fund.
7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, form integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2014 is being sent in the permitted mode.
11. **Members who have not registered their e-mail address so far are requested to register their e-mail address with the company/its registrars in case of physical holdings and with respective Depository Participants in case of electronic holdings for receiving all communication including Annual Report, Notices, etc., from the company electronically.**
12. Electronic copy of the Notice of the 45th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 45th Annual General Meeting of the Company inter alia indicating the process and manner of

e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

13. Members may also note that the Notice of the 45th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website: www.saverahotel.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: cs@saverahotel.com.

14. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and the provisions of clauses 35B of the listing agreement entered into with the Stock Exchanges, the Company is pleased to provide members facility to exercise their right to vote at the 45th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL): The instructions for e-voting are as under:

- A. (i) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]: (i) Open email and open PDF file viz; "Savera e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select “EVEN” of Saver Industries Limited
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to balu_comsec@yahoo.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

I. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
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Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.

III. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password/PIN for casting your vote.

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The e-voting period commences on 15th September, 2014 (9.00 a.m.) and

ends on 17th September, 2014 (6.00 p.m.) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18th August, 2014.
 - VII. Mr..R.Balasubramaniam, Practising Company Secretary (Membership No. F-2397) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VIII. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company.
 - IX. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website:www.saverahotel.com and on the website of NSDL within two(2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Madras Stock Exchange Ltd and BSE Limited.
15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days up to and including the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO.5 :

Mr. G.Sitharaman, aged 77, holds a Bachelor Degree in Science and fellow member of the Institute of Chartered Accountants of India (ICAI).He joined the Board of the company on 6th June, 2008. Mr.G.Sitharaman is the Chairman of the Audit Committee and member in the Nomination and Remuneration Committee. He is the past president of the Institute of Chartered Accountants of India (ICAI). He is an eminent Chartered Accountant and has over 50 years of professional experience. He does not hold any equity shares in the company.

Mr. G. Sitharaman, is a partner in M/s. S. Venkatram & Co.

Mr. G. Sitharaman has been an Independent and non-executive Director under the listing agreement on the Board of the company since 6th June, 2008. With the enactment of the Companies Act, 2013 ('Act'), it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act. The Board of Directors of the company, after reviewing the provisions of the Act, is of the opinion that Mr. G. Sitharaman fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your company is also of the opinion that Mr. G. Sitharaman is independent of the management of the company.

The company has received a notice in writing under section 160 of the Companies Act, 2013 along with the requisite deposit amount from a member signifying the intention to propose his candidature to the office of the independent director of the company.

The company has received from Mr. G. Sitharaman (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014, (ii) intimation in FORM DIR-8 in terms of companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013

The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mr. G. Sitharaman as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. G. Sitharaman as an Independent Director for a term as indicated in the resolution, pursuant to the provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the company. In terms of the provisions of section 149 (13) of the Act, Mr. G. Sitharaman shall not be liable to retire by rotation. A copy of the draft letter for the appointment of Mr. G. Sitharaman as an independent director setting out

the terms and conditions is available for inspection without any fee by the members at the company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

Except Mr. G. Sitharaman, being an appointee, none of the Directors and Key Managerial Personnel of the company and their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.5.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

ITEM NO.6 :

Mr. A. Sudhakar Reddy, aged 61, holds a Graduate. He joined the Board of the company on 6th June, 2008. He has been associating with the Hotel Industry for more than two decades. He is having rich experience in hoteliering business. Mr.A. Sudhakar Reddy is a member in the Nomination and Remuneration Committee and the Stakeholders Relationship Committee. He is holding 580 equity shares in the company.

Mr. A. Sudhakar Reddy has been an Independent and non-executive Director under the listing agreement on the Board of the company since 6th June, 2008. With the enactment of the Companies Act, 2013 ('Act'), it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act. The Board of Directors of the company, after reviewing the provisions of the Act, is of the opinion that Mr. A. Sudhakar Reddy fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your company is also of the opinion that Mr A. Sudhakar Reddy is independent of the management of the company.

The company has received a notice in writing under section 160 of the Companies Act, 2013 along with the requisite deposit amount from a member signifying the intention to propose his candidature to the office of independent director of the company.

The company has received from Mr. A. Sudhakar Reddy (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014, (ii) intimation in FORM DIR-8 in terms of companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013

The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mr. A. Sudhakar Reddy as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. A. Sudhakar Reddy as an Independent Director for a term as indicated

in the resolution pursuant to the provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the company. In terms of the provisions of section 149 (13) of the Act, Mr. A. Sudhakar Reddy shall not be liable to retire by rotation. A copy of the draft letter for the appointment of Mr. A. Sudhakar Reddy as an independent director setting out the terms and conditions is available for inspection without any fee by the members at the company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

Except Mr. A. Sudhakar Reddy, being an appointee, none of the Directors and Key Managerial Personnel of the company and their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.6.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

ITEM NO.7 :

Mr. B. Ranga Reddy, aged 72, holds a Bachelor Degree in Science. He joined the Board of the company on 6th June, 2008. He has been associating with the Hotel Industry for over a period of several decades. Mr.B. Ranga Reddy is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee and the Share Transfer Committee. He does not hold any equity shares in the company.

Mr. B. Ranga Reddy is a director in Teamwealth Management Services (P) Ltd

Mr. B. Ranga Reddy has been an Independent and non-executive Director under the listing agreement on the Board of the company since 6th June, 2008. With the enactment of the Companies Act, 2013 ('Act'), it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act. The Board of Directors of the company, after reviewing the provisions of the Act, is of the opinion that Mr. B. Ranga Reddy fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your company is also of the opinion that Mr. B. Ranga Reddy is independent of the management of the company.

The company has received a notice in writing under section 160 of the Companies Act, 2013 along with the requisite deposit amount from a member signifying the intention to propose his candidature to the office of independent director of the company.

The company has received from Mr. B. Ranga Reddy (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014, (ii) intimation in FORM DIR-8 in terms of companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149

of the Companies Act, 2013

The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mr. B. Ranga Reddy as an Independent Director. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. B. Ranga Reddy as an Independent Director for a term as indicated in the resolution pursuant to the provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the company. In terms of the provisions of section 149 (13) of the Act, Mr. B. Ranga Reddy shall not be liable to retire by rotation. A copy of the draft letter for the appointment of Mr. B. Ranga Reddy as an independent director setting out the terms and conditions is available for inspection without any fee by the members at the company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

Except Mr. B. Ranga Reddy, being an appointee, none of the Directors and Key Managerial Personnel of the company and their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.7.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

ITEM NO.8 :

Mr. S. Sridhara Rao, aged 60, holds a Bachelor Degree in Commerce. He is a Chartered Accountant in practice and is an Associate Member of ICSI (A.C.S.) was appointed as an Additional Director by the Board of Directors of the company on 13th August, 2014 pursuant to Section 161 of the Companies Act, 2013, and he will hold office up to the date of the ensuing Annual General Meeting. He does not hold any equity shares in the company.

He is a partner in M/s. Padmanabhan Prakash & Co., Chartered Accountants.

He has more than 36 years of professional experience. He has rich experience in direct taxes, company audit, and tax audit.

With the enactment of the Companies Act, 2013 ('Act'), it is now incumbent upon every listed company to appoint 'Independent Directors' as defined in section 149(6) of the Act. The Board of Directors of the company, after reviewing the provisions of the Act, is of the opinion that Mr. S. Sridhara Rao fulfills the conditions specified in the Act and the Rules made thereunder to be eligible to be appointed as Independent Director pursuant to the provisions of section 149 of the Act. The Board of Directors of your company is also of the opinion that Mr. S. Sridhara Rao is independent of the management of the company.

The company has received a notice in writing under section 160 of the Companies Act, 2013 along with the requisite deposit amount from him signifying his candidature as an

independent director under the provisions of Section 149 of the Companies Act, 2013.

The company has received from Mr. S. Sridhara Rao (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules, 2014, (ii) intimation in FORM DIR-8 in terms of companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Board considers that his rich experience, skills and knowledge will benefit the company. Accordingly, the Board recommends the resolution in relation to the appointment of Mr. S. Sridhara Rao as an Independent Director for a term as indicated in the resolution, pursuant to the provisions of section 149 read with schedule IV of the Act for the approval by the shareholders of the company. In terms of the provisions of section 149 (13) of the Act, Mr. S. Sridhara Rao shall not be liable to retire by rotation. A copy of the draft letter for the appointment of Mr. S. Sridhara Rao as an independent director setting out the terms and conditions is available for inspection without any fee by the members at the company's registered office during normal business hours on working days up to the date of the Annual General Meeting.

Except Mr. S. Sridhara Rao, being an appointee, none of the Directors and Key Managerial Personnel of the company and their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.8.

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

ITEM NO.9 :

The members of the Company at their 42nd Annual General Meeting held on 21st Sept. 2011 approved by way of an Ordinary Resolution under Section 293 (1) (d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.100 crores (Rupees one hundred crores).

Section 180 (1) (c) of the Companies Act, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a Special Resolution.

It is therefore necessary for the members to pass a Special Resolution under section 180

(1) (c) and other applicable provisions of the Companies Act, 2013 as set out at item No.9 of the Notice, to enable the Board of Directors to borrow money in excess of the aggregate of paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money up to Rs.100 crores (Rupees one hundred crores only) in excess of the aggregate of the paid up share capital and free reserves.

None of the Directors and / or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No.9.

The Board recommends the resolution set forth in item no.9 for the approval of the members.

ITEM NO.10 :

The members of the Company at their 42nd Annual General Meeting held on 21st September, 2011 approved by way of an Ordinary Resolution under section 293 (1) (a) of the Companies Act, 1956, by giving their consent to the Board of Directors for creating mortgage or charge on its movable or immovable properties for an amount not exceeding Rs.100 crores (One hundred crores only) over and above the aggregate of the paid up share capital and free reserves of the company. Section 180 (1) (a) of the Companies Act, 2013 requires that the Board of Directors shall not create mortgage or charge on its movable or immovable properties, except with the consent of the members accorded by way of a Special Resolution.

It is therefore, necessary for the members to pass a Special Resolution under section 180 (1) (a) and other applicable provisions of the Companies Act, 2013 as set out at item No.10 of the Notice, to enable the Board of Directors to create mortgage or charge on its movable or immovable properties. Accordingly, approval of the members is being sought.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No.10.

The Board recommends the resolution set forth in item no.10 for the approval of the members.

By Order of the Board
For Saveria Industries Limited

Chennai
13th August, 2014

N.S.Mohan
Company Secretary

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES.

Name	Brief particulars	Other Director-ship	Company Name
Ms.A.Nivruti	<p>Ms A. Nivruti is a BSc Management (Hons) Graduate from Warwick Univeristy, London, UK and has a rich exposure in hotel industry for more than 8 years. She is a creative and energetic executive. She has been in the Board since 30.01.2007.</p> <p>Ms A Nivruti is a member of Investor Grievance Committee.</p> <p>Ms.A.Nivruti is holding 291820 equity shares in the company.</p>	3	<p>1.Elkhill Agrotech Pvt Ltd</p> <p>2.Ruchi Agro Products Pvt Ltd</p> <p>3.Amaravathi Restaruants Pvt Ltd.</p>
Sri.G.Sitharaman	<p>Mr. G.Sitharaman is a Fellow member and past President of the Institute of Chartered Accountants of India. He is an eminent Chartered Accountant and has more than five decades of professional experience. He has been in the Board since 06.06.2008.</p> <p>Mr.G.Sitharaman is the Chairman of the Audit Committee. He is also a member in Nomination and Remuneration Committee.</p> <p>Mr.G.Sitharman is not holding any equity shares in the company.</p>	Nil	Nil
Sri. A. Sudhakar Reddy	<p>Mr. A. Sudhakar Reddy, is a Graduate. He has been in the Board since 06.06.2008. He has been associating with the Hotel Industry for more than two decades. He is having rich experience in hoteliering business.</p> <p>Mr.A. Sudhakar Reddy is a member in the Nomination & Remuneration Committee and the Stakeholders Relationship Committee.</p> <p>He is holding 580 equity shares in the company.</p>	Nil	Nil

Sri.B.Ranga Reddy	<p>Mr..B.Ranga Reddy is a science graduate from University of Madras. He has been associating 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. He has been in the Board since 06.06.2008</p> <p>Mr.B. Ranga Reddy is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee and the Share Transfer Committee.</p> <p>Mr..B.Ranga Reddy is not holding any equity shares in the company.</p>	1	Teamwealth Management Services (P) Ltd
Sri S. Sridhara Rao	<p>Mr. S. Sridhara Rao, aged 60, holds a Bachelor Degree in Commerce. He is a Chartered Accountant in practice and is an Associate Member of The Institute of Company Secretaries of India (A.C.S.) He has more than 36 years of professional experience. He has rich experience in direct taxes, company audit, and tax audit. He was appointed as an Additional Director by the Board on 13th August, 2014.</p> <p>Mr. S. Sridhara Rao is not holding any equity shares in the company.</p>	Nil	Nil

DIRECTORS' REPORT

To the members,

The Directors have pleasure in presenting the 45th Annual Report of the Company, together with its audited statement of Profit and Loss for the year ended 31st March, 2014 and the Balance Sheet as on that date.

FINANCIAL RESULTS

		(₹ in lakhs)
	2013-14	2012-13
Profit / (Loss) before tax for the year	446.02	498.99
Less : Provision for income tax for the year (Including deferred tax liability)	613.41	106.30
Profit after tax	(167.39)	392.69
Profit brought forward	2123.44	1936.38
Profit available for appropriation	1956.05	2329.07
Transferred to General Reserve	--	39.27
Dividend and Dividend Distribution Tax	166.36	166.36
Profit carried forward to next year	1789.69	2123.44

OPERATING RESULTS

The revenues of the company for the year ended 31st March, 2014 amounted to ₹ 5,653.48 lakhs as against ₹ 5,795.42 lacs of last year thus there is a decrease of total revenue of ₹ 141.94 lakhs (2.45% decrease). Of the above, the room income is ₹ 2300.74 lakhs as against the previous year figure of ₹ 2,354.70 lakhs. The room occupancy rate has come down from 71. % to 69 %. The Food & Beverages sales which include Wines and Liquor is ₹ 2250.37 lakhs as against ₹ 2183.53 lakhs showing an increase of 3.06%. Other income during the year under review decreased to ₹ 1102.37 lakhs from ₹ 1257.19 lakhs.

The total expenditure for the year is ₹ 5207.46 lakhs as against ₹ 5,296.43 lakhs of last year. Of the above, finance cost is ₹ 361.23 lakhs and depreciation is ₹ 350.63 lakhs as against ₹ 384.40 lakhs and ₹ 302.17 lakhs respectively.

The profit before tax is at ₹ 446.02 lakhs as compared to ₹ 498.99 lakhs of last year. The tax expense of this year includes deferred tax liability.

During the year, the renovation work at Chennai unit was taken up and it is in progress. Such renovation work to a certain extent, has affected the turnover of Chennai unit during the year under review. Besides, the company's other units at Bengaluru, and Hyderabad are in progressive stages.

CONSOLIDATED FINANCIAL RESULTS

The consolidated turnover of the company for the financial year ended 31.03.2014 stood at ₹ 5650.51 lakhs as against ₹ 5801.30 lakhs for the previous year. The Loss amounted to ₹ 167.17 lakhs as against the profit of ₹ 374.15 lakhs for the previous year.

DIVIDEND

The Board of Directors of the Company has recommended a dividend of ₹1.20 per equity share for the financial year ended 31.03.2014 from out of the profits of the previous years remaining undistributed. The total outflow towards dividend will be ₹ 143.14 lakhs and the tax on dividend works out to ₹ 23.22 lakhs which will be absorbed by the company.

SUBSIDIARY COMPANY

In terms of Accounting Standards 21 prescribed by the Institute of Chartered Accountants of India, the accounts of the subsidiary is 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 company such as Capital, Reserves, etc. are furnished separately in the Annual Report.

The annual accounts of the subsidiary company viz., M/s. Elkhill Agrotech Pvt 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 Company will also be available for inspection at the Registered Office of the Company as well as the respective Registered Office of Subsidiary Company.

DIRECTORS

Mr. S. Rajaratnam, ceased to be the director with effect from 10th September, 2013. The Board recorded the appreciation of his professional advices and valuable contribution made to the company.

Pursuant to the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms.A.Nivruti, a Non Executive Director retires by rotation and is eligible for reappointment.

The company had pursuant to the listing agreement entered into with the Stock Exchanges, appointed Mr. G. Sitharaman, Mr. A. Sudhakar Reddy and Mr. B. Ranga Reddy as independent directors of the company. In accordance with the provision of section 149 of the Companies Act, 2013, these directors are being appointed as independent directors

to hold office for a tenure as mentioned in the notice of the 45th Annual General Meeting of the company.

Besides, Mr.S. Sridhara Rao, is also appointed as an Additional Director by the Board of Directors of the company on 13th August, 2014 under section 161 of the Companies Act, 2013 and he will hold office up to the date of the ensuing Annual General Meeting. His appointment as an independent director is recommended to the members for their approval, in the 45th Annual General Meeting to hold office for a tenure as indicated in the notice of the 45th Annual General Meeting of the company.

The aforementioned independent directors have declared to the company that they satisfied the criteria of independence as provided under section 149 of the Act.

AUDITORS

In accordance provisions of the Companies Act, 2013, the Auditors, M/s. D.A. Reddy & Co., Chartered Accountants, (Firm Regn No.005719 S) retire at this Annual General Meeting and are eligible for re-appointment for a further period of three years subject to ratification by the members every year from the conclusion of 45th Annual General Meeting till the conclusion of 48th Annual General Meeting. The company has received a letter from them stating that the appointment, if made, would be in conformity with the limits specified in the said section.

FIXED DEPOSIT

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

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms 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 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,

2014, 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 loss 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 (BSE) and Madras Stock Exchange Limited (MSE). Besides, the equity shares of the company are also traded in National Stock Exchange of India Limited, Mumbai through MSE. The listing fees have been paid to Madras Stock Exchange Ltd and Bombay Stock Exchange Ltd.

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

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

- (a) Your Company conserves energy and saves the earth programme by following the systems. Centralized Solar Hot Water systems are put in place at the Chennai Unit. LED and CLF lighting systems are in place almost in all the units of the company. Further, the company has centralized the LPG banking for its LPG distribution systems. Electrical consumptions and Diesel are closely monitored and controlled by constant audit and upgradation. Apart from this, the company has entered into power purchase agreement for purchase of green power and this is helping the company to conserve electrical energy and thereby reduce the power cost.
- (b) The company has the practice of reducing, reusing and recycling. For reduce, the company is closely monitoring and controlling the wastages. For reuse, all the unwanted or extra items are put in a Red Band area and the items will be taken back by any other department which requires the same. Through this, most of the items

are in reuse. For recycle, Sewage Treatment Plant (STP) treated water is used for the company's garden.

- (c) Hotel being a service industry, technology absorption, transfer etc., are not applicable. The company has installed Wi-Fi internet, group mobile system, wireless systems for its security for faster communication.
- (d) Earnings in convertible foreign exchange for the year amounted to ₹409.50 lakhs for the services rendered to Foreign Tourists (Previous year ₹303.94 lakhs). Expenditure in Foreign Currency is ₹48.41 lakhs (Previous Year ₹215.80 lakhs).

PARTICULARS OF EMPLOYEES

No employee had drawn remuneration during 2013-14 more than the amount prescribed under Section 217(2A) of the Companies Act, 1956, read with Companies (particulars of employees) Rules, 1975.

The Board of Directors of the company wishes 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 also 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

Chennai
13th August, 2014

A. Ravikumar Reddy
Managing Director

A. Nina Reddy
Joint Managing Director

REPORT ON CORPORATE GOVERNANCE

(Annexure to the Report of the Directors)

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

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

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

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

The company reports the following compliance of Corporate Governance for the financial year 2013-14.

1. Board of Directors

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

Sl. No.	Name of the Directors	Category of Director	Directorship in Listed Companies	Directorship / Partners in other Companies
1	Mr. A. Ravikumar Reddy	Promoter – Executive	-	22
2	Mrs. A. Nina Reddy	Promoter – Executive	-	20
3	Mr. A. Tarun Reddy	Promoter - Non Executive	-	9
4	Ms. A. Nivruti	Promoter - Non Executive	-	7
5	Mr. G. Sitharaman	Independent – Non Executive	-	1
6	Mr. A. Sudhakar Reddy	Independent – Non Executive	-	-
7	Mr. B. Ranga Reddy	Independent – Non Executive	-	1

Mr.S.Rajaratnam, ceased to be the Director of the company w.e.f. 10.09.2013.

Attendance of Directors at the Board Meeting held during financial year 2013-14 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	4	3	Present
2	Mrs. A. Nina Reddy	4	4	Present
3	Mr. A. Tarun Reddy	4	3	Present
4	Ms. A. Nivruti	4	4	Present
5	Mr. S. Rajaratnam*	4	2	Not present
6	Mr. G. Sitharaman	4	4	Present
7	Mr. A. Sudhakar Reddy	4	4	Not present
8	Mr. B. Ranga Reddy	4	3	Present

*Mr.S.Rajaratnam, ceased to be the Director of the company w.e.f. 10.09.2013.

2. Board Meetings

The Board of the Company has also the various specialised committees constituted by it. Totally four meetings of the Board were held on 27.05.2013, 08.08.2013, 12.11.2013, and 12.02.2014 during the financial year 2013-14. 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. 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, debenture holders, 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 2013-14 were held on 27.05.2013, 08.08.2013, 12.11.2013, and 12.02.2014 . The attendance of Members at the Audit Committee held during financial year 2013-14 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	2
3	Mr.A Sudhakar Reddy, Member@	Independent & Non Executive	4	4
4	Mr.A.Tarun Reddy – Member**	Non-Independent and Non Executive Director.	4	1

* Mr.S.Rajaratnam, ceased to be the Director w.e.f. 10.09.2013.

** Mr.A.Tarun Reddy was appointed as a member of the Audit Committee w.e.f. 12.11.13.
Mr. B. Ranga Reddy was appointed as a member of the Audit Committee w.e.f. 26th May, 2014.

@ Mr. A. Sudhakar Reddy was a member up to 26th May, 2014.

4. Nomination and Remuneration Committee

The company already has the Remuneration Committee in terms of clause 49 of the listing agreement though it is not mandatory. In line with the provisions of section 178 of the Companies Act, 2013, the company has renamed the Remuneration Committee as the Nomination and Remuneration Committee” with the following members w.e.f 26th May, 2014.

- | | | |
|----|------------------------|----------|
| 1. | MR. B. RANGA REDDY, | CHAIRMAN |
| 2. | MR. A. SUDHAKAR REDDY, | MEMBER |
| 3. | MR. G. SITHARAMAN, | MEMBER |
| 4. | MR.A. TARUN REDDY, | MEMBER |

This Committee identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommends to the Board their appointment and removal and carries out evaluation of every directors' performance. The committee formulates the criteria for determining qualifications, positive attributes and independence of director.

The Committee recommends to the Board the policy relating to the remuneration for the directors, key managerial personnel and other employees.

The Committee during the year under review met on 12.11.2013 to discuss and recommend the remuneration to Managing Director & Joint Managing Director, to the Board.

Attendance of Members at the meeting of the Committee held during financial year 2013-14.

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

* Mr.A.Tarun Reddy was appointed as as a member of the the said Committee w.e.f. 12.11.13.

Information on the remuneration to Directors

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

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	24.90	Nil	Nil
2	Mrs.A.Nina Reddy	JMD – Executive	24.90	Nil	Nil
3	Mr. A. Tarun Reddy	Non Executive	Nil	Nil	₹ 35,000
4	Ms. A. Nivruti	Non Executive	Nil	Nil	₹ 40,000
5	Mr.S.Rajaratnam	Non Executive	Nil	Nil	₹ 30,000
6	Mr. G. Sitharaman	Non Executive	Nil	Nil	₹ 62,500
7	Mr.A.Sudhakar Reddy	Non Executive	Nil	Nil	₹ 62,500
8	Mr.B.Ranga Reddy	Non Executive	Nil	Nil	₹ 30,000

* The remuneration includes Salary, Commission and Provident Fund.

5. Stakeholders Relationship Committee

The company already has the Investors Grievance Committee as per clause 49 of the listing agreement. Also in line with the provisions of section 178(5) of the Companies Act, 2013, the company has renamed this committee as Stakeholders Relationship Committee w.e.f. 26th May, 2014.

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 Stakeholders Relationship Committee held during the financial year 2013-14. The Committee met on 12-02-2014. No sitting fees were paid to the members of this 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	Non-Executive Director	1	1

2	Mr. A. Tarun Reddy	Chairman and Non Executive Director	1	1
3	Mr.A.Ravikumar Reddy	Managing Director	1	1
4	Ms. A. Nivruti	Non-Executive Director	1	1

Name and Designation of the Compliance Officer

Mr.N.S.Mohan, Company Secretary 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 solved to the satisfaction of shareholder	Number of pending complaints
1	1	Nil

6. (a) Share Transfer Committee

The transfer deed requests received by the company are processed and transferred within the stipulated period. No valid transfer request remained pending for transfer to the transferees as on 31.03.2014. 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 2013-14 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	5	5
2	Mr. B. Ranga Reddy - Member	5	5

(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 2013-14. The reconciliation of share capital audit report was placed before the Board and submitted to the stock exchanges where the company's shares are listed.

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
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 600 014.	24.09.2012	11.00 A.M.	Nil
2012-13	The Music Academy, No.168, T.T.K. Road, Chennai-14	26.09.2013	11.00 A.M.	Nil

The Chairman of the Audit Committee Mr. G. Sitharaman attended the Annual General Meeting held on 26th September, 2013.

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

Details of Postal Ballot Process conducted during the year 2013-14

During the year under review, the Company has conducted "Postal Ballot" under section 192A (2) of the Companies Act, 1956, read with the Companies (Passing of the resolution by Postal Ballot) Rules, 2001" on the resolutions in respect of reappointment of Joint Managing Director for a period of five years with effect from 28.10.2013 and Managing Director for a period of five years with effect from 1.02.2014 and payment of remuneration to them.

Particulars	No. of postal ballot forms received for Resolution 1 & 2	No. of Shares for Resolution No.		% of total paid up equity capital
		1	2	
Total postal ballot forms received	192	73,77,806	73,77,806	61.85%
LESS: Invalid postal ballot forms (as per register)	1	50	50	0.00%
Net valid postal ballot forms (as per register)	191	73,77,756	73,77,756	61.85%

Postal ballot forms with Assent for Resolutions	170	73,73,847	73,73,847	61.82%
Postal ballot forms with Dissent for Resolutions	21	3,909	3,909	0.03%

The Resolutions have therefore been approved by the Shareholders with the requisite majority.

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, 2013,

and other applicable laws.

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 the 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 45th Annual General Meeting of the members of the company will be held on Monday, the 22nd September, 2014 at 10.00 a.m. at The Music Academy, Mini Auditorium, 168, TTK Road, Chennai 600 014

b) Financial Calendar for the year 2014-15 (Tentative)

Results for the Quarter ended June, 2014 - Second Week of August 2014

Results for the Quarter ending September, 2014 - Second Week of Nov. 2014

Results for the Quarter ending December, 2014 - Second week of Feb 2015

Results for the Quarter ending March, 2015 - Fourth week of May, 2015

- c) Date of Book Closure** – 20th September, 2014 to 22nd September, 2014 (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

Madras Stock Exchange Ltd
No.11 Second Line Beach
Chennai 600 001

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

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 2014-15 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 ₹ 53.00 and the lowest price per share was ₹ 26.05 during the year. (in ₹)

Month	High Price	Low Price	Close Price	No. of Shares	No. of Trades	Total Turnover
Apr-13	53.00	38.10	42.50	17,103	1,661	8,30,060
May-13	48.95	36.10	43.50	51,430	1,358	21,91,695
Jun-13	44.85	33.50	36.45	1,10,133	1,189	40,56,944
Jul-13	46.95	34.00	35.00	11,125	624	4,37,976
Aug-13	39.80	30.50	37.15	5,568	351	1,87,723
Sep-13	41.70	33.70	37.75	14,187	662	5,24,493
Oct-13	40.50	26.05	26.05	26,654	1,237	9,69,348
Nov-13	43.85	27.05	34.00	1,966	47	65,576
Dec-13	34.00	31.05	31.05	1,334	34	43,071
Jan-14	36.45	31.55	33.90	8,433	257	2,84,855
Feb-14	35.45	31.40	35.45	2,625	101	86,321
Mar-14	36.35	30.45	34.65	19,660	1,152	6,59,767

h) Shareholding Pattern as on 31.03.2014

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	93	500491	493491	4.20
Individual shareholders holding nominal share capital up to R1 lakh	5928	1617651	985059	13.56
Individual shareholders holding nominal share capital in excess of R1 lakh	41	1750922	1734522	14.68
Clearing member	18	4410	4410	0.04
HUF	117	774524	774524	6.49
NRIs	23	11237	11237	0.09
Total	6234	11928000	11272008	100.00

i) Registrars & Share Transfer Agents and Share Transfer System

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

j) Distribution of shareholdings as on 31.03.2014

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	5586	89.59	6778090	5.68
5001- 10000	312	5.00	2440050	2.04
10001 - 20000	141	2.26	2318080	1.94
20001 - 30000	45	0.72	1175850	0.99
30001 - 40000	31	0.50	1152010	0.97
40001 - 50000	18	0.29	866960	0.73
50001 - 100000	38	0.61	2747910	2.31
100001 - above	64	1.03	101801050	85.34
Total	6235	100.00	119280000	100.00

Dematerialisation of Shares and liquidity

The equity shares of the company are traded 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 mode.

Around 11272008 (94.50%) of the shareholdings of the company have already been dematerialised as on 31st March, 2014. Further, it is stated that as on 30th June, 2014, around 94.52 % of the shareholdings of the company are in dematerialised mode.

UNIT LOCATIONS

SAVERA HOTEL No.146 Dr.Radhakrishan 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 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

I) 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 Saveria Industries Limited for the year ended 31st March, 2014, 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.Audisesha Reddy, B.Com., FCA.,
Proprietor
Membership No.019352

Chennai
13th August, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

Annexure to the report of the Directors

INDUSTRY STRUCTURE & DEVELOPMENTS

Travel & Tourism Division plays a vital role in the economic development of the country. Hotel Industry mainly depends on Travel & Tourism besides business travellers. Every business and services totally depend on the growth of the Indian economy. In the year 2013-14, the economy has grown moderately. Although there was a hope that the economy would improve in the second half of the year, but was not positive. The growth of service sector remained meagre. We hope that the new strong Government at the centre will improve the economy of the country.

The government in recent times has taken a series of measures for the tourism sector, which are given below.

- 1) Five year income tax holiday granted to 2 – 4 star hotels established in specified districts having UNESCO – declared World Heritage sites.
- 2) Exemption of Luxury Tax and Sales Tax for 5 to 7 years for new hotel projects.
- 3) Capital subsidy for development and promotion of budget hotels.
- 4) Elimination of Customs Duty for import of equipments and liquor for the new hotel projects.

According to World Travel and Tourism Council (WTTC), the global Travel & tourism sector's total contribution to the global economy rose to 9.5% (nearly \$7 trillion) which grew by 3.0%, outperforming the overall GDP growth for the third consecutive year.

The Central Govt has recently introduced e-visa. Improving the visa process like this by the Government will generate more tourism visits.

OPPORTUNITIES and THREATS

The stable Government in India will drag multinational and foreign investors into our country thus improving the economy and indirectly the Tourism Sector.

Development of Airports is receiving priority from the Governments as it is the first interface for corporate and leisure inbound tourist and as well as for domestic travellers. The Chennai Airport which has been recently modernized can be cited as an example for the development of the Airport. It is also hoped that the introduction of metro-rail in the city of Chennai will add to the infrastructure facilities to improve the tourism since it facilitates easy movement for the travellers. Further, the changing habits of the people to visit the restaurants for any and every occasion will boost the food sales and the same is the case for banquets.

Growth in hotel supply in recent times has outstripped demand in a number of Indian cities. Escalating land prices, increasing energy costs, depleting water levels and a scarcity of trained manpower are challenges that will need to be addressed and overcome. With increasing affluence in India, the composition of the market is undergoing a change.

RISKS & CONCERNS

The company in the hotel industry faces risks from socio-political climate from natural and political factors. Travel and related business gets affected due to natural calamities, international political scenario and cross border terrorism. The business of the hotel is subject to fluctuations of the economy, and Indian and global incidents. The hospitality sector has an impact by the factors i.e. local market conditions, market competition, changes in exchange and interest rates, changes in economies, excess supply, availability of finance and other social and natural factors. Further the unpredictable weather conditions are posing risks to the hotel industry.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

(₹ in lakhs)

Particulars	2013-14	2012-13	% of change
Rooms Revenues	2300.74	2354.70	-2.29
Food & Beverages income (including Wines and Liquor)	2250.37	2183.53	3.06
Other income	1102.37	1257.19	-12.31
Total Income	5653.48	5795.42	-2.45
Occupancy %	69	71	-

Overall income decreased by 2.45% from ₹5795.42 lakhs to ₹ 5653.48 lakhs. Occupancy has decreased from 71% to 69%. Room revenues decreased by 2.29% from ₹ 2354.70 lakhs to ₹ 2300.74 lakhs, while Food and Beverages(including wines and liquor) income increased by 3.06% from ₹ 2183.53 lakhs to ₹ 2250.37 lakhs. Other income also decreased by 12.31% from ₹1257.19 lakhs to ₹1102.37 lakhs.

Expenditure : As far as expenses are concerned, there is a decrease of ₹ 88.97 lakhs in the total expenditure for the fiscal ended 31st March, 2014.

Finance Charges : Interest cost amounted to ₹ 361.23 lakhs for the year ended 31.03.2014.

Profit Before Tax : The profit before tax stood at ₹ 446.02 lakhs as against ₹ 498.99 lakhs over the corresponding period last year.

Profit After Tax: The profit after tax stood at ₹-167.39 lakhs from ₹ 392.69 lakhs of last year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT.

Your company sincerely believes that its employees are its vital assets and hence in order to keep its employees motivated and changed, your company provides them good environment, so that they are able to leverage their full potential.

Training and Development of employees of the company are a continuous process and are administrated throughout the year, keeping in view the operational and business requirement of the company. The HR department updates its HR policies, practices and processes so as to enable and empower its employees.

Your company provides the following welfare and HR activities to the company's employees:

1. Dental Camp
2. Eye Screening Camp
3. "Suicide Awareness" Programme
4. Medical Check-up for all Women for Women's Day
5. "AIDS Awareness" Programme
6. Diwali, Ayudha Pooja, Christmas, Krishna Jayanthi, Vinayaka chaturthi, Pongal, Ramzan are celebrated with staff.
7. Common Staff Birthday Celebration every month
8. Best Employee Award of the month
9. Star Performer of the year
10. One week - Women's Day celebration
11. Pongal Traditional Games

12. Sports Day
13. May Day
14. Founders Day – (Staff Family Day)
15. Towel folding competition, Quiz Programme, Table Setting competition for F&B Department
16. First Aid Class and Safety Awareness Programme for staff
17. Appreciation Award (Best Attendance, Pat on the back) for staff
18. Women in Women Program of women's Day
19. Christmas Carol Singing
20. World Heart Day - Awareness
21. Green Awareness Day
22. World Autism Day
23. Yoga Class for all category Staff
24. Movie of the month (for all staff)
25. Corporate fun games.
26. Nutrition and diet awareness.

By giving these welfare schemes and training programmes, the employees become loyal to the company and thereby the employee attrition rate is minimized.

Promotions and recognition awarding policies, training and development, skill program are used as effective tools by HR for improving employee productivity.

Savera Hotel Academy continues to support under-privileged students and the academy enrolled 120 so far through IHMCT. This academy developed students talent in all the areas of hospitality.

The training focuses on improving high quality services based on the concept of customer delight.

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, 2014 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.

Chennai
26th May, 2014

N S Mohan
Company Secretary & CFO

A. Ravikumar Reddy
Managing Director

CERTIFICATE

The Shareholders

Savera Industries Limited

I, A.Ravikumar Reddy, Managing Director of the Company, hereby confirm that all the members of the Board and the Senior Management Personnel of the Company, have confirmed the compliance to the Code of Conduct of the Company, during the year ended 31st March, 2014.

Place : Chennai

Date : 13th August 2014

A. Ravikumar Reddy

Managing Director

SAVERA INDUSTRIES LIMITED

**Standalone Financial Statements
2013-14**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SAVERA INDUSTRIES LTD

Report on the financial statements

1. We have audited the accompanying financial statements of Saveria Industries Limited, ("the Company") which comprise the Balance Sheet as at 31st March, 2014, 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, 2014.
- b) In the case of the Profit and Loss Statement, of the Loss 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 (Auditor's 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, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 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 : 26th May, 2014

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. As certified by the management, the 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, the contracts or arrangements referred to in Section 301 of the Companies Act, 1956, that need to be entered in the Register are so entered 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, 2014 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 loans availed by the company were, prima facie, applied by the company for the purpose for which the loans were 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. Audishesha Reddy, B.Com., FCA.,
Proprietor
Membership No.019352

Place : Chennai.
Date : 26th May, 2014

Balance Sheet as at 31st March, 2014

₹ in Lakhs

Particulars	Note	AS AT 31.03.2014	AS AT 31.03.2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	1,192.80	1,192.80
(b) Reserves and Surplus	3	3,852.24	4,195.83
		5,045.04	5,388.63
Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,991.42	2,246.68
(b) Deferred Tax Liability	5	384.59	-
(c) Other Non- Current Liabilities	6	14.29	14.29
		2,390.30	2,260.97
Current Liabilities			
(a) Short-term Borrowings	7	146.88	126.59
(b) Trade payables	8	160.05	173.33
(c) Other Current Liabilities	9	920.82	865.90
(d) Short term provisions	10	243.62	262.26
		1,471.37	1,428.08
TOTAL		8,906.71	9,077.68
ASSETS			
Non- Current Assets			
(a) Fixed assets			
(i) Tangible assets	11	7,355.27	7,039.28
(b) Non- Current Investments	12	313.46	328.32
(c) Deferred Tax Assets	13	-	14.41
(d) Long-term Loans and advances	14	498.68	549.82
		8,167.41	7,931.83
Current Assets			
(a) Inventories	15	42.70	77.14
(b) Trade Receivables	16	149.14	197.53
(c) Cash and Bank Balances	17	481.57	661.29
(d) Short-term Loans and advances	18	1.22	3.70
(e) Other Current Assets	19	64.67	206.19
		739.30	1,145.85
TOTAL		8,906.71	9,077.68
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 : 26th May, 2014

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st March, 2014

₹ in Lakhs

Particulars	Note	AS AT 31.03.2014	AS AT 31.03.2013
INCOME			
Revenue from Operations	20	5,615.04	5,753.06
Less: Excise Duty		1.13	1.02
Revenue from Operations (Net)		5,613.91	5,752.04
Other Income	21	39.57	43.38
Total Revenue		5,653.48	5,795.42
EXPENSES			
Cost of Materials consumed	22	783.40	801.78
Purchase of Stock-in-trade	23	79.41	100.89
Change in Inventory of Stock-in-trade	24	1.51	(0.27)
Employee benefit expenses	25	1,465.70	1,384.01
Finance Cost	26	361.23	384.40
Depreciation	27	350.63	302.17
Other expenses	28	2,165.58	2,323.45
Total Expenses		5,207.46	5,296.43
Profit before tax		446.02	498.99
Tax expense:			
(1) Income Tax		214.41	206.33
(2) Deferred Tax Liability		399.00	(100.03)
		613.41	106.30
Profit after Taxation		(167.39)	392.69
Earnings per equity share:			
Basic and Diluted		(1.40)	3.29
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 : 26th May, 2014

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
A. Cash flow from Operating Activities		
Net profit before tax and extra ordinary items	446.02	498.99
Adjustments for		
(a) (Profit)/Loss on sale of fixed assets	(0.41)	1.36
(b) Bad debts/Creditors written back	16.63	(5.11)
(c) Preliminary and preoperative expenses written off	116.72	193.19
(d) Interest Expenses	361.24	384.40
(e) Dividend/Interest Income	(38.67)	(33.95)
(f) Depreciation on fixed assets	350.63	302.18
	806.14	842.07
Operating profit before working capital changes	1,252.16	1,341.06
Adjustments for		
(a) (Increase)/Decrease in Other Current Assets	24.80	(12.11)
(b) (Increase)/Decrease in Trade Receivables	31.75	(63.40)
(c) (Increase)/Decrease in Inventories	34.44	11.70
(d) (Increase)/Decrease in Short Term Loan Advance	0.95	(1.19)
(e) Increase/(Decrease) in Other Non- Current Liabilities	-	(10.00)
(f) Increase/(Decrease) in Short Term Provisions	5.07	17.91
(g) Increase/(Decrease) in Trade Payables	(13.27)	(12.41)
(h) Increase/(Decrease) in Other Current Liabilities	0.98	84.72
	21.77	(47.73)
Cash generated from Operations	1,336.88	1,293.33
Income taxes paid/Refund	242.90	133.24
Net cash from Operating Activities (A)	1,093.98	1,160.09
B. Cash flow from Investing Activities		
Purchase of fixed assets	(694.44)	(1,349.87)
Sale of fixed assets	18.37	7.65
Net (Increase)/Decrease in Long Term Advances	57.45	443.99
Net Decrease in Other Cash Balances	185.02	(505.99)
Dividend/ Interest Income Received	38.67	30.20
Net Decrease in Non-Current Investment	14.86	
Net cash from Investing Activities (B)	(380.07)	(1,374.02)

C. Cash flow from Financing Activities:

Repayment of borrowings	(181.02)	(18.80)
Proceeds from Long - term borrowings	-	83.04
Dividend paid	(166.36)	(166.36)
Interest expense paid	(361.23)	(374.31)
Net cash used in financial activities (C)	(708.61)	(476.43)
Net increase in cash and cash equivalents (A) + (B) + (C)	5.30	(690.36)
Cash and cash equivalents at beginning of the period (see note 1)	136.65	827.01
Cash and cash equivalents at end of the period (see note 1)	141.95	136.65

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

	AS AT 31.03.2014	AS AT 31.03.2013
Balance with Scheduled Banks - In Current Account	116.79	113.74
- Cash on Hand	25.16	22.91
	141.95	136.65

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

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

For and on behalf of the Board

A.Ravikumar Reddy
Managing Director

A.Nina Reddy
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 : 26th May, 2014

NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements for the year ended 31st March, 2014

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 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 value in use, the estimated future cash flows are discounted to their present value based on an 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 1-04-2013	₹	1,75,74,211
Add: Contribution to the Fund during the year under review	₹	30,58,894
Add: Interest to the Fund	₹	14,42,299
Total	₹	<u>2,20,75,404</u>
Less: Disbursements	₹	<u>28,66,078</u>
Balance Fund as on 31-03-2014	₹	<u>1,92,09,326</u>
Actuarial value of accrued gratuity liability as on 31-03-2014	₹	2,10,08,110
The Fund with LIC	₹	<u>1,92,09,326</u>
The Provision for Contribution towards the Fund	₹	<u>17,98,784</u>

The said amount of ₹ 17,98,784/- 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 capitalised.

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 accrued 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 recognised 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.

m) Bonus

Bonus is provided in the books and the payment shall be made before the due date of filling of the Income Tax Return ie. 30.09.2014.

C) Other Information

Deferred Tax liability includes ₹ 3.68 crs relating to earlier years.

NOTE 2: SHARE CAPITAL

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
(i) Authorised Share Capital		
1,20,00,000 equity shares of Rs.10 each (Previous year 1,20,00,000 Equity Shares of Rs.10 each)	1,200.00	1,200.00
(ii) Issued, Subscribed and Paid up		
1,19,28,000 Equity Shares of Rs.10/- each (Previous year 1,19,28,000 Equity Shares of Rs.10/- each)	1,192.80	1,192.80
	1,192.80	1,192.80
(a) Reconciliation of Equity shares		
Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	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 Rs.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, 2014, the amount of per share dividend recognized as distribution to equity shareholder was Rs.1.20/- (Previous year Rs.1.20/-)

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

Name of the shareholder	AS AT 31.03.2014		AS AT 31.03.2013	
	No. of Shares	% of holding	No. of Shares	% of holding
A. Nina Reddy	2,095,812	17.57%	2,095,812	17.57%
A. Ravikumar Reddy	1,603,840	13.45%	1,603,840	13.45%
Lalit Modi	702,280	5.89%	702,280	5.89%
A. Priyamvadhya	687,600	5.76%	687,600	5.76%

NOTE 3 : RESERVES AND SURPLUS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Revaluation Reserve		
As per last Balance Sheet	1,353.84	1,365.29
Less: Depreciation for the year	9.84	11.45
(A)	1,344.00	1,353.84
General Reserve		
Opening Balance	718.55	679.28
Add: Transferred from statement of Profit and Loss	-	39.27
(B)	718.55	718.55
Surplus/ (Deficit) in the Statement of Profit and Loss		
Opening Balance	2,123.44	1,936.38
Add: Profit for the year	(167.39)	392.69
Less: Transfer to General Reserve	-	39.27
Less: Proposed dividend	143.14	143.14
Less: Tax on Proposed dividend	23.22	23.22
(C)	1,789.69	2,123.44
TOTAL (A+B+C)	3,852.24	4,195.83

NOTE 4 : LONG TERM BORROWINGS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Non- Current portion of:		
Term Loan		
From Banks (Refer Note (i) and (ii) below)	1,977.62	2,198.22
Long- term Finance lease obligations - Hire Purchase (Refer note (iii) and (iv) below)	13.80	48.46
	1,991.42	2,246.68

- (i) (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 @ 13.50%

- (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 2014	
	455.20
	1,381.81
	595.81

- (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 2014	
	ICICI Bank
	34.66
	13.80
	-

NOTE 5 : DEFERRED TAX LIABILITY

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Deferred Tax Liability	384.59	-
	384.59	-

NOTE 6 : OTHER LONG TERM LIABILITIES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Rental Deposit - Unsecured	6.79	6.79
Unaccrued Income realisable after next 12 months	7.50	7.50
	14.29	14.29

NOTE 7 : SHORT TERM BORROWINGS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Loan repayable on Demand		
From Banks (Refer Footnote (i))	146.88	126.59
	146.88	126.59

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

NOTE 8 : TRADE PAYABLES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Trade payables other than Micro, Small and Medium Enterprises	160.05	173.33
	160.05	173.33

NOTE 9 : OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Current maturities of Long-term borrowings (Refer Footnote 4(i) and (ii))	455.20	396.80
Current maturities of Long-term Finance Lease - Hire Purchase (Refer Footnote 4(iii) and (iv))	34.66	39.12
Unaccrued Income realisable in next 12 Months	190.64	196.24
Creditors for expenses	126.68	144.49
Duties and Taxes Payable	95.61	73.01
Unclaimed Dividend (Refer Footnote (i) below)	18.03	16.24
	920.82	865.90

(i) The amount reflects the position as on 31st March 2014, the actual amount to be transferred to the "Investor Education & Protection Fund" shall be determined and paid to the credit of the Fund on due dates.

NOTE 10 : SHORT TERM PROVISIONS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Provision for employee benefits - Bonus	47.99	42.91
Provision net off against Advance tax and TDS for the assessment year 2014-15	29.27	52.99
Provision for dividend	166.36	166.36
	243.62	262.26

Note 11 : STAND ALONE FIXED ASSETS

₹ in Lakhs

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	At Cost as at 1.04.2013	Additions	Deletions	At Cost as at 31.03.2014	Up to 31.03.2013	Depreciation for the year	Withdrawals during the year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets:										
1. LAND	3,056.33	256.08	-	3,312.41	-	-	-	-	3,312.41	3,056.33
2. BUILDINGS	1,345.22	-	-	1,345.22	384.30	21.93	-	406.23	938.99	960.92
3. FURNITURE & FITTINGS	2,258.83	383.02	-	2,641.85	937.35	168.02	-	1,105.37	1,536.48	1,321.48
4. VEHICLES	109.10	2.96	12.06	100.00	61.33	9.73	9.21	61.85	38.15	47.77
5. PLANT & MACHINERY	2,923.34	47.26	15.12	2,955.48	1,427.02	139.02	-	1,566.04	1,389.44	1,496.32
6. OFFICE EQUIPMENTS	136.23	5.11	-	141.34	98.51	8.22	-	106.73	34.61	37.72
Sub - Total	9,829.05	694.43	27.18	10,496.30	2,908.51	346.92	9.21	3,246.22	7,250.08	6,920.54
Leased Assets										
7. VEHICLES	142.68	-	-	142.68	23.94	13.55	-	37.49	105.19	118.74
Sub - Total	142.68	-	-	142.68	23.94	13.55	-	37.49	105.19	118.74
Total tangible assets	9,971.73	694.43	27.18	10,638.98	2,932.45	360.47	9.21	3,283.71	7,355.27	7,039.28
Previous Year	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

Note: Depreciation includes ₹ 9.84 lakhs on revaluation of assets. (Previous Year ₹11.45 lakhs).
Deletion of plant & Machinery ₹ 15.12 lakhs subsidy received from IDBI Bank Limited towards Chiller Plant.

NOTES TO FINANCIAL STATEMENTS

NOTE 12: NON CURRENT INVESTMENTS

₹ in Lakhs

Particulars	Face Value	Holdings As at 31st March 2014	AS AT 31.03.2014	AS AT 31.03.2013
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				
20000 Elkhill Agrotech P Ltd	₹1000/-	20,000	282.22	282.22
49600 Savera Hotels & Resorts Ltd.,	₹10/-	-	-	4.96
			282.22	287.18
Investment in Unquoted Shares of Other Companies				
301000 Clarion Wind Farms Pvt. Ltd.	₹10/-	301,000	30.10	40.00
			30.10	40.00
			313.46	328.32
(i) Aggregate amount of Quoted Investments			1.14	1.14
(ii) Market Value of Quoted Investments			134.76	119.43
(iii) Aggregate amount of Unquoted Investments			312.33	327.19

NOTE 13 : DEFERRED TAX ASSETS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Deferred Tax Assets:		
Related to Fixed Assets	-	50.64
Deferred Tax Liability		
Related to Renovation Expenses	-	36.23
Deferred Tax Assets (Net)	-	14.41

NOTE 14: LONG TERM LOANS AND ADVANCES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013	
Loans and Advances to Related parties (Refer Footnote (i) below)			
Unsecured Considered Good	125.80	136.75	
Loans and Advances to others			
Unsecured Considered Good	63.08	88.70	
Security Deposits			
Unsecured Considered Good	223.55	244.42	
Advance tax, TDS excess of Provision for Income tax for the period preceding AY 2014-15	86.25	79.95	
	498.68	549.82	
Name of the Related Party	Relationship	AS AT 31.03.2014	AS AT 31.03.2013
Elkhill Agrotech private Limited	Subsidiary	125.80	127.37
Savera Hotels and Resorts Limited	Subsidiary		9.38
TOTAL		125.80	136.75

NOTE 15: INVENTORIES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
(At lower of average cost or market value)		
Food & Beverages	5.02	4.31
Wine & Liquor	6.36	7.87
Crockery & Cutlery	17.81	37.94
Linen & Housekeeping items	13.51	27.02
	42.70	77.14

NOTE 16: TRADE RECEIVABLES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Debts outstanding for a period exceeding 6 months		
Unsecured Considered good	0.91	6.30
Other debts		
Unsecured Considered good	148.23	191.23
	149.14	197.53

NOTE 17: CASH AND BANK BALANCES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Balance with Banks		
Current Account	116.79	113.74
Cash on Hand	25.16	22.91
Other Bank Balances		
Dividend Account	18.03	16.24
Margin Money	3.97	3.97
Deposits with original maturity more than three months	317.62	504.43
Total	481.57	661.29

NOTE 18: SHORT TERM LOAN AND ADVANCES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Loans and advances to staff	1.22	2.16
Advance tax, TDS excess of Provision for Income tax for the AY 2014-15	-	1.54
	1.22	3.70

NOTE 19: OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Prepaid expenses	44.89	59.83
Interest Accrued on Fixed Deposits	4.53	14.53
Miscellaneous expenditure to the extent not written off	15.25	131.83
	64.67	206.19

NOTE 20: REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
(i) Rooms and Restaurants		
Rooms	2,300.74	2,354.70
Foods and Beverages	1,872.86	1,737.35
Wine and Liquor	377.51	446.18
	4,551.11	4,538.23
(ii) Banquets and Other services		
Banquet and Other Services	620.20	782.63
Gym Collections	433.89	412.78
Room services	7.80	15.78
Miscellaneous income	1.41	3.64
Transport Collections	0.63	-
	1,063.93	1,214.83
Less: Excise Duty	1.13	1.02
	5,613.91	5,752.04

NOTE 21: OTHER INCOME

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Interest Income		
Fixed Deposits	34.92	29.12
Electricity Deposits	2.07	3.56
Dividend Income		
From Non- Current Investments	1.68	1.27
Net Gain on Sale of Fixed Assets		
Profit on sale of Old Furniture	0.41	3.36
Others	-	5.11
Miscellaneous Income		
Foreign Exchange Fluctuations	0.49	0.96
	39.57	43.38

NOTE 22: COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Foods and Beverages		
Opening Stock	4.31	5.01
Add: Purchases	751.09	782.10
Less: Closing Stock	5.01	4.31
	750.39	782.80
Crockeries and Cutleries		
Opening Stock	37.94	36.18
Add: Purchases	12.88	20.74
Less: Closing Stock	17.81	37.94
	33.01	18.98
	783.40	801.78

NOTE 23: PURCHASE OF STOCK IN TRADE

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Purchase of Wines and Liquor	79.41	100.89
	79.41	100.89

NOTE 24: CHANGE IN INVENTORY OF STOCK IN TRADE

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Opening Stock	7.87	7.60
Less: Closing Stock	6.36	7.87
	1.51	(0.27)

NOTE 25: EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Salary, Wages, Bonus and Allowances	1,181.61	1,143.06
Contribution to provident and other funds	110.83	95.42
Staff Welfare	173.26	145.53
	1,465.70	1,384.01

NOTE 26: FINANCE COST

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Interest expenses	361.23	384.40
	361.23	384.40

NOTE 27: DEPRECIATION AND AMORTIZATION EXPENSES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Depreciation on Fixed Assets	360.47	313.62
Less: Transferred to revaluation reserve	9.84	11.45
	350.63	302.17

NOTE 28: OTHER EXPENSES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
(a) Administrative Expenses		
(i) Sundry Expenses	76.04	63.27
(ii) Postage and Telephones	36.82	36.26
(iii) Printing & Stationery	28.16	45.56
(iv) Travelling & Conveyance	23.33	30.01
(v) Donation	5.74	33.25
(vi) Bank Charges	5.05	6.69
(vii) AGM Expenses	4.64	5.03
(viii) Sitting Fees	2.00	1.90
(ix) News paper subscription	1.52	3.00
(x) Audit Committee	0.55	0.38
(xi) Remuneration Committee	0.05	0.25
(b) Power and Fuel	588.28	584.76
(c) Renovation	211.38	185.72
(d) Lease rents	121.83	114.53
(e) Rental Expenses	105.35	87.75
(f) Professional Charges	69.71	94.56
(g) Loss on sale of Assets	-	4.72
(h) Repairs and Maintenance		
(i) Plant and Machinery	101.52	114.39
(ii) Buildings	86.88	123.89
(iii) Others	70.90	93.64
(iv) Vehicles	22.58	35.69
(i) Upkeep and Service Cost	229.72	207.61
(j) Sales Promotion Expenses	147.55	263.92
(k) Rates & Taxes	115.82	100.66
(l) Spa Expenses	59.18	49.07
(m) Insurance	24.74	24.75
(n) Bad Debts	16.64	-
(o) Pre Operative and Preliminary Expenses written off	4.89	7.48
(p) Payment to Auditors		
(i) As Auditors	2.47	2.47
(ii) For Taxation Matters	1.12	1.12
(iii) For Other Services	1.12	1.12
	2,165.58	2,323.45

29. Disclosure pursuant to Accounting Standard 11 – “The Effects of changes in Foreign Exchange Rates”:
i) Earnings in Foreign Exchange: (₹ in lakhs)

Particulars	Current Year 2013-14	Previous Year 2012-13
Sale of Rooms/F&B Income	409.50	303.94
	409.50	303.94

ii) Expenditure in Foreign Currency (₹ in lakhs)

Particulars	Current Year 2013-14	Previous Year 2012-13
Membership Fee	1.16	1.12
Imported Machinery & Goods for renovation	24.14	194.80
Travel Agency Commission	23.11	14.62
Professional Services	-	5.26
	48.41	215.80

30. Disclosure pursuant to Accounting Standard 15- “Employee Benefits” (₹ in lakhs)

Particulars	Current Year 2013-14	Previous Year 2012-13
Company’s contribution to PF	52.38	44.53
ESI	21.79	16.95
Gratuity	36.47	33.75
Company’s contribution to PF for Key Management Personnel viz., Managing Director & Joint Managing Director	0.19	0.19
	110.83	95.42

31. 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 |
| 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 ₹ 49.80 Lakhs (Previous year ₹ 55.18 Lakhs)

Details of Transactions with the Related parties are as follows

₹ in Lakhs

Loans & Advances outstanding	As at 31.03.2014	As at 31.03.2013
--- Elkhill Agrotech Pvt Ltd	125.80	127.37
--- Saveria Hotels & Resorts Limited	-	9.38
	125.80	136.75

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

₹ in Lakhs

Particulars	Current Year 2013-14	Previous Year 2012-13
Profit after tax	(167.39)	392.69
Nominal Value of Shares	10	10
No. of Equity Shares	11,928,000	11,928,000
Earnings per share- Basic and Diluted	(1.40)	3.29

33. 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 subsidiary entity in this annual report.

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

35. Renovation expenditure has been treated as deferred revenue expenditure and amortized over a period of three (3) years for the previous years.

36. 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.

37. 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 2013-14	Previous Year 2012-13
Salary & Perquisites		
Managing Director		
Salary – 5% on net profit (4% for Previous Year)	24.90	27.59
Commission – 1% on net profit	-	-
Salary & Perquisites	-	-
Joint Managing Director		
Salary – 5% on net profit (4% for Previous Year)	24.90	27.59
Commission – 1% on net profit	-	-

38. The financial statements for the year ended 31st March, 2014, have been prepared in accordance with the Revised Schedule VI of the Companies Act, 1956. Previous year figures have been re-grouped wherever necessary.

39. The figures have been rounded off to the nearest rupee.

TEN YEARS AT A GLANCE 31st MARCH

(₹ in lakhs)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
INCOME	5653.48	5795.42	5371.60	4728.56	3485.61	3939.38	4540.31	4,728.56	3,016.94	2,513.65
OPERATING & GENERAL EXPENSES	4495.60	4509.86	3874.84	3394.57	2535.81	2956.25	3090.79	3,394.57	2,291.23	2,092.42
INTEREST	361.23	384.40	322.12	234.42	252.96	373.96	288.69	234.42	108.02	119.84
DEPRECIATION	350.63	302.17	245.36	219.49	197.79	274.45	219.07	219.49	168.56	165.89
PROFIT BEFORE TAX	446.02	498.99	929.28	880.08	499.05	334.72	941.76	880.08	449.13	135.50
TAXATION	*613.41	106.30	216.08	312.77	191.56	243.45	330.80	312.76	86.19	10.91
PROFIT AFTER TAX	(167.39)	392.69	713.20	567.31	307.49	91.27	610.96	567.32	362.94	124.59
DIVIDEND, DIVIDEND TAX & SURCHARGE	166.36	166.36	166.36	166.91	83.45	69.78	139.55	166.91	99.01	68.00
DIVIDENED %	12%	12%	12%	12%	12%	10%	20%	20%	15%	10%
FIXED ASSETS NET	7355.27	7039.28	6020.33	6121.25	5609.69	5692.97	6580.09	6,121.25	3,985.96	4,040.78
CAPITAL	1192.80	1192.80	1192.80	1192.80	596.40	596.40	596.40	596.40	596.40	596.40
RESERVES (INCLUDING REVALUATION)	3852.24	4195.83	3980.95	3445.58	3653.02	3440.42	3430.39	2,970.42	1,195.93	935.00
DEFERRED TAX LIABILITY	384.59	-14.41	85.62	68.40	41.05	39.50	36.69	61.97	65.12	93.46
BONUS ISSUE	-	-	-	-	1 : 1	-	-	-	-	-

* Including deferred tax liability

SAVERA INDUSTRIES LIMITED

**Consolidated Financial Statements
2013 -14**

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 M/s. Elkhill Agrotech Private Limited which comprise the consolidated Balance Sheet as at 31st March, 2014, 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 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, 2014.
 - b) In the case of the consolidated Profit and Loss Statement, of the Loss 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 the subsidiary, M/s. Elkhill Agrotech Pvt Ltd whose financial statements reflect total assets (net) ₹ 88.12 lakhs as at 31st March, 2014, total revenues of ₹ 42.96 lakhs and the net cash flows amounting to ₹ 0.22 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 : 26th May 2014

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

Consolidated Balance Sheet as at 31st March, 2014

₹ in Lakhs

Particulars	Note	AS AT 31.03.2014	AS AT 31.03.2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	2	1,192.80	1,192.80
(b) Reserves and Surplus	3	3,610.60	3,953.97
		4,803.40	5,146.77
Minority Interest			
		-	0.04
Non-Current Liabilities			
(a) Long-Term Borrowings	4	1,991.42	2,246.68
(b) Deferred Tax Liability	5	384.59	-
(c) Other Non- Current Liabilities	6	14.29	14.29
		2,390.30	2,260.97
Current Liabilities			
(a) Short-term Borrowings	7	146.88	126.62
(b) Trade Payables	8	161.56	180.35
(c) Other Current Liabilities	9	923.28	869.05
(d) Short term provisions	10	243.62	262.26
		1,475.34	1,438.28
TOTAL		8,669.04	8,846.06
ASSETS			
Non- Current Assets			
(a) Fixed assets			
(i) Tangible assets	11	7,385.20	7,076.27
(ii) Intangible assets		20.00	20.00
(b) Goodwill on consolidation		82.23	82.23
(c) Non- Current Investments	12	31.24	41.14
(d) Deferred Tax Assets	13	-	14.41
(e) Long-term Loans and advances	14	408.99	450.68
		7,927.66	7,684.73
Current Assets			
(a) Inventories	15	44.20	79.54
(b) Trade Receivables	16	149.46	197.53
(c) Cash and Bank Balances	17	481.71	661.50
(d) Short-term Loans and advances	18	1.24	3.72
(e) Other Current Assets	19	64.77	219.04
		741.38	1,161.33
TOTAL		8,669.04	8,846.06
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 : 26th May, 2014

Consolidated Profit and Loss Statement for the Year Ended 31st March, 2014

₹ in Lakhs

Particulars	Note	AS AT 31.03.2014	AS AT 31.03.2013
INCOME			
Revenue from Operations	20	5,650.51	5,801.30
Less: Excise Duty		1.13	1.02
Revenue from Operations (Net)		5,649.38	5,800.28
Other Income	21	47.06	44.41
Total Revenue		5,696.44	5,844.69
EXPENSES			
Cost of Materials consumed	22	791.73	833.01
Purchase of Stock-in-trade	23	79.41	100.89
Change in Inventory of Stock-in-trade	24	1.51	(0.27)
Employee benefit expenses	25	1,481.45	1,398.75
Finance Cost	26	361.23	385.92
Depreciation	27	357.70	310.94
Other expenses	28	2,177.17	2,335.00
Total Expenses		5,250.20	5,364.24
Profit before tax		446.24	480.45
Tax expense:			
(1) Income Tax		214.41	206.33
(2) Deferred Tax Liability		399.00	(100.03)
		613.41	106.30
Profit after Taxation		(167.17)	374.15
Earnings per equity share:			
Basic and Diluted		(1.40)	3.14
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 : 26th May, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Lakhs

PARTICULARS	As At 31-03-2014	As At 31-03-2013
A. Cash flow from Operating Activities		
Net profit before tax and extra ordinary items	446.24	480.45
Adjustments for		
(a) (Profit)/Loss on sale of fixed assets	(0.41)	1.36
(b) Bad debts/Creditors written back	16.64	(5.11)
(c) Preliminary and preoperative expenses written off	129.48	193.19
(d) Interest Expenses	361.23	385.92
(e) Dividend/Interest Income	(38.67)	(33.95)
(f) Depreciation on fixed assets	357.70	310.94
	825.97	852.35
Operating profit before working capital changes	1,272.21	1,332.80
Adjustments for		
(a) (Increase)/Decrease in Other Current Assets	24.80	(12.11)
(b) (Increase)/Decrease in Trade Receivables	31.43	(63.40)
(c) (Increase)/Decrease in Inventories	35.34	11.10
(d) (Increase)/Decrease in Short Term Loan Advance	0.95	(1.19)
(e) Increase/(Decrease) in Other Non- Current Liabilities	-	14.98
(f) Increase/(Decrease) in Short Term Provisions	5.07	17.91
(g) Increase/(Decrease) in Trade Payable	(18.79)	(10.52)
(h) Increase/(Decrease) in Other Current Liabilities	0.26	79.06
	11.24	(31.99)
Cash generated from Operations	1,351.27	1,300.81
Income taxes paid/Refund	242.90	133.24
Net cash from Operating Activities (A)	1,108.37	1,167.57
B. Cash flow from Investing Activities		
Purchase of fixed assets	(694.44)	(1,349.87)
Sale of fixed assets	18.37	7.65
Net Short Term Loans Given	-	4.19
Net long term Loans & Advances Realised	48.00	443.99
Net Decrease in Other Cash Balances	185.02	(505.98)
Dividend/ Interest Income Received	38.67	30.20
Net Decrease in Non-Current Investment	9.90	-
	-	(1,369.82)
Net cash from Investing Activities (B)	(394.48)	(1,369.82)

C. Cash flow from Financing Activities:

Repayment of borrowings	(181.07)	(28.96)
Proceeds from Long - term borrowings	-	83.04
Dividend paid	(166.36)	(166.36)
Interest expense paid	(361.23)	(375.84)
Net cash used in financial activities (C)	(708.66)	(488.12)
Net increase in cash and cash equivalents (A)+ (B)+ (C)	5.23	(690.06)
Cash and cash equivalents at beginning of the period (see note 1)	136.86	827.23
Cash and cash equivalents at end of the period (see note 1)	142.09	136.86

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

	AS AT 31.03.2014	AS AT 31.03.2013
Balance with Scheduled Banks - In Current Account	116.91	113.79
- Cash on Hand	25.18	23.07
	142.09	136.86

- (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 : 26th May 2014

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 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 Ltd (BSE) and Madras Stock Exchange Ltd., (MSE)

The consolidated financial statements relate to its subsidiary Elkhill Agrotech Private Limited (100%).

B) Principles of consolidation

- a) The financial statements of the company and its subsidiary company 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 subsidiary, 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 subsidiary 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 subsidiary 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 Policies

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

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 value in use, the estimated future cash flows are discounted to their present value based on an 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 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 1-04-2013	₹	1,75,74,211
Add: Contribution to the Fund during the year under review	₹	30,58,894
Add: Interest to the Fund	₹	14,42,299
Total	₹	<u>2,20,75,404</u>
Less: Disbursements	₹	28,66,078
Balance Fund as on 31-03-2014	₹	<u>1,92,09,326</u>
Actuarial value of accrued gratuity liability as on 31-03-2014	₹	2,10,08,110
The Fund with LIC	₹	<u>1,92,09,326</u>
The Provision for Contribution towards the Fund	₹	<u>17,98,784</u>

The said amount of ₹ 17,98,784/- 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 segment wise 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 accrued 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.

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.

m) Bonus

Bonus is provided in the books and the payment shall be made before the due date of filling of the Income Tax Return ie. 30.09.2014.

C) Other Information

Deferred Tax liability includes ₹ 3.68 crs relating to earlier years.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

NOTE 2: SHARE CAPITAL

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
(i) Authorised Share Capital 1,20,00,000 equity shares of Rs.10 each (Previous year 1,20,00,000 Equity Shares of Rs.10 each)	1,200.00	1,200.00
(ii) Issued, Subscribed and Paid up 1,19,28,000 Equity Shares of Rs.10/- each (Previous year 1,19,28,000 Equity Shares of Rs.10/- each)	1,192.80	1,192.80
	1,192.80	1,192.80

(a) Reconciliation of Equity shares

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
	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 Rs.10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their share holding.
- (ii) During the year ended March 31, 2014, the amount of per share dividend recognized as distribution to equity shareholder was Rs.1.20/- (Previous year Rs.1.20/-)

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

Name of the shareholder	AS AT 31.03.2014		AS AT 31.03.2013	
	No. of Shares	% of holding	No. of Shares	% of holding
A. Nina Reddy	2,095,812	17.57%	2,095,812	17.57%
A. Ravikumar Reddy	1,603,840	13.45%	1,603,840	13.45%
Lalit Modi	702,280	5.89%	702,280	5.89%
A. Priyamvatha	687,600	5.76%	687,600	5.76%

NOTE 3 : RESERVES AND SURPLUS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Revaluation Reserve		
As per last Balance Sheet	1,353.84	1,365.29
Less: Depreciation for the year	9.84	11.45
(A)	1,344.00	1,353.84
General Reserve		
Opening Balance	718.55	679.28
Add: Transferred from statement of Profit and Loss	-	39.27
(B)	718.55	718.55
Surplus/ (Deficit) in the Statement of Profit and Loss		
Opening Balance	1,881.58	1,713.06
Add: Profit for the year	(167.17)	374.15
Less: Transfer to General Reserve	-	39.27
Less: Proposed dividend	143.14	143.14
Less: Tax on Proposed dividend	23.22	23.22
(C)	1,548.05	1,881.58
TOTAL (A+B+C)	3,610.60	3,953.97

NOTE 4 : LONG TERM BORROWINGS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Non- Current portion of:		
Term Loan		
From Banks (Refer Note (i) and (ii) below)	1,977.62	2,198.22
Long- term Finance lease obligations - Hire Purchase (Refer note (iii) and (iv) below)	13.80	48.46
	1,991.42	2,246.68

- (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 @ 13.50%

(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 2014

455.20

1,381.81

595.81

(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 2014

ICICI Bank

34.66

13.80

-

NOTE 5 : DEFERRED TAX LIABILITY

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Deferred Tax Liability	384.59	-
	384.59	-

NOTE 6 : OTHER LONG TERM LIABILITIES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Rental Deposit - Unsecured	6.79	6.79
Unaccrued Income realisable after next 12 months	7.50	7.50
	14.29	14.29

NOTE 7 : SHORT TERM BORROWINGS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Loan repayable on Demand		
From Banks (Refer Footnote (i))	146.88	126.62
	146.88	126.62

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

NOTE 8 : TRADE PAYABLES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Trade payables other than Micro, Small and Medium Enterprises	161.56	180.35
	<u>161.56</u>	<u>180.35</u>

NOTE 9 : OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Current maturities of Long-term borrowings (Refer Footnote 4(i) and (ii))	455.20	396.80
Current maturities of Long-term Finance Lease - Hire Purchase (Refer Footnote 4(iii) and (iv))	34.66	39.12
Unaccrued Income realisable in next 12 Months	190.64	196.24
Creditors for expenses	129.14	147.64
Duties and Taxes Payable	95.61	73.01
Unclaimed Dividend (Refer Footnote (i) below)	18.03	16.24
	<u>923.28</u>	<u>869.05</u>

- (i) The amount reflects the position as on 31st March, 2014, the actual amount to be transferred to the "Investor Education & Protection Fund" shall be determined and paid to the credit of the Fund on due dates.

NOTE 10 : SHORT TERM PROVISIONS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Provision for employee benefits - Bonus	47.99	42.91
Provision net off against Advance tax and TDS for the assessment year 2014-15	29.27	52.99
Provision for dividend	166.36	166.36
	<u>243.62</u>	<u>262.26</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 10 : CONSOLIDATED FIXED ASSETS

₹ in Lakhs

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	At Cost as at 1.04.2013	Additions	Deletions	At Cost as at 31.03.2014	Up to 31.03.2013	Deprecia- tion for the year	With- drawals during the year	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets:										
1. LAND	3,056.33	256.08	-	3,312.41	-	-	-	-	3,312.41	3,056.33
2. BUILDINGS	1,345.22	-	-	1,345.22	384.31	21.93	-	406.24	938.98	960.91
3. FURNITURE & FITTINGS	2,258.97	383.02	-	2,641.99	937.45	168.03	-	1,105.48	1,536.51	1,321.52
4. VEHICLES	109.10	2.96	12.06	100.00	61.34	9.73	9.21	61.86	38.14	47.76
5. PLANT & MACHINERY	3,137.46	47.26	15.12	3,169.60	1,604.34	146.05	-	1,750.39	1,419.21	1,533.12
6. OFFICE EQUIPMENTS	136.64	5.11	-	141.75	98.75	8.24	-	106.99	34.76	37.89
Sub - Total	10,043.72	694.43	27.18	10,710.97	3,086.19	353.98	9.21	3,430.96	7,280.01	6,957.53
Leased Assets										
7. VEHICLES	142.68	-	-	142.68	23.94	13.55	-	37.49	105.19	118.74
Sub - Total	142.68	-	-	142.68	23.94	13.55	-	37.49	105.19	118.74
Total tangible assets	10,186.40	694.43	27.18	10,853.65	3,110.13	367.53	9.21	3,468.45	7,385.20	7,076.27
Intangible Assets:										
1. GOODWILL	102.23	-	-	102.23	-	-	-	-	102.23	102.23
Total assets	10,288.63	694.43	27.18	10,955.88	3,110.13	367.53	9.21	3,468.45	7,487.43	7,178.50
Previous Year	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

Note: Depreciation includes ₹9.84 lakhs on revaluation of assets. (Previous Year ₹11.45 lakhs)
Deletion of Plant & Machinery : ₹15.12 lakhs subsidy received from IDBI Bank Limited towards Chiller Plant

NOTE 12: NON CURRENT INVESTMENTS

₹ in Lakhs

Particulars	Face Value	Holdings As at 31st March 2014	AS AT 31.03.2014	AS AT 31.03.2013
Non - Trade Investments (Valued at cost)				
Investment in quoted Equity Shares				
Oriental Hotels Limited	Rs.1/-	3,510	0.05	0.05
I.T.C. Limited	Rs.1/-	26,880	0.03	0.03
Indian Hotels Co. Ltd.	Rs.1/-	3,432	0.45	0.45
Apollo Hospitals Ltd.	Rs.5/-	4,000	0.30	0.30
Central Bank of India	Rs.10/-	295	0.30	0.30
			1.14	1.14
Investment in Unquoted Shares of Other Companies				
301000 Clarion Wind Farms Pvt. Ltd.	Rs.10/-	301,000	30.10	40.00
			30.10	40.00
			31.24	41.14
(i) Aggregate amount of Quoted Investments			1.14	1.14
(ii) Market Value of Quoted Investments			134.76	119.43
(iii) Aggregate amount of Unquoted Investments			30.10	40.00

NOTE 13 : DEFERRED TAX ASSETS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Deferred Tax Assets:		
Related to Fixed Assets	-	50.64
Deferred Tax Liability		
Related to Renovation Expenses	-	36.23
Deferred Tax Assets (Net)	-	14.41

NOTE 14: LONG TERM LOANS AND ADVANCES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Loans and Advances to others		
Unsecured Considered Good	63.09	88.70
Security Deposits		
Unsecured Considered Good	259.65	282.03
Capital advance		
Unsecured Considered Good	-	-
Advance tax, TDS excess of Provision for Income tax for the period preceding AY2014-15	86.25	79.95
	408.99	450.68

NOTE 15: INVENTORIES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
(At lower of average cost or market value)		
Food & Beverages	5.02	4.31
Wine & Liquor	6.36	7.87
Crockery & Cutlery	17.81	37.94
Linen & Housekeeping items	13.51	27.02
Consumables Stores	1.50	2.40
	44.20	79.54

NOTE 16: TRADE RECEIVABLES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Debts outstanding for a period exceeding 6 months		
Unsecured Considered good	1.23	6.30
Other debts		
Unsecured Considered good	148.23	191.23
	149.46	197.53

NOTE 17: CASH AND BANK BALANCE

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Balance with Banks		
Current Account	116.91	113.79
Deposits with original maturity less than three months	-	-
Cash on Hand	25.18	23.07
Other Bank Balances		
Dividend Account	18.03	16.24
Margin Money	3.97	3.97
Deposits with original maturity more than three months	317.62	504.43
	481.71	661.50

NOTE 18: SHORT TERM LOAN AND ADVANCES

R in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Loans and advances to staff	1.22	2.16
Advance tax, TDS excess of Provision for Income tax for the AY 2014-15	-	1.54
Other Advances - Unsecured Considered Good	0.02	0.02
	1.24	3.72

NOTE 19: OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Prepaid expenses	44.99	59.93
Interest Accrued on Fixed Deposits	4.53	14.53
Miscellaneous expenditure to the extent not written off	15.25	144.58
	64.77	219.04

NOTE 20: REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
(i) Rooms and Restaurants		
Rooms	2,300.74	2,354.70
Foods and Beverages	1,872.86	1,737.35
Wine and Liquor	377.51	446.18
Flowers	35.47	48.24
	4,586.58	4,586.47
(ii) Banquets and Other services		
Banquet and Other Services	620.20	782.63
Gym Collections	433.89	412.78
Room services	7.80	15.78
Miscellaneous income	1.41	3.64
Transport Collections	0.63	-
	1,063.93	1,214.83
Less: Excise Duty	1.13	1.02
	5,649.38	5,800.28

NOTE 21: OTHER INCOME

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Interest Income		
Fixed Deposits	34.92	29.12
Electricity Deposits	2.07	3.56
Dividend Income		
From Non- Current Investments	1.68	1.27
Net Gain on Sale of Fixed Assets		
Profit on sale of Furniture	0.41	3.36

Others

Miscellaneous Income	-	5.11
Foreign Exchange Fluctuations	0.49	0.96
NAIP Subsidy	7.49	1.03
	47.06	44.41

NOTE 22: COST OF MATERIALS CONSUMED

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Foods and Beverages		
Opening Stock	4.31	5.01
Add: Purchases	751.09	782.10
Less: Closing Stock	5.01	4.31
A	750.39	782.80
Crockeries and Cutleries		
Opening Stock	37.94	36.18
Add: Purchases	12.88	20.74
Less: Closing Stock	17.81	37.94
B	33.01	18.98
Consumable Stores		
Opening Stock	2.40	1.80
Add: Purchases	7.43	31.83
Less: Closing Stock	1.50	2.40
C	8.33	31.23
(A+B+C)	791.73	833.01

NOTE 23: PURCHASE OF STOCK IN TRADE

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Purchase of Wines and Liquor	79.41	100.89
	79.41	100.89

NOTE 24: CHANGE IN INVENTORY OF STOCK IN TRADE

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Opening Stock	7.87	7.60
Less: Closing Stock	6.36	7.87
	1.51	(0.27)

NOTE 25: EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Salary, Wages, Bonus and Allowances	1,196.62	1,157.21
Contribution to provident and other funds	110.83	95.42
Staff Welfare	174.00	146.12
	1,481.45	1,398.75

NOTE 26: FINANCE COST

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Interest expenses	361.23	385.92
	361.23	385.92

NOTE 27: DEPRECIATION AND AMORTIZATION EXPENSES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
Depreciation on Fixed Assets	367.54	322.39
Less: Transferred to revaluation reserve	9.84	11.45
	357.70	310.94

NOTE 28: OTHER EXPENSES

₹ in Lakhs

Particulars	AS AT 31.03.2014	AS AT 31.03.2013
(a) Administrative Expenses		
(i) Sundry Expenses	76.24	63.38
(ii) Postage and Telephones	37.35	36.78
(iii) Printing & Stationery	28.23	45.68
(iv) Travelling & Conveyance	24.84	31.53
(v) Donation	5.74	33.25
(vi) Bank Charges	5.06	6.89
(vii) AGM Expenses	4.64	5.03
(viii) Sitting Fees	2.00	1.90
(ix) News paper subscription	1.52	3.00

(x) Audit Committee	0.55	0.38
(xi) Remuneration Committee	0.05	0.25
(b) Power and Fuel	589.13	586.08
(c) Repairs and Maintenance		
(i) Buildings	86.88	123.89
(ii) Plant and Machinery	101.52	114.39
(iii) Vehicles	22.58	35.69
(iv) Others	71.17	94.49
(d) Upkeep and Service Cost	229.72	207.61
(e) Renovation	211.38	185.72
(f) Sales Promotion Expenses	148.05	264.04
(g) Lease rents	121.83	114.53
(h) Rates & Taxes	115.85	100.71
(i) Rental Expenses	108.59	90.91
(j) Professional Charges	72.09	96.69
(k) Spa Expenses	59.18	49.07
(l) Insurance	24.73	24.75
(m) Bad Debts	16.64	-
(n) Pre Operative and Preliminary Expenses written off	4.89	7.48
(o) Loss on Sale of Assets	-	4.72
(p) Payment to Auditors		
(i) As Auditors	3.06	2.62
(ii) For Taxation Matters	1.12	1.12
(iii) For Other Services	1.12	1.12
(q) Floriculture expenditure	1.01	0.89
(r) Crop Insurance	0.41	0.41
	2,177.17	2,335.00

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

i) Earnings in Foreign Exchange:

₹ in Lakhs

Particulars	Current Year 2013-14	Previous Year 2012-13
Sale of Rooms/F&B Income	409.50	303.94
	409.50	303.94

ii) Expenditure in Foreign Currency

₹ in Lakhs

Particulars	Current Year 2013-14	Previous Year 2012-13
Membership Fee	1.16	1.12
Imported Machinery & Goods for renovation	24.14	194.80
Travel Agency Commission	23.11	14.62
Professional Services	-	5.26
	48.41	215.80

30. 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, 2014 with regard to subsidiary companies is as follows:

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

₹ in lakhs

PARTICULARS	As at 31.03.2014	As at 31.03.2013
a) Share Capital	200.00	200.00
b) Reserves and Surplus	(241.63)	(241.86)
c) Total Assets	88.12	95.71
d) Total Liabilities	88.12	95.71
e) Turnover	42.96	49.26
f) Profit (Loss) before Taxation	0.22	(18.54)
g) Provision for Taxation	-	-
h) Profit (Loss) after Taxation	0.22	(18.54)
i) Proposed Dividend	-	-

M/s. Savera Hotels & Resorts Limited, Chennai

₹ in lakhs

PARTICULARS	As at 31.03.2014	As at 31.03.2013
a) Share Capital	-	5.00
b) Reserves and Surplus	-	-
c) Total Assets	-	14.38
d) Total Liabilities	-	14.38

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

₹ in Lakhs

Particulars	Current Year 2013-14	Previous Year 2012-13
Profit after tax	(167.17)	374.15
Nominal Value of Shares	10	10
No. of Equity Shares	11,928,000	11,928,000
Earnings per share- Basic and Diluted	(1.40)	3.14

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

33. Renovation expenditure has been treated as deferred revenue expenditure and amortized over a period of three (3) years for the previous years.

34. 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.

35. 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 Company : Elkhill Agrotech Pvt Ltd

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 ₹ 49.80 Lakhs (Previous year ₹ 55.18 Lakhs)

Details of Transactions with the Related parties are as follows

₹ in Lakhs

Loans & Advances outstanding	As at 31.03.2014	As at 31.03.2013
--- Elkhill Agrotech Pvt Ltd	125.80	127.37
--- Savera Hotels & Resorts Limited	-	9.38
	125.80	136.75

36. The financial statements for the year ended 31st March, 2014, have been prepared in accordance with the Revised Schedule VI of the Companies Act, 1956. Previous year figures have been regrouped wherever necessary.

37. The figures have been rounded off to the 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 Audishesha Reddy, B.Com., F.C.A.
Proprietor (Membership No.019352)

N.S.Mohan
Company Secretary & Chief Financial Officer

Place : Chennai
Date : 26th May, 2014

STATEMENT PURSUANT TO SECTION 212

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to the Subsidiary Company
M/s. ELKHIL AGROTECH PRIVATE LTD ₹ in lakhs

S. no.	Particulars	Elkhil Agrotech (P) Ltd
1	Financial Year of the Company ended on	31.03.2014
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
	b) Extent of holding	100%
3	Changes in the interest of Savera Industries Ltd between the end of the Subsidiary 's financial year and 31st March 2014	NIL
	a) No.of shares acquired	
4	The net aggregate of Profit/Loss of the Subsidiary company of the financial year, so far as they concern the members of Savera Industries Ltd were :	
	a. Dealt with in the Accounts of Savera Industries Ltd for the year ended 31st March, 2014.	0.22
	b. Not dealt with in the Accounts of Savera Industries Ltd for the year ended 31st March, 2014.	
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, 2014.	(18.54)
	b) Not dealt with in the Accounts of Savera Industries Ltd for the year ended 31st March, 2014.	
6	Material changes between the end of the Subsidiary's financial year and 31st March, 2014	
	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	125.80

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 : 26th May, 2014

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 45th Annual General Meeting of the Company, to be held on the 22nd day of, September, 2014, at 10.00 a.m. at The Music Academy Mini Auditorium, No.168 T.T.K. Road, Chennai 600 014. and at any adjournment thereof in respect of such resolutions as are indicated below :

Resol – ution no.	Resolution	Optional		
		For	Against	
ORDINARY BUSINESS				
1	Adoption of Financial Statements	OR		
2	Declaration of Dividend	OR		
3	Appointment of Ms. A. Nivruti as a director	OR		
4	Appointment and remuneration of Auditors	OR		
SPECIAL BUSINESS				
5	Appointment of Mr. G. Sitharaman as an Independent Director	OR		
6	Appointment of Mr. A. Sudhakar Reddy as an Independent Director	OR		
7	Appointment of Mr. B. Ranga Reddy as an Independent Director	OR		
8	Appointment of Mr. S. Sridhara Rao as an Independent Director	OR		
9	Authority to borrow moneys in excess of the paid up capital and free reserves of the company	SR		
10	Authority to the Board for mortgaging and/or charging of assets of the company.	SR		

Signed this day of 2014.

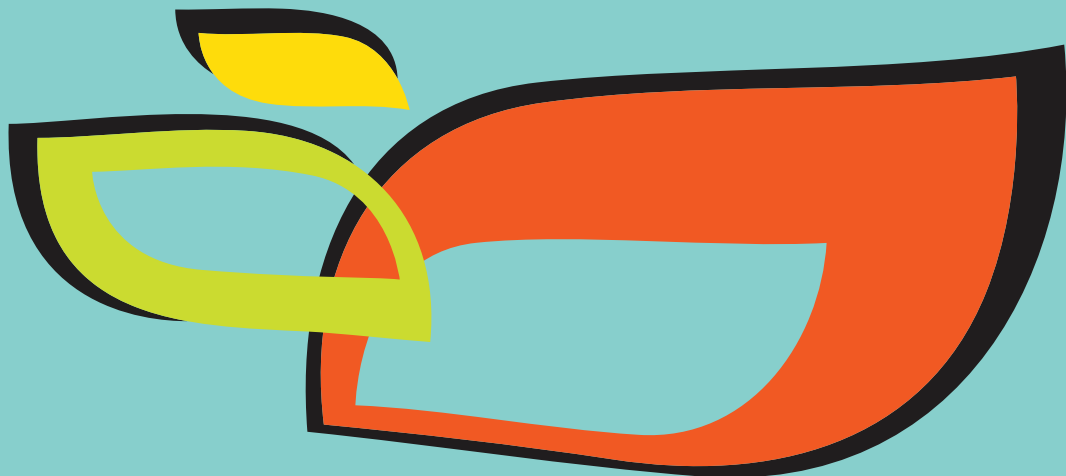
.....
Signature of the
shareholder

.....
Signature of the
proxy holder(s)

Affix
₹ 1/-
revenue
stamp

Notes :

- This form of proxy in order to be effective, should be duly, completed and deposited at the Registered Office of the Company at No.146 Dr.Radhakrishnan Road, Chennai 600 004 not less than 48 hours before the commencement of the meeting.**
- A Proxy need not be a member of the Company.**
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Please complete all details of members(s) before submission.
- OR – Ordinary Resolution and SR – Special Resolution



THE
SAVERA
OUR BUSINESS IS YOU

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