

# SAVITA OIL TECHNOLOGIES LIMITED

52nd Annual Report 2012-2013

SAVITA

bonds build businesses



New manufacturing facility at Silvassa

# Savita Oil Technologies Limited

Fifty-Second Annual Report
**2012-2013**

| | |
|---|---|
| **Board of Directors** | Mr. G. N. Mehra - Chairman and Managing Director<br>Mr. C. V. Alexander - Executive Director<br>Mr. N. B. Karpe<br>Mr. S. R. Pandit<br>Mr. H. A. Nagpal |
| **Group Chief Financial Officer** | Mr. S. M. Dixit |
| **Company Secretary & Executive VP – Legal** | Mr. U. C. Rege |
| **Bankers** | State Bank of India<br>Corporation Bank<br>DBS Bank Limited<br>ICICI Bank Limited<br>IDBI Bank Limited<br>Standard Chartered Bank<br>Union Bank of India |
| **Auditors** | G. M. Kapadia & Co.<br>Chartered Accountants<br>Mumbai |
| **Registered Office** | 66/67, Nariman Bhavan,<br>Nariman Point,<br>Mumbai - 400 021<br>Tel: 91-22-6624 6200 / 6624 6228<br>Fax: 91-22-2202 9364 |
| **Factories** | 17/17A, Thane Belapur Road, Turbhe,<br>Navi Mumbai - 400 703<br><br>Survey No. 10/2, Kharadpada,<br>Post Naroli, Silvassa,<br>Dadra and Nagar Haveli - 396 230 |
| **Share Transfer Agent** | Sharepro Services (India) Pvt. Ltd.<br>13 AB, Samhita Warehousing Complex,<br>Near Sakinaka Telephone Exchange,<br>Andheri-Kurla Road,<br>Sakinaka, Andheri (East),<br>Mumbai – 400 072<br>Tel: 91-22-6772 0300/6772 0400<br>Fax: 91-22-2859 1568<br>E-mail: sharepro@shareproservices.com |

# CONTENTS

Notice ..... 3

Directors' Report ..... 6

Corporate Governance ..... 12

Management Discussion and Analysis ..... 20

Auditors' Report ..... 23

Balance Sheet ..... 28

Statement of Profit and Loss ..... 29

Cash Flow Statement ..... 30

Notes to Financial Statements ..... 32

# Notice

NOTICE is hereby given that the **Fifty-Second Annual General Meeting** of the Members of **Savita Oil Technologies Limited** will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on **Saturday, 24th August 2013 at 11.00 A.M.** to transact the following business:

## Ordinary Business:

1. To receive and adopt the Audited Balance Sheet as at 31st March 2013, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. H. A. Nagpal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

## Special Business:

5. To consider and if thought fit, to pass with or without modifications, the following as **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Act, the re-appointment of Mr. C. V. Alexander as the Whole-time Director of the Company from 1st October 2013 up to 30th September 2014 on remuneration and perquisites and other terms and conditions as set out in the Agreement executed by the Company with Mr. C. V. Alexander be and is hereby approved and ratified."

   "**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration, perquisites and any other entitlements including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with the provisions of the Companies Act, 1956 or re-enactment thereof and/or Rules or Regulations framed there under and the terms of the aforesaid Agreement between the Company and Mr. C. V. Alexander shall be suitably modified to give effect to such variation or increase as the case may be."

6. To consider and if thought fit, to pass with or without modifications, the following as **Special Resolution:**

   "**RESOLVED THAT** in supersession of the Special Resolution passed on 9th September 2008, pursuant to provisions of Section 309 and other applicable provisions of the Companies Act, 1956, with effect from 1st April 2013, the Directors other than in the whole-time employment or the Managing Director of the Company, be paid remuneration by way of commission, a sum not exceeding one per cent per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956, subject to a ceiling of ₹3,00,000/- (Rupees Three Lakh only) each per annum in addition to sitting fees as permissible under the provisions of the Companies Act, 1956 and Rules framed there under."

By Order of the Board

Mumbai
26th July 2013

**U. C. Rege**
Company Secretary & Executive VP - Legal

## Notes:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **19.08.2013 to 24.08.2013** (both days inclusive).
4. The payment of dividend, if approved, will be made to the shareholders whose names stand on the Register of Members on **24.08.2013.** For shares held in the electronic form, dividend will be paid on the basis of beneficial ownership as per details received from the Depositories.

5. The shareholders are requested to
   (a) intimate, if shares are held in the same name or in the same order and names, but more than one folio to enable the Company to consolidate the said folios into one folio, and
   (b) notify immediately any change in their recorded address, along with pin code numbers, to the Company.
6. The shareholders are requested to forward shares for transfer and related communication to the Share Transfer Agent or to the Registered Office of the Company.
7. The shareholders seeking information on Accounts published herein are requested to kindly furnish their queries to the Company at least seven days before the date of the Meeting to facilitate satisfactory replies.
8. The shareholders who attend the Meeting are requested to fill in the attendance slip and deliver the same at the entrance of the Meeting hall. The shareholders holding shares in dematerialised form should indicate the DP ID and Client ID numbers in the attendance slip.
9. The shareholders are requested to bring their copy of the Annual Report to the Meeting.

By Order of the Board

Mumbai
26th July 2013

**U. C. Rege**
Company Secretary & Executive VP - Legal

## Explanatory Statement as required by Section 173 of the Companies Act, 1956

**Item No. 5**

The Board of Directors in its meeting held on 18th May 2013 re-appointed Mr. C. V. Alexander, as a Whole-time Director of the Company from 1st October 2013 up to 30th September 2014, subject to the approval of the Members by Special Resolution at the ensuing Annual General Meeting. Separate Agreement in this regard has been executed between the Company and Mr. C. V. Alexander on 26th July 2013.

The appointment of Mr. C. V. Alexander is subject to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act.

The terms and conditions as contained in the Agreement executed with **Mr. C. V. Alexander** are as under:

**Remuneration:**

(i) Salary: ₹1,20,000/- (Rupees One Lakh Twenty Thousand only) per month.

(ii) Perquisites and Allowances: As classified into three categories A, B & C as follows:

### Category A

(a) House Rent Allowance at the rate of 25% of the salary.

(b) Education Allowance and Special Allowance of ₹100/- and ₹4,500/- per month respectively.

(c) Medical Expenses Reimbursement:
Reimbursement of medical expenses incurred on himself and his family subject to a ceiling of 5% of the salary.

(d) Leave Travel Allowance:
For himself and his family once in a year in accordance with the Rules of the Company for the time being in force.

(e) Bonus as per the Rules of the Company.

(f) Performance Linked Incentive as per the Policy of the Company.

(g) Medical/Accident Insurance:
For himself and his spouse in accordance with the Rules of the Company.

### Category B

(a) Provident Fund:
Contribution to Provident Fund as per the Company's Rules applicable from time to time to the extent that this is not taxable under the Income Tax Act.

(b) Gratuity:
Gratuity shall be as per the Company Rules.

(c) Leave Entitlement & Encashment:
Leave entitlement shall be as per Company Rules. He shall be permitted to encash unavailed leave.

### Category C

(a) Conveyance:
Provision of car with reimbursement of salary for driver as per the Company's Policy for Company's business and personal use.

(b) Telephone:
Provision of telephone facility subject to he being billed for personal long distance calls.

Where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay to the Whole-time Director minimum remuneration as provided in Section II of Part II of Schedule XIII to the Companies Act, 1956 as notified from time to time.

This Notice along with Explanatory Statement be treated as Abstract of the terms of re-appointment of Mr. C. V. Alexander as the Whole-time Director of the Company as required under Section 302 of the Companies Act, 1956.

The appointment and remuneration of the Whole-time Director are required to be approved by the Shareholders in the ensuing General Body Meeting and accordingly this resolution is placed before the Members of the Company.

None of the Directors of your Company except Mr. C. V. Alexander is in any way concerned or interested in this Special Resolution.

The Agreement entered into between the Company and Mr. C. V. Alexander as well as the copy of the Memorandum and Articles of Association are available for inspection to the Members at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting or any adjournments thereof.

Your Directors recommend this Special Resolution for your approval.

**Item No. 6**

Section 309 of the Companies Act, 1956 permits the payment of remuneration to the Non-Whole-time Directors of a Company by way of commission not exceeding one percent of the net profits of the Company, if the Company authorizes such payment by a Special Resolution. In addition, Section 310 of the Companies Act, 1956 and Rules framed there under prescribe limits on payment of sitting fees to the Non-Whole-time Directors for attending Board meetings of the Company.

The Members of the Company had passed a Special Resolution on 9th September, 2008 approving the payment of remuneration by way of commission not exceeding one percent per annum of the net profits of the Company subject to a ceiling of ₹2,00,000/- per annum to each of the Non-Whole-time Directors.

It is now proposed that with effect from 1st April 2013, each of the Non-Whole-time Directors of the Company be paid a remuneration by way of commission not exceeding one percent of the net profits of the Company calculated in accordance with the provisions of the Act, subject to a ceiling of ₹3,00,000/- each per annum in addition to sitting fees for attending Board Meetings, in accordance with Section 310 of the Companies Act, 1956 and the Rules framed there under.

Mr. N. B. Karpe, Mr. H. A. Nagpal and Mr. S. R. Pandit, Non-Whole-time Directors of the Company may be deemed to be concerned or interested in the Resolution mentioned at Item No.6 of the Notice, to the extent of the remuneration that may be received by them.

Your Directors recommend this Special Resolution for your approval.

By Order of the Board

Mumbai
26th July 2013

**U. C. Rege**
Company Secretary & Executive VP - Legal

## Report of the Directors to the Members

Your Directors have pleasure in presenting the **Fifty-Second Annual Report**, together with the Audited Accounts for the year ended 31st March 2013.

### 1. Financial Results

₹ in lacs

| | Year ended 31.3.2013 | Year ended 31.3.2012 |
|---|---|---|
| Total Income | 2,01,248 | 1,92,136 |
| Profit before Depreciation & Tax | 11,919 | 12,545 |
| Depreciation | 2,514 | 2,520 |
| Exceptional Income | 5,650 | - |
| Profit before Tax | 15,055 | 10,025 |
| Provision for Taxation: | | |
| Current | 3,115 | 4,875 |
| Deferred | 1,607 | (1,653) |
| Profit for the year after Tax | 10,332 | 6,803 |
| Balance brought forward from previous year | 29,055 | 25,488 |
| Profit available for appropriation | 39,387 | 32,291 |
| Appropriations: | | |
| Proposed Dividend | 2,555 | 2,190 |
| Tax on Dividend | 434 | 355 |
| General Reserve | 1,050 | 690 |
| Balance carried to Balance Sheet | 35,348 | 29,055 |

### 2. Dividend

Your Directors are pleased to recommend a dividend of 175% (₹17.50 per equity share of ₹10/- each) for the year ended 31st March 2013 as against 150% for the previous year on the paid up Equity Share Capital of ₹1,460 lacs, resulting in an outgo of ₹2,990 lacs inclusive of dividend tax.

### 3. Operations

Your Company's sales turnover during the year 2012-13 touched a new high of ₹2,21,789 lacs against ₹2,11,757 lacs in the year 2011-12 resulting in a growth of about 5%. The sales volume also increased to 2,71,521 KLS/MTs during 2012-13 as against 254,799 KLs/MTs achieved in 2011-12 showing an increase of 6.5% in line with the increase in sales turnover. The net profit of the Company increased to ₹10,332 lacs as against ₹6,803 lacs for the previous year, recording an increase of 52%. This profit included the compensation received from Idemitsu Lube India Pvt. Ltd. (ILIN) on account of premature termination of the Technical Collaboration Agreement for Idemitsu Products during the year.

During the Financial Year 2012-13, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated a total of 94.81 MU against 85.61 MU generated in the previous year. During the year under review, your Company did not find any suitable sites for installing any additional wind mills. As a result, the total installed capacity in Wind Power sector of your Company continues to stand 48.15 MW.

On 2nd May 2013 your Company's Technical Collaboration Agreement for Genuine Products with ILIN was also terminated. This termination will take effect after 180 days from the date of the notice of termination. Your Company has to further inform that termination of this agreement would marginally impact the sales volume of your Company. This impact would be around 6% (six percent) of the total sales volume of the Company for the Financial Year 2012-13.

### 4. New Plant in Silli, Silvassa

Your Company is in the process of setting up a new green field manufacturing facility at Silli in Silvassa, in the Union Territory of Dadra & Nagar Haveli. This ultra modern facility will be amongst the most sophisticated plants of its kind for the manufacture of petroleum specialty oils in India. This project has been initiated to meet the rising demand for your Company's products. The said plant with an annual licensed production capacity of 1,50,000 MT for manufacture of petroleum specialty products shall serve to augment the overall manufacturing capacity of your Company. The said facility is expected to be operational from August, 2013.

## 5. Fixed Deposits

The Company has no overdue / unpaid fixed deposits.

## 6. Research and Development

A note on the R & D activities and Technology Absorption is given in Form `B' by way of an Annexure to this Report.

## 7. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information pursuant to Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is furnished by way of **Annexure** to this Report.

## 8. Directors

Your Company's Director, Mr. H. A. Nagpal retires by rotation u/s 256 of the Companies Act, 1956 and being eligible, offers himself for re-appointment.

In its meeting held on 18th May 2013, the Board of Directors re-appointed Mr. C. V. Alexander as the Whole-time Director of your Company. His re-appointment as the Whole-time Director of the Company is subject to the approval of the members at the ensuing Annual General Meeting. Relevant item of the Notice along with the Explanatory Statement be treated as Abstract of the terms and conditions under Section 302 of the Companies Act, 1956 of Mr. C. V. Alexander's appointment.

The Board of Directors recommends their re-appointments as Directors of the Company.

Your Directors with profound grief have to inform you about the sad demise of Mrs. Swaran N. Mehra on 22nd November 2012. She was one of your Company's longest serving Directors and had contributed immensely to the growth of the Company for more than 33 years from 6th December 1976 till she retired on 9th December 2009. Your Directors pay rich tributes to her valuable work and contributions to your Company.

## 9. Corporate Governance

A statement on Corporate Governance along with the Auditors' Certificate regarding its compliance and Management Discussion and Analysis are given separately as part of the Annual Report.

## 10. Transfer to Investor Education and Protection Fund

During the year, your Company has transferred a sum of ₹5.86 lacs to the Investor Education and Protection Fund, which was the dividend amount due and payable for the year 2004-05 and remained unclaimed and unpaid for a period of 7 years, as provided in Section 205A(5) of the Companies Act, 1956.

## 11. Risk Assessment and Management

Your Company has been on a continuous basis reviewing and streamlining its various operational and business risks involved in its business. Your Company also takes all efforts to train its manpower from time to time to handle and minimise these risks.

## 12. Directors' Responsibility Statement

In accordance with the requirements of Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors of the Company hereby confirm that:

(i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) 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 as at 31st March 2013 and profit for the year ended on that date;

(iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) the Directors have prepared the Annual Accounts on a 'going concern` basis.

## 13. Auditors

M/s. G. M. Kapadia & Co., Chartered Accountants, retire at the conclusion of this Annual General Meeting and are eligible for re-appointment.

## 14. Particulars of Employees

The information required to be published under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended is given in the **Annexure** to this Report.

## 15. Listing

Your Company's shares continue to be listed on BSE Limited and National Stock Exchange of India Limited. The Listing Fees to these two Stock Exchanges for the year 2013-14 have been paid by your Company on time.

## 16. Acknowledgements

Your Directors are pleased to record their sincere gratitude to your Company's bankers, financial institutions, agents and business associates as well as employees at all levels for their valuable support and co-operation extended at all times. Your Directors also appreciate the confidence and faith reposed in them by the shareholders.

For and on behalf of the Board

Mumbai
18th May 2013

**Gautam N. Mehra**
Chairman & Managing Director

## Annexure to the Directors' Report

Particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

### A. Conservation of Energy:

a) Energy Conservation Measures Taken -

Electrical unit consumption reduced by:

- Replacing 40 HP Blending Pump's Motor with new Pump-Motor of 7.5 HP for Oil Tanks.
- Replacing HPSV lamps with metal halide in Tank Farm area & street lights in the Plant.
- Maintaining Power Factor all the time at unity and availed cash incentive from MSEB.
- Installing 100 KVA voltage stabilizer for Plant & street lighting load, which reduced lighting power consumption by 12%.

b) Impact of the above Measures

The above energy conservation measures have helped to reduce the overall energy consumption and fuel usage for the Company.

c) Additional Investments and Proposal for reduction in Consumption of Energy

Plan to further replace 40 HP Pump Motors with new 10 HP Pump Motors for Oil Tanks.

d) Total Energy Consumption and Energy Consumption per Unit of Production

Form 'A' enclosed.

### B. Technology Absorption

Efforts made for technology absorption are detailed in Form `B'.

### C. Activities relating to Exports

The export turnover of your Company (FOB value) was ₹34,257 lacs in the year 2012-13 as against ₹31,188 lacs in the year 2011-12 resulting in a growth of 9.84%. Your Company could achieve this growth by exploring new markets and continually strengthening its position in existing markets.

### D. Total Foreign Exchange used and earned

| | | ₹ in lacs |
|---|---|---|
| (i) | CIF Value of Imports | 116,786 |
| (ii) | Expenditure in Foreign Currency | 960 |
| (iii) | Foreign Exchange earned | 35,521 |

### E. Particulars of Employees

Statement of particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2013:

| Sr. No. | Name of Employee | Age | Designation | Gross Remuneration (₹) | Qualification | Experience (in years) | Date of joining | Previous Employment/ Position held |
|---|---|---|---|---|---|---|---|---|
| 1 | Mr. Gautam N. Mehra | 51 | Chairman and Managing Director | 1,65,39,666 | B.E. (Chem), M.B.A., Univ. of California (Berkeley) | 30 | 1.12.1983 | Marketing Executive – Mehra Trading & Investment Company Pvt. Ltd. |
| 2 | Mr. M. K. Wazir | 64 | President - Marketing | 65,86,526 | B.Sc., Chief Engineer (Marine) | 40 | 1.6.1994 | Senior Manager (Marketing) Pennzoil India Ltd. |

**Notes:**

1. Remuneration includes basic salary, allowances, commission paid, Company's contribution to Provident Fund and other perquisites valued in accordance with the Income Tax Rules, 1961.
2. The Company has contributed an appropriate amount to the Gratuity Fund on actuarial valuation. As the employee-wise break-up of contribution is not available, the same is not included above.
3. Experience includes number of years' service elsewhere.
4. The nature of employment is contractual and is governed by the rules and regulations of the Company in force from time to time.
5. None of the above persons are related to each other in any way.

FORM - A

## Disclosure of Particulars with respect to Conservation of Energy

| Particulars | 2012-13 | 2011-12 |
|---|---|---|
| **A. Power & Fuel Consumption** | | |
| **1. Electricity** | | |
| a. Purchased units (million) | 2,432 | 2,300 |
| Total amount (₹ in lacs) | 151.75 | 129.12 |
| Average rate/unit (₹) | 6.24 | 5.61 |
| b. Own Generation | | |
| i) Through Diesel Generation | 2,4371 | 67,780 |
| Units per litre of diesel oil | 2.73 | 3.13 |
| Average cost/ unit (₹) | 17.38 | 13.94 |
| ii) Through Steam Turbine Generators | – | – |
| iii) Through Wind Turbines | | |
| Units (million) | – | – |
| Total amount (₹ lacs) | – | – |
| Average rate/unit (₹) | – | – |
| **2. Coal** | – | – |
| **3. Furnace Oil** | | |
| Quantity (KL) | 26 | 79 |
| Total amount (₹ in lacs) | 12.51 | 32.60 |
| Average rate (₹ per KL) | 48,660 | 41,134 |
| **4. Others** | – | – |

**B. Consumption Per Unit of Production**

| Particulars | Year | Transformer Oil | Liquid Paraffins | Lubricating Oils | Others |
|---|---|---|---|---|---|
| Electricity (KWH) | 2012-13 | 5 | 15 | 7 | 5 |
| | 2011-12 | 5 | 15 | 7 | 5 |
| Furnace Oil (in litres) | 2012-13 | – | – | – | – |
| | 2011-12 | – | 1 | – | – |

**FORM - B**

## Disclosure of Particulars with respect to Technology Absorption, Research and Development

### 1. Specific areas in which R & D Carried Out

R & D continued to make further improvements in formulations for Transformer Oils used for Ultra High Voltage Transformers as well as White Oils. Analytical techniques were also further developed in line with International Standards.

### 2. Benefits derived

The work resulted in steady commercial supplies of High Grade Oils for more demanding applications for customers like Power Grid Corporation of India Limited. The work also resulted in supply of high quality products for exports.

### 3. Future plan of action

R & D will do further work on developing formulations as well as new analytical methods to support Transformer Oil and White Mineral Oil businesses.

### 4. Expenditure on Research and Development

| | | ₹ in lacs |
|---|---|---|
| a) | Capital | 84.08 |
| b) | Recurring | 136.96 |
| | Total | 221.04 |
| | Total R & D expenditure as % of turnover | 0.10 |

### 5. Technology Absorption

Both Transformer Oil and White Oil businesses have immensely benefited in terms of stable commercial supply of quality products.

For and on behalf of the Board

Mumbai
18th May 2013

**Gautam N. Mehra**
Chairman & Managing Director

## Corporate Governance

Report on Corporate Governance for the year 2012-13 is as under-

### 1. Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance envisages the attainment of highest level of transparency and accountability in the overall functioning of the Company to attain its objectives. The internal systems and policies adopted by the Company are within accepted standards for attaining better performance in the functioning of the Company and the conduct of its business. The policies adopted by the Company are ensuring protection of interest of the various constituents such as shareholders, customers, suppliers, creditors, government and employees. The Company is in compliance with the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

### 2. Board of Directors

The Company's Board consists of Directors who are experienced professionals with a Managing Director heading the business, one non-promoter Executive Director and three non-promoter non-executive independent Directors.

All the Directors on the Company's Board are adequately experienced and have expertise and skills necessary to manage the affairs of the Company in the most efficient manner.

The composition and category of the Directors on the Board of the Company are:

| Director | Category | No. of outside Directorships | No. of outside Committee Memberships |
|---|---|---|---|
| Mr. G. N. Mehra | Executive-CMD/Promoter | 9 | - |
| Mr. C. V. Alexander | Non-Promoter-Executive | 2 | - |
| Mr. N. B. Karpe | Non-Promoter Non-Executive-Independent | 13 | - |
| Mr. S. R. Pandit | Non-Promoter Non-Executive-Independent | 1 | 1 |
| Mr. H. A. Nagpal | Non-Promoter Non-Executive-Independent | 5 | - |

**Particulars of Directors seeking re-appointment are given below-**

| Director | Mr. H. A. Nagpal | Mr. C. V. Alexander |
|---|---|---|
| Date of Birth | 02.11.1961 | 29.5.1935 |
| Qualification | B.E., M.B.A. | M.A., LL.B. |
| Experience | Over 28 years in service | Over 49 years in service |
| Other Directorships | 1. Tata Sky Ltd.<br>2. OnMobile Global Ltd.<br>3. Vox Mobili, France<br>4. OnMobile SA, France<br>5. OnMobile Global for Tele-communication Services, Egypt | 1. Savita Polymers Ltd.<br>2. Kurla Investment & Trading Co. Pvt. Ltd. |

**Number of Board Meetings with dates**

During the period 1st April 2012 to 31st March 2013, the Board met 4 times. The Board Meetings were held on 30th May 2012, 21st July 2012, 3rd November 2012 and 29th January 2013.

**Attendance of Directors at the Board Meetings held during 2012-13 and the last Annual General Meeting**

| Name of the Director | Attendance No. of meetings held during the tenure of Directors | | Last AGM attended |
|---|---|---|---|
| | Held | Attended | |
| Mr. G. N. Mehra | 4 | 4 | Yes |
| Mr. N. B. Karpe | 4 | 4 | Yes |
| Mr. S. R. Pandit | 4 | 4 | Yes |
| Mr. C. V. Alexander | 4 | 4 | No |
| Mr. H. A. Nagpal | 4 | 4 | Yes |

**Details of remuneration paid/to be paid (₹ in lacs) to the Directors for the year 2012-13**

| Director | All elements of remuneration package taken together | Sitting fees | Commission* |
|---|---|---|---|
| Managing Director | | | |
| Mr. G. N. Mehra | | | |
| Salary | 36.00 | | |
| Perquisites | 27.77 | | |
| Contribution to PF | 4.03 | | 148.86 |
| Mr. C. V. Alexander | | | |
| Salary | 12.27 | | |
| Perquisites | 11.49 | | |
| Contribution to PF | 1.47 | | |
| Non-executive Directors | | | |
| Mr. N. B. Karpe | - | 0.80 | 2.00 |
| Mr. S. R. Pandit | - | 0.80 | 2.00 |
| Mr. H. A. Nagpal | - | 0.80 | 2.00 |

*Subject to approval of shareholders.

**Gist of Contract to be executed with Mr. C. V. Alexander, Whole-time Director**

The Board of Directors at its meeting held on 18th May 2013, re-appointed Mr. C. V. Alexander as the Whole-time Director of the Company for a period from 1st October 2013 to 30th September 2014, subject to the approval of the shareholders at the ensuing Annual General Meeting. The terms and conditions and the remuneration payable to Mr. C. V. Alexander shall be detailed in the Notice and Explanatory Statements thereto.

**Information placed before the Board**

- Minutes of Audit Committee meetings.
- Minutes of Shareholders' Grievances Committee meetings.
- Labour Relations.
- Major investments and projects to be taken up.
- Disclosures of materially significant related party transactions, if any.
- Compliance with regulatory and statutory requirements including listing requirements and shareholders' services.
- Details of show cause, demand, prosecution and penalty notices, if any, which are material in nature.
- Material default, if any, in financial obligation to and by the Company and substantial non-payment of goods sold by the Company.
- Sale of significant investments and assets.

## 3. Committees of the Board

In terms of the SEBI Code, the Board of the Company has constituted the following Committees:

Audit Committee

The Audit Committee consists of the following Directors –

| | | |
|---|---|---|
| Mr. S. R. Pandit | - | Chairman |
| Mr. N. B. Karpe | - | Member |
| Mr. H. A. Nagpal | - | Member |

The broad terms of reference of Audit Committee are as under:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment/re-appointment of external/internal auditors, tax auditors, fixation of audit fees, etc.
- Review of annual financial statements.

- Review of quarterly/half yearly un-audited financial results.
- Review of adequacy of internal control system and the internal audit programme.
- Reviewing the Company's financial and risk management policies.

The Audit Committee met four times (30th May 2012, 21st July 2012, 3rd November 2012 and 29th January 2013) during the year 2012-13.

**Attendance of Director Members at the Audit Committee Meetings**

| Names of Director Members | Attended |
|---|---|
| Mr. S. R. Pandit | 4 |
| Mr. N. B. Karpe | 4 |
| Mr. H. A. Nagpal | 4 |

**Shareholders' Grievances Committee**

The following are the members of this Committee:

Mr. N. B. Karpe - Chairman (Non-Executive Independent Director)

Mr. S. R. Pandit - Member (Non-Executive Independent Director)

Mr. G. N. Mehra - Member (Managing Director)

The Committee met four times (30th May 2012, 21st July 2012, 3rd November 2012 and 29th January 2013) during the year 2012-13.

**Attendance of Director Members at the Meetings**

| Names of Director Members | Attended |
|---|---|
| Mr. N. B. Karpe | 4 |
| Mr. S. R. Pandit | 4 |
| Mr. G. N. Mehra | 4 |

**Details of Shareholders' Grievances and their redressal**

| Sr. No. | Type | Received | Cleared |
|---|---|---|---|
| 1. | Transfers/Transmissions/Name Correction | 30 | 30 |
| 2. | Non-receipt of Dividend Warrants | 31 | 31 |
| 3. | De-materialisation | 0 | 0 |
| 4. | Others | 128 | 128 |

The Company has resolved most of the Shareholders' grievances/correspondences within a period of 15/30 days from the date of receipt of the same during the year 2012-13 except in cases which are constrained by disputes and legal impediments.

## 4. General Body Meetings

Location and time where General Body Meetings held in the last three years are given below:-

| Year | AGM/EGM | Location | Date | Time |
|---|---|---|---|---|
| 2011-12 | AGM | M. C. Ghia Hall, Mumbai | 18.8.2012 | 11.00 AM |
| 2010-11 | AGM | M. C. Ghia Hall, Mumbai | 17.9.2011 | 11.00 AM |
| 2009-10 | AGM | M. C. Ghia Hall, Mumbai | 22.7.2010 | 03.30 PM |

## 5. Disclosure on Materially Significant Related Party Transactions (with Promoters, Directors, Management, their Subsidiaries or relatives etc.) which may have potential conflict with the Interest of the Company at large

There were no such transactions having material significance during the year.

## 6. Non-Compliance by the Company, Penalties, Strictures Imposed on the Company by Stock Exchanges/SEBI, in the last three years

None

## 7. Means of Communications

This is being done through quarterly results, which are published in national English (Business Standard all editions and Free Press Journal Mumbai edition) and Marathi (Navshakti and Lokmat -Mumbai) daily newspapers.

The financial results are also displayed on the Company's Website www.savita.com.

## 8. General Shareholder Information

| | | |
|---|---|---|
| A. Date of Book closure | : | 19.8.2013 to 24.8.2013 |
| B. Date and venue of AGM | : | 24.8.2013 at 11.00 a.m. at M. C. Ghia Hall,<br>Bhogilal Hargovindas Building, 4th Floor, 18/20,<br>Kaikhushru Dubhash Marg, Mumbai – 400 001 |
| C. Dividend Payment (Equity) | : | 175% on Equity shares. Warrants for final dividend will be dispatched before 23.9.2013 if the Dividend is approved at the Annual General Meeting. |
| D. Listing on Stock Exchanges in India | : | BSE Limited<br>Phiroze Jeejeebhoy Towers, Dalal street,<br>Mumbai – 400 001<br>Stock Code: 524667<br><br>National Stock Exchange of India Limited<br>Exchange Plaza, 5th Floor, Plot No. C/1,<br>G Block, Bandra Kurla Complex, Bandra (East),<br>Mumbai – 400 051<br>Stock Code: SOTL – EQ |
| E. Status of Listing Fees | : | Paid to BSE Limited and<br>National Stock Exchange of India Limited for 2013-14 |
| F. Registered office | : | 66/67, Nariman Bhavan,<br>Nariman Point, Mumbai – 400 021<br>Tel: 91-22-6624 6200 / 6624 6228<br>Fax: 91-22-2202 9364 |
| G. Works | : | 17/17A, Thane Belapur Road,<br>Turbhe, Navi Mumbai – 400 705<br>Tel: 91-22-2768 1521 / 6768 3500<br>Fax: 91-22-2768 2024<br><br>Survey No.10/2 Kharadpada,<br>Post Naroli, Silvassa,<br>Dadra and Nagar Haveli – 396 230<br>Tel: 0260-320 4003<br>Fax: 0260-265 0182 |
| H. Depositories | : | National Securities Depository Ltd.<br>4th Floor, Trade World,<br>Kamala Mills Compound,<br>Senapati Bapat Marg,<br>Lower Parel, Mumbai – 400 013<br><br>Central Depository Services (India) Ltd.<br>Phiroze Jeejeebhoy Towers,<br>20th Floor, Dalal Street,<br>Mumbai – 400 001 |

**9. Share transfer in physical form and other communication regarding share certificates, dividends and change of address etc. to be sent either to -**

Savita Oil Technologies Limited
66/67 Nariman Bhavan,
Nariman Point,
Mumbai – 400 021
Tel: 91-22-6624 6200 / 6624 6228
Fax: 91-22-2202 9364
E-mail: legal@savita.com

or

Sharepro Services (India) Pvt. Ltd.
13 AB, Samhita Warehousing Complex,
Near Sakinaka Telephone Exchange,
Andheri-Kurla Road,
Sakinaka, Andheri (East),
Mumbai – 400 072
Tel: 91-22-6772 0300/6772 0400
Fax: 91-22-2859 1568
E-mail: sharepro@shareproservices.com

## 10. Share Transfer System

Transfer of Shares in physical form is generally registered and certificates are returned within a period of 15 days from the date of receipt of the documents clear in all respects. Similarly the dematerialisation requests are also processed within a period of 15 days. The Shareholders' Grievances Committee meets as often as required. The total number of shares transferred in physical and dematerialised form during the year 2012-13 are as follows:

| Category | Requests received | Requests attended | Shares received | Shares processed and settled |
|---|---|---|---|---|
| Physical | 21 | 14 | 3,255 | 2,192 |
| Dematerialised | 81 | 68 | 15,261 | 11,666 |

## 11. Distribution of Shareholdings as on 31st March 2013

| No. of Equity Shares held | No. of Share Holders | % of Share Holders | No. of Shares | % of Share Holding |
|---|---|---|---|---|
| Up to 500 | 8,561 | 94.036 | 9,50,844 | 6.512 |
| 501-1,000 | 279 | 3.065 | 2,13,958 | 1.465 |
| 1,001-2,000 | 142 | 1.56 | 2,13,983 | 1.465 |
| 2,001-3,000 | 29 | 0.319 | 74,312 | 0.509 |
| 3,001-4,000 | 21 | 0.231 | 74,070 | 0.507 |
| 4,001-5,000 | 9 | 0.099 | 40,287 | 0.276 |
| 5,001-10,000 | 25 | 0.275 | 1,72,308 | 1.180 |
| 10,001-Above | 38 | 0.417 | 1,28,62,321 | 88.086 |
| **Total** | **9,104** | **100** | **1,46,02,083** | **100.000** |

## 12. Categories of Shareholdings as on 31st March 2013

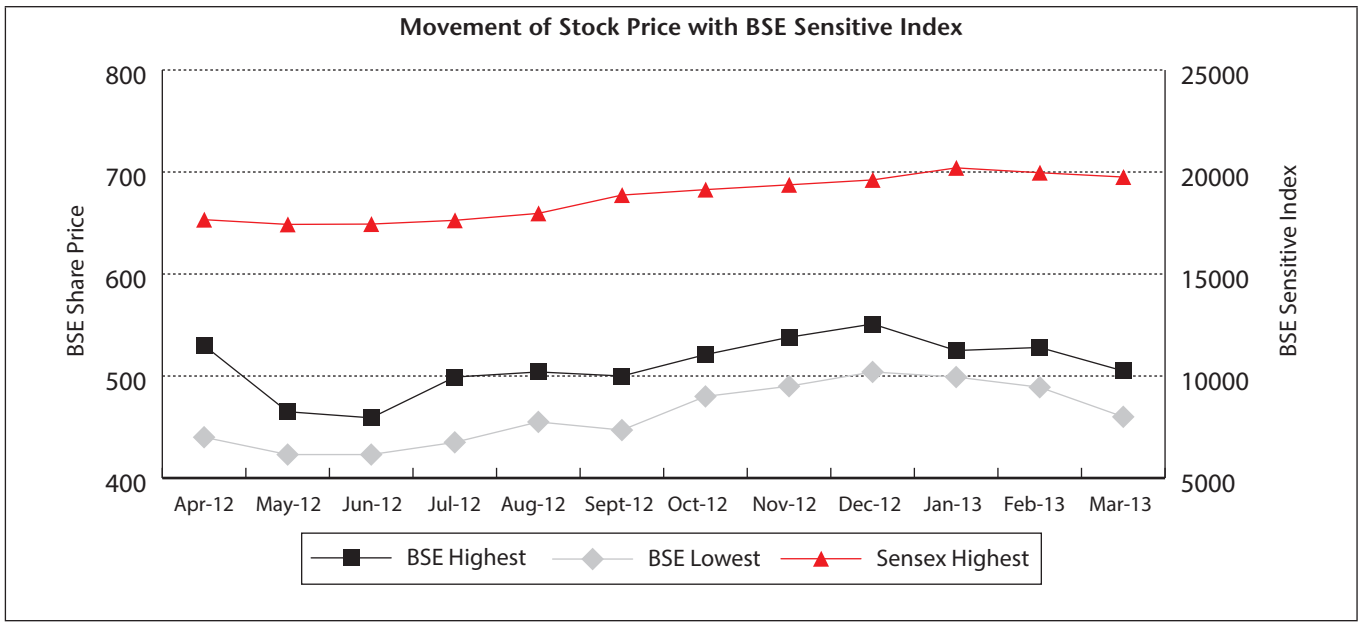
| Category | No. of Share Holders | Voting Strength % | No. of Shares held |
|---|---|---|---|
| Overseas Corporate Bodies | - | - | - |
| Non-resident Individuals | | | |
| On non-repatriable basis | 36 | 0.134 | 19,579 |
| On repatriable basis | 149 | 0.190 | 27,668 |
| FIIs | 4 | 4.105 | 5,99,339 |
| Promoters, Directors | 24 | 71.562 | 1,04,49,513 |
| Banks/Mutual Funds/Public Financial Institutions/Trusts/ | | | |
| Other Bodies Corporate | 285 | 11.180 | 16,32,300 |
| Resident Individuals | 8606 | 12.832 | 18,73,684 |
| **Total** | **9,104** | **100** | **1,46,02,083** |

## 13. Dematerialisation of Shares

The Company's shares are compulsorily traded in dematerialised form as per SEBI guidelines. As on 31st March 2013, 1,43,27,917 shares aggregating to 98.12% of equity shares of the Company have been dematerialised. The Company's ISIN is **INE035D01012**.

## 14.Stock Market Prices

| Month | BSE | | NSE | | BSE SENSEX | |
|---|---|---|---|---|---|---|
| | Highest (₹) | Lowest (₹) | Highest (₹) | Lowest (₹) | Highest | Lowest |
| April 2012 | 530 | 440 | 473 | 442 | 17,664 | 17,010 |
| May 2012 | 465 | 423 | 505 | 415 | 17,432 | 15,809 |
| June 2012 | 459 | 423 | 454 | 416 | 17,448 | 15,748 |
| July 2012 | 499 | 435 | 501 | 436 | 17,631 | 16,598 |
| August 2012 | 504 | 455 | 540 | 444 | 17,972 | 17,026 |
| September 2012 | 500 | 447 | 504 | 447 | 18,869 | 17,250 |
| October 2012 | 521 | 480 | 523 | 476 | 19,137 | 18,393 |
| November 2012 | 538 | 490 | 536 | 491 | 19,372 | 18,255 |
| December 2012 | 551 | 504 | 551 | 502 | 19,612 | 19,149 |
| January 2013 | 525 | 499 | 529 | 499 | 20,203 | 19,508 |
| February 2013 | 528 | 489 | 514 | 485 | 19,966 | 18,793 |
| March 2013 | 505 | 460 | 524 | 460 | 19,754 | 18,568 |




## 15.Financial Calender 2013-14

Financial Reporting for the first quarter ending June 30, 2013 - last week of July, 2013.
Financial Reporting for the second quarter and half year ending September 30, 2013 - last week of October 2013.
Financial Reporting for the third quarter ending December 31, 2013 - last week of January, 2014.
Financial Reporting for the fourth quarter ending March 31, 2014 - last week of April, 2014.
Audited Accounts for the year ending March 31, 2014 - last week of May, 2014.
Annual General Meeting for the year ending March, 2014 – first/second week of August/ September, 2014.
The website of the Company is *www.savita.com*

For and on behalf of the Board

Mumbai
18th May 2013

**Gautam N. Mehra**
Chairman & Managing Director

## Certification by the Chairman & Managing Director and the Group Chief Financial Officer (CFO)

We, Gautam N. Mehra, Chairman & Managing Director and Suhas M. Dixit, Group Chief Financial Officer of Savita Oil Technologies Limited certify to the best of our knowledge and belief that –

1. We have reviewed the Balance Sheet and Statement of Profit and Loss along with Notes to the Accounts, Cash Flow Statements and the Directors' Report for the FY 2012-13;
2. These statements do not contain any untrue statement of a material fact or any omission to state a material fact on the statements made;
3. The financial statements and other financial information contained thereon in this Report present a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the period ending 31st March 2013. These statements and other information presented in the Report are in compliance with the existing accounting standards and applicable laws and regulations as on the closing date;
4. No transactions entered into by the Company during the year are in contravention with the applicable laws and regulations, fraudulent, or in breach of the Company's Code of Conduct;
5. We are responsible for establishing and maintaining controls and procedures on disclosure as well as internal control over financial reporting for the Company, and we have:
   a) designed such controls and procedures so as to ensure the material information relating to the Company is made available to us by others during the period in which this Report is being prepared;
   b) designed such internal control over financial reporting with a view to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the current year.

Mumbai
18th May 2013

**S. M. Dixit**
Group Chief Financial Officer

**Gautam N. Mehra**
Chairman & Managing Director

## Corporate Governance Compliance Certificate

To the Members of Savita Oil Technologies Limited,

We have examined the compliance of conditions of Corporate Governance by Savita Oil Technologies Limited for the year ended 31st March 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 state that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned clause of the Listing Agreement.

We state that no Investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' Grievance Committee except in cases which are constrained by disputes and legal impediments.

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 **G. M. Kapadia & Co.**
Chartered Accountants
Firm Registration No : 104767W

**Rajen Ashar**
Partner
Membership No. 48243

Mumbai
18th May 2013

## Management Discussion and Analysis

Pursuant to Clause 49 of the Listing Agreement, Management Discussion and Analysis covering segment-wise performance and outlook is given below:

### A. Industry Structure and Development

#### I. Petroleum Products:

Three product groups, namely - Transformer Oils, Liquid Paraffins / White Oils and Lubricating Oils form this segment for your Company. The main raw material is Base Oils for all of these product groups which are imported from various parts of the world and are also sourced domestically to some extent. These Base Oils are basically refined fractions derived from Crude Oils.

The development, growth and expansion of the power generation and transmission infrastructure in the country generally decide the demand for Transformer Oils, whereas the demand for cosmetics, pharmaceuticals and personal care products decides the prospects for Liquid Paraffins and White Oils.

Three sectors constitute the Lubricant Products market which are Automotive, Industrial and Marine sectors. The general industrial and economic conditions in the country decide the demand for this sector. The personal and commercial transportation and agricultural equipment categories of the automobile sector decide the demand for the automotive lubricants. The scope for industrial & marine lubricants is decided by the extent of industrial activity and general economic environment.

The Petroleum Products segment is fiercely competitive because of the presence of both domestic and multinational companies therein.

#### II. Wind Power:

Indian power sector is facing challenges and despite significant growth in generation over the years, it continues to suffer from shortages and supply constraints. In 2012, despite a slowing global economy, India's electricity demand continued to rise. India's electricity demand is projected to triple between 2005 and 2030.

Power generation is the harbinger of economic growth and industrial development of any country. India is a major consumer of energy due to the rapid economic growth and large population. India's energy basket has a mix of all the resources available including renewables. The dominance of coal in the energy mix is likely to continue in foreseeable future. Wide spread use of coal and other fossil fuels have led to accumulation of the enormous amount of carbon dioxide and a resultant global warming in the earth's atmosphere. Renewable energy technologies based on the inexhaustible resources of sunlight, wind, water and biomass are considered to offer sustainable energy alternatives to a world beset by serious environmental problems and volatile fossil fuel prices.

During the year India has added wind power installed capacity of 1.7 GW against 3.2 GW capacity additions during the previous year. This reduction was due to withdrawal of accelerated depreciation benefit and GBI (Generation Based Incentive) scheme on 31.03.2012 by Government of India (GoI). The cumulative installed capacity as on 31.03.2013 for wind energy in India stands at 19 GW out of the total renewable energy installed capacity of 28 GW.

### B. Opportunities and Threats

#### I. Petroleum Products:

World Bank has recently scaled down India's growth forecast to 6.1% for the current fiscal from 7% projected six months ago. The decline in the growth forecast is largely due to the decline in agriculture sector which is expected to grow at 2% during 2013-14 against the previous estimate of 2.7% despite normal monsoon projection.

A slow recovery is likely to shape up in 2013-14 with progressive implementation of some of the reforms announced since mid-September 2012. These include, inter alia, liberalisation of FDI in multi-brand retail, amendment of the Banking Regulation Act and the setting up of the Cabinet Committee on Investments chaired by the Prime Minister to expedite decisions on approvals/clearances for implementation of mega projects.

However, the increasing current account deficit, volatile foreign exchange scenario, high inflationary pressures and volatile crude oil prices all would be required to be managed prudently which in turn would decide the fate of the Indian economy going forward.

#### II. Wind Power:

This year the power sector has witnessed acute coal and gas shortage resulting in increase of imports of the same. High volatility in availability and increase in cost of conventional fuels have resulted in stoppage of power plants. Due to

difficulties in running hydel power projects and local resistance to installation of new nuclear power plants, there is little alternative but to promote renewable power. The National Action Plan on Climate Change (NAPCC) has also given emphasis on renewable power and envisaged 20% Renewable Energy penetration in the grid by 2020.

GoI in order to promote renewable power penetration has taken several steps such as reintroduction of GBI scheme, increase in FIT (Feed in Tariff), extension of 80 IA benefit and introduction of sectoral finance for Renewable Projects by Public Sector Banks.

In spite of Wind power being a mature and scalable clean energy technology, the installation of wind power in the country faces various challenges such as poor grid availability, financial health of the DISCOMs, delays in acquiring land due to local issues and obtaining statutory clearances, weak RPO enforcement and resistance to Open Access by State Electricity Boards.

## C. Segment-wise Performance

### I. Petroleum Products:

The sales volume of the products in this sector grew by 6.5% during the year 2012-13 to 2,71,521 KLs/MTs as against 2,54,799 KLs/MTs in the previous year resulting in sales turnover of ₹2,21,789 lacs during the year under review as against ₹2,11,757 lacs in the previous year recording a growth of 5%. This sector could not show significant growth primarily due to the weakening economy and sharp depreciation of the Rupee against the US Dollar coupled with the volatile crude oil prices during the year under review.

### II. Wind Power:

Your Company did not add any Wind Power Project during the year. The total installed capacity in Wind Power Division of your Company stands at 48.15 MW.

During the Year 2012-13, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated 94.81 MU against 85.61 MU generated in the previous year with an average PLF of 22%.

During the year, National Load Dispatch Centre (NLDC), the central nodal agency for the Renewable Energy Certificate (REC) scheme issued 10,117 RECs to your Company's 8 MW capacity Wind Power Projects in Maharashtra and Tamil Nadu. The RECs are traded on the IEX (Indian Energy Exchange) Power Exchange.

Also during the year, your Company's 5 MW Wind Power Project situated in the state of Tamil Nadu has been registered with UNFCCC (United Nations Framework Convention on Climate Change) under CDM. This project is expected to generate approximately 8,200 CERs annually for a period of 10 years. Your Company's total wind power capacity registered with UNFCCC under CDM now stands at 22.70 MW.

## D. Future Outlook

### I. Petroleum Products:

Inspite of a somewhat gloomy economic scenario, demand for Transformer Oil in the year 2013-14 will continue to grow considering the fact that the power sector continues to show growing demand. However, the volatile crude oil prices, slowing automotive sector and the rapidly depreciating rupee could dampen the demand for the Lubricant Products. The discretionary spending capacity of the general masses may be curtailed considering the overall economic scenario, which in turn may affect the growth potential for Liquid Paraffins and White Oils.

### II. Wind Power:

As the economy moves to a higher growth trajectory, India's success in resolving energy bottlenecks therefore remains one of the key challenges in achieving the projected growth targets. By 2030, the total installed power generation capacity from various sources is likely to increase to 400 GW from present 200 GW. Clean and sustainable renewable energy is expected to play a vital role in this increase in the installed capacity.

Some of the key developments for the future are scheduling and forecasting of wind power as per IEGC (Indian Electricity Grid Code) 2010 in order to integrate renewable energy with the national grid, repowering of old wind turbines with latest MW series WTG (Wind Turbine Generator) and development of Offshore wind technology.

## E. Internal Control Systems and their Adequacy

The Company has a structured system of internal controls to ensure compliance with applicable statutory laws and regulations as also internal policies. The Company has an Internal Audit Department which carries out extensive audits round the year covering various facets of the Company's business. The Company has in place the following mechanism amongst other systems:

a. Regular reporting by the Internal Audit Department to the Audit Committee and in turn to the Board of Directors of the Company to ensure accuracy, reliability and consistency of records, systems and procedures;

b. Quarterly reviews of performance of each division by senior and top management;

c. Regular reporting to the Board on investor related matters as well as fulfillment of SEBI Listing Agreement requirements and other Corporate Laws;

d. All plants are linked and operating on SAP ERP system since many years.

## F. Material Developments in Human Resources/Industrial Relations

Peace and harmony prevailed in the industrial relations in the Company during the year. The Company believes in training its employees at all levels by implementing in-house training programs regularly and also by encouraging them to attend outside training and related events. The Company as in the past was successful in maintaining cordial and peaceful relations with its employees at all levels during the year under review.

For and on behalf of the Board

Mumbai
18th May 2013

**Gautam N. Mehra**
Chairman & Managing Director

# Auditors' Report

To the members of **Savita Oil Technologies Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Savita Oil Technologies Limited** which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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.

**Auditors' Responsibility**

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 auditor's 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**

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:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
2. in the case of the Statement of Profit and Loss, of the profits for the year ended on that date;
3. 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**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India 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.
2. 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

(e) On the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Regn. No: 104767W

Rajen Ashar
Partner
Membership No: 48243

Place : Mumbai
Dated : 18th May, 2013

## Annexure To The Auditors' Report

On the basis of the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief in our opinion, we further report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As informed to us the fixed assets have been physically verified by the management during the year according to a phased programme. In our opinion, such programme is reasonable having regard to the size of the Company and the nature of its assets. We have been further informed that no material discrepancies were noticed on such verification by the management between the book records and physical verification.

(c) During the year the Company has not disposed off a substantial part of fixed assets.

(ii) (a) The inventory have been physically verified at reasonable intervals by the management during the year.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of such inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory. No material discrepancies were noticed on physical verification between the physical stocks and the book records.

(iii) The Company has not taken or granted loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence the question of reporting under sub clauses (a) to (g) of the clause 4(iii) of the Order does not arise.

(iv) In our opinion and according to the information and explanations given to us, the Company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control.

(v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered.

(b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of Rupees Five lakhs in respect of each party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and accordingly the provisions contained in sections 58A and 58AA of the Act and Rules there under are not applicable to the Company in this regards.

(vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.

(viii) We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that prima facie the prescribed accounts and records

have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.

(ix) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, wherever applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31,2013 for a period of more than 6 months from the date they became payable.

(b) The particulars of statutory dues that have not been deposited on account of disputes are given in **Annexure A**.

(x) The Company does not have any accumulated losses as at March 31, 2013. The Company has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) We have been informed that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not raised any funds through debentures.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore, the provisions of this clause are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.

(xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanations given to us and on the basis of the records examined by us, we have to state that the Company has prima facie applied the term loan for the purpose for which it was obtained.

(xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilized for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Hence the question of reporting under clause 4(xviii) of the Order regarding whether the price at which shares have been issued is prejudicial to the interest of the Company does not arise.

(xix) The Company has not issued any debentures, hence the question of reporting under clause 4(xix) of the Order regarding creation of securities or charge does not arise.

(xx) The Company has not raised any monies by way of public issues during the year.

(xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud (i.e. intentional material misstatements resulting from fraudulent financial reporting and misappropriation of assets) on or by the company has been noticed or reported during the year by the Company.

For G. M. Kapadia & Co.
Chartered Accountants
Firm Regn. No: 104767W

Rajen Ashar
Partner
Membership No: 48243

Place : Mumbai
Dated : 18th May, 2013

**Annexure A**

**Re : Savita Oil Technologies Limited**

| Sr. No | Name of the Statute | Nature of the dues | Forum where dispute is pending | Period to which the amount relates | Amount (₹ in Lacs) |
|---|---|---|---|---|---|
| 1 | Central Excise Act, 1944 | Excise Duty | Commissioner of Central Excise | November 2004 to March 2009 | 122.81 |
| | | | | April 2001 to December 2001 | 4.60 |
| | | | | August 2005 to July 2007 | 23.75 |
| | | | | January 2002 to June 2002 | 3.51 |
| | | | | January 2000 to March 2000 | 6.58 |
| | | | | July 2002 to May 2003 | 12.37 |
| | | | | July 1999 to September 1999 | 0.74 |
| | | | | June 2003 to December 2003 | 8.55 |
| | | | | November 2001 to May 2004 | 1.08 |
| | | | | April 2006 to December 2010 | 11.70 |
| | | | | April 2006 to July 2009 | 56.95 |
| | | | | October 2010 to December 2010 | 10.53 |
| | | | | January 2011 To March 2011 | 11.76 |
| | | | | 2006-07 to 2010-11 | 55.88 |
| | | | | April 2008 to September 2011 | 63.66 |
| | | | | 2011-2012 | 7.74 |
| | | | | April 2011 to September 2011 | 21.87 |
| | | | Deputy and Assistant Commissioner of Central Excise | April 1999 to April 2003 | 7.24 |
| | | | | May 2002 to April 2003 | 13.85 |
| | | | | April 2006 to March 2007 | 0.06 |
| | | | | January 2004 to August 2004 | 12.28 |
| | | | | January 2008 to Nov 2008 | 0.02 |
| | | | | 24th December, 2008 | 0.67 |
| | | | | December 2008 To February 2011 | 1.06 |
| | | | Commissioner (Appeals) of Central Excise | April 2003 to December 2003 | 0.05 |
| | | | | April 2005 to March 2006 | 0.25 |
| | | | | April 2006 to December 2006 | 0.50 |
| | | | | October 2004 to March 2005 | 0.20 |
| | | | | April 2005 to March 2006 | 0.08 |
| | | | | January 2011 to October 2011 | 1.11 |
| | | | Additional and Joint Commissioner of Central Excise | April 2006 to September 2006 | 17.19 |
| | | | | July 2008 to April 2009 | 46.47 |
| | | | | November 2004 to August 2005 | 23.05 |
| | | | | October 2006 to August 2007 | 30.80 |
| | | | | September 2005 to March 2006 | 17.76 |
| | | | | September 2007 to June 2008 | 47.37 |
| | | | | October 2010 to April 2011 | 18.69 |
| | | | | April 2006 to December 2010 | 34.99 |
| | | | | April 2006 to December 2010 | 6.78 |
| | | | | April 2006 to December 2010 | 38.31 |
| | | | | June 2010 | 6.34 |
| | | | | June 2010 | 21.47 |
| | | | | October 2008 to February 2011 | 17.19 |
| | | | | January 2011 to October 2011 | 10.36 |
| | | | | April 2007 to March 2008 | 16.50 |
| | | | | June 2011 to February 2012 | 47.37 |
| | | | | October 2011 to June 2012 | 38.92 |
| | | | | October 2011 to June 2012 | 6.42 |
| | | | | 2006-2009 | 0.22 |
| | | | | November 2004 to August 2005 | 22.60 |

| Sr. No | Name of the Statute | Nature of the dues | Forum where dispute is pending | Period to which the amount relates | Amount (₹ in Lacs) |
|---|---|---|---|---|---|
| | | | Appellate Tribunal | 1999-2002 | 9.19 |
| | | | | 2008-2009 | 37.34 |
| | | | | April 1998 to March 2003 | 2.50 |
| | | | | July,2001 to August, 2001 | 42.72 |
| | | | | July 2000 to March 2002 | 4.99 |
| | | | | July 2005 to March 2006 | 6.45 |
| | | | | July 2000 to March 2002 | 106.82 |
| | | | | July 1999 to March 2002 | 0.49 |
| | | | | April 2002 to March 2003 | 2.26 |
| | | | | April 2003 to March 2004 | 1.56 |
| | | | | July 2004 to March 2005 | 0.10 |
| | | | | April 1999 to March 2002 | 23.47 |
| | | | | April 1998 to March 2002 | 260.53 |
| | | | | April 2008 to June 2011 | 10.35 |
| | | | | April 2009 to January 2010 | 21.05 |
| | | | | February 2010 to April 2010 | 9.75 |
| | | | | May 2006 to March 2010 | 4.19 |
| | | | | 2008-2009 to 2009-2010 | 3.93 |
| | | | | May 2010 | 3.44 |
| | | | | May 2010 to September 2010 | 16.83 |
| 2 | Finance Act, 1994 | Service Tax | Commissioner of Central Excise | October 2002 to January 2004 | 0.26 |
| | | | Commissioner (Appeals)of Central Excise | 2006-07 to 2010-11 | 20.16 |
| 3 | Central Sales Tax Act and Sales Tax Acts of Various States | Sales Tax | Assistant Commissioner | 2003-2004 | 0.09 |
| | | | Deputy Commissioner (VAT) | 2002-2003 | 184.61 |
| | | | | 2003-2004 | 202.53 |
| | | | | 2004-2005 | 207.02 |
| | | | | 2005-2006 | 428.02 |
| | | | Additional Deputy Commissioner-Commercial Tax, Bangalore | 2000-2001 | 0.12 |
| | | | Joint Commissioner (VAT) | 2008-2009 | 0.44 |
| | | | | 2008-2009 | 3.09 |
| | | | | 2009-2010 | 45.21 |
| | | | | 2006-2007 | 95.29 |
| | | | | 2007-2008 | 150.48 |
| | | | Commercial Tax Officer (AA) Ernakulam | 2005-2006 | 5.54 |
| | | | Assistant Commissioner of Commercial taxes | 2010-2011 | 28.60 |
| | | | Appellate Tribunal Ernakulam | 1998-1999 | 0.50 |
| 4 | Customs Act, 1962 | Custom Duty | Commissioner of Customs (Imports) | April 1992 | 3.58 |
| | | | | June 2006 | 399.05 |
| 5 | Income Tax Act, 1961 | Income Tax | Commissioner (Appeals) of Income Tax | 2008-2009 | 557.02 |
| | | | | 2010-2011 | 227.00 |
| 6 | Gram Panchayat - Satara | Gram Panchayat Tax | Sarpanch, Gram Panchayat | 2008-2009 | 51.94 |
| 7 | Electricity Duty & tax on Electricity Sale | Electricity Tax | Electrical Inspector, Pune | October 2001 to March 2006 | 8.76 |
| | | | | October 2001 to November 2005 | 35.35 |
| | | | | September 2002 to November 2005 | 11.45 |
| 8 | Tamil Nadu Panchayat Act, 1994 | House Tax | Thadichery Panchayat,Theni | 2012 -2013 | 33.49 |
| 9 | Talathi Office | Non - Agricultural Tax | Talathi, Patvarun | 2007-2010 | 8.15 |
| Total | | | | | 4205.94 |

## Balance Sheet as at 31st March, 2013

| | Notes | As at 31.3.2013 ₹ in lacs | ₹ in lacs | As at 31.3.2012 ₹ in lacs | ₹ in lacs |
|---|---|---|---|---|---|
| **Equity and Liabilities** | | | | | |
| **1. Shareholders' Funds** | | | | | |
| Share Capital | 2 | 1,460.56 | | 1,460.56 | |
| Reserves and Surplus | 3 | 49,655.21 | | 42,312.74 | |
| Money received against Share Warrants | | – | 51,115.77 | – | 43,773.30 |
| **2. Share Application Money Pending Allotment** | | | – | | – |
| **3. Non-current Liabilities** | | | | | |
| Long-term Borrowings | 4 | 5,263.89 | | 4,594.63 | |
| Deferred Tax Liability (net) | 5 | 3,451.72 | | 1,844.32 | |
| Other Long-term Liabilities | 6 | 370.05 | | 341.31 | |
| Long-term Provisions | 7 | – | 9,085.66 | – | 6,780.26 |
| **4. Current Liabiilties** | | | | | |
| Short-term Borrowings | 8 | 571.62 | | – | |
| Trade Payables | 9 | 42,884.96 | | 55,918.92 | |
| Other Current Liabilities | 9 | 5,525.35 | | 9,060.95 | |
| Short-term Provisions | 7 | 3,764.39 | 52,746.32 | 3,927.34 | 68,907.21 |
| **Total** | | | 1,12,947.75 | | 1,19,460.77 |
| **Assets** | | | | | |
| **1. Non-current Assets** | | | | | |
| Fixed Assets | | | | | |
| Tangible Assets | 10 | 21,080.88 | | 20,710.02 | |
| Intangible Assets | 10 | 33.08 | | 20.47 | |
| Capital Work-in-Progress | | 2,145.58 | | 166.19 | |
| Non-current Investments | 11 | 1,073.10 | | 615.04 | |
| Long-term Loans and Advances | 12 | 1,780.29 | | 1,361.60 | |
| Trade Receivables | 13 | 377.15 | | 314.83 | |
| Other Non-current Assets | 14 | 38.61 | 26,528.69 | 32.59 | 23,220.74 |
| **2. Current Assets** | | | | | |
| Current Investments | 15 | 2,167.05 | | 1,662.11 | |
| Inventories | 16 | 32,072.34 | | 43,412.56 | |
| Trade Receivables | 13 | 45,034.82 | | 44,027.83 | |
| Cash and Bank Balances | 17 | 2,957.38 | | 2,911.39 | |
| Short-term Loans and Advances | 12 | 4,182.17 | | 4,225.25 | |
| Other Current Assets | 14 | 5.30 | 86,419.06 | 0.89 | 96,240.03 |
| **Total** | | | 1,12,947.75 | | 1,19,460.77 |
| **Significant Accounting Policies** | 1 | | | | |

The accompanying notes are an integral part of the financial statements.

As per our report of the even date.

For G. M. Kapadia & Co.
Chartered Accountants

Rajen Ashar
Partner

U. C. Rege
Company Secretary and
Executive VP - Legal

S. M. Dixit
Group Chief Financial Officer

Mumbai,
18th May, 2013

For and on behalf of the Board

| | |
|---|---|
| G. N. Mehra | Chairman and Managing Director |
| C. V. Alexander | Director |
| N. B. Karpe | Director |
| H. A. Nagpal | Director |
| S. R. Pandit | Director |

## Statement of Profit and Loss for the year ended 31st March, 2013

| | Notes | Year ended 31.3.2013 ₹ in lacs | Year ended 31.3.2012 ₹ in lacs |
|---|---|---|---|
| **Income** | | | |
| Revenue from Operations (gross) | 18 | 2,23,573.24 | 2,13,990.38 |
| Less: Excise Duty | | 23,668.68 | 22,938.08 |
| Revenue from Operations (net) | | 1,99,904.56 | 1,91,052.30 |
| Other Income | 19 | 1,343.40 | 1,084.14 |
| **Total Revenue** | | 2,01,247.96 | 1,92,136.44 |
| **Expenditure** | | | |
| Cost of Materials Consumed | 20 | 1,62,148.33 | 1,54,044.20 |
| Purchase of Traded Goods | 21 | 1,408.68 | 2,024.25 |
| (Increase)/Decrease in Inventories | 22 | (98.61) | (3,280.74) |
| Employee Benefits Expense | 23 | 2,844.35 | 2,451.89 |
| Other Expenses | 24 | 21,979.37 | 23,076.16 |
| Depreciation and Amortisation | 25 | 2,514.21 | 2,520.50 |
| Finance Costs | 26 | 1,047.40 | 1,274.99 |
| **Total Expenditure** | | 1,91,843.73 | 1,82,111.25 |
| **Profit for the year before exceptional income and tax** | | 9,404.23 | 10,025.19 |
| **Exceptional Income** | 27 | 5,650.28 | – |
| **Profit for the year before tax** | | 15,054.51 | 10,025.19 |
| **Tax Expenses** | | | |
| Current Tax | | 3,115.00 | 4,875.00 |
| Deferred Tax | | 1,607.40 | (1,652.84) |
| **Total Tax Expenses** | | 4,722.40 | 3,222.16 |
| **Profit for the year from continuing operations** | | 10,332.11 | 6,803.03 |
| **Profit/(Loss) for the year from discontinuing operations** | | – | – |
| **Profit for the year** | | 10,332.11 | 6,803.03 |
| **Basic and Diluted earnings per share ₹ (face value of ₹ 10 each)** | | 70.76 | 46.59 |
| **Significant Accounting Policies** | 1 | | |

The accompanying notes are an integral part of the financial statements.

As per our report of the even date.

For G. M. Kapadia & Co.
Chartered Accountants

Rajen Ashar
Partner

Mumbai,
18th May, 2013

U. C. Rege
Company Secretary and
Executive VP - Legal

S. M. Dixit
Group Chief Financial Officer

For and on behalf of the Board

| | |
|---|---|
| G. N. Mehra | Chairman and Managing Director |
| C. V. Alexander | Director |
| N. B. Karpe | Director |
| H. A. Nagpal | Director |
| S. R. Pandit | Director |

## Cash Flow Statement for the year ended 31st March, 2013

| | | 2012-2013 ₹ in lacs | 2011-2012 ₹ in lacs |
|---|---|---|---|
| A. | **Cash Flow from Operating Activities :** | | |
| | Profit before tax from continuing operations | **15,054.51** | 10,025.19 |
| | Adjustments for — | | |
| | Depreciation on tangible assets | **2,500.88** | 2,506.40 |
| | Amortisation on intangible assets | **13.33** | 14.10 |
| | Finance Costs | **1,047.40** | 1,274.99 |
| | (Profit) / loss on sale of tangible fixed assets (net) | **(1.68)** | 3.86 |
| | Profit on sale of non-current investments (net) | **(9.52)** | (7.44) |
| | Profit on sale of current investments (net) | **(405.75)** | (262.44) |
| | Diminution in the value of current investments | **6.58** | 1.38 |
| | Interest income | **(115.57)** | (180.01) |
| | Dividend income | **(23.02)** | (64.79) |
| | Bad debts, Provision for doubtful debts and advances | **109.21** | 163.24 |
| | Provisions no longer required | **(34.55)** | (2.11) |
| | Balance writen off | **0.68** | – |
| | Unrealised exchange loss / (gain) (net) | **82.90** | (51.31) |
| | Operating profit before working capital changes | **18,225.40** | 13,421.06 |
| | Changes in Working capital: | | |
| | Increase / (Decrease) in trade payables | **(13,160.34)** | 17,015.28 |
| | Increase / (Decrease) in short-term provisions | **141.52** | (46.98) |
| | Increase / (Decrease) in other long-term liabilities | **28.74** | 2.04 |
| | Increase / (Decrease) in other current liabilities | **(3,138.06)** | 3,228.92 |
| | (Increase) / Decrease in trade receivables | **(1,105.04)** | (9,533.03) |
| | (Increase) / Decrease in inventories | **11,340.22** | (13,497.33) |
| | (Increase) / Decrease in long-term loans and advances | **(440.15)** | (142.35) |
| | (Increase) / Decrease in short-term loans and advances | **43.08** | (1,189.81) |
| | (Increase) / Decrease in other non-current assets | **(6.02)** | (17.77) |
| | (Increase) / Decrease in other current assets | **(4.41)** | 5.98 |
| | Cash generated from operations | **11,924.94** | 9,246.01 |
| | Interest received | **67.04** | 53.47 |
| | Income tax paid | **(4,223.61)** | (5,070.77) |
| | **Net cash from operating activities** | **7,768.37** | 4,228.71 |
| B. | **Cash Flow from Investing Activities :** | | |
| | Additions to tangible assets and CWIP | **(4,855.52)** | (3,193.92) |
| | Additions to intangible assets | **(25.94)** | (2.88) |
| | Sale of tangiblle assets | **6.07** | 4.06 |
| | Purchase of Non-current investments | **(615.86)** | (20.13) |
| | Purchase of current investments | **(88,938.19)** | (70,008.44) |
| | Sale of Non-current investments | **167.32** | 1,109.95 |
| | Sale of current investments | **88,832.42** | 71,817.09 |
| | Interest received | **47.54** | 126.54 |

## Cash Flow Statement for the year ended 31st March, 2013

| | | 2012-2013 | 2011-2012 |
|---|---|---|---|
| | | ₹ in lacs | ₹ in lacs |
| | Dividend received | 19.60 | 71.33 |
| | **Net cash used in investing activities** | (5,362.56) | (96.40) |
| **C.** | **Cash Flow from Financing Activities:** | | |
| | Proceeds from long-term Borrowings | 2,564.50 | 1,925.25 |
| | Proceeds from short-term Borrowings | 571.62 | – |
| | Repayment of long-term Borrowings | (2,252.33) | (2,005.97) |
| | Interest paid | (1,053.76) | (1,278.14) |
| | Dividend paid | (2,189.85) | (2,908.20) |
| | **Net Cash used in Financing Activities** | (2,359.82) | (4,267.06) |
| | **Net Increase / (Decrease) in Cash and Cash Equivalents** | 45.99 | (134.75) |
| | **Cash and Cash Equivalents – Beginning of the year** | 2,911.39 | 3,046.14 |
| | **Cash and Cash Equivalents – End of the year** | 2,957.38 | 2,911.39 |
| | **Net Cash and Cash Equivalents** | (45.99) | 134.75 |

Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year .

As per our report of the even date.

For G. M. Kapadia & Co.
Chartered Accountants

Rajen Ashar
Partner

Mumbai,
18th May, 2013

U. C. Rege
Company Secretary and
Executive VP - Legal

S. M. Dixit
Group Chief Financial Officer

For and on behalf of the Board

| | |
|---|---|
| G. N. Mehra | Chairman and Managing Director |
| C. V. Alexander | Director |
| N. B. Karpe | Director |
| H. A. Nagpal | Director |
| S. R. Pandit | Director |

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

**1 Significant Accounting Policies:**

**(a) Basis of Accounting:**

The accounts are prepared under historical cost convention on an accrual basis except revaluation of certain Fixed Assets and are in conformity with the requirements of Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.

**(b) Basis of preparation of financial statements:**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. For the above purposes, the Company has determined the operating cycle based on the nature of products and the time between the acquisition of inputs for manufacturing and their realisation in cash and cash equivalents.

**(c) Use of Estimates:**

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

**(d) Fixed Assets, Capital Work-in-progress, Depreciation and Amortisation: (Refer Note 10)**

i) Fixed Assets are shown at cost (net of Cenvat and Value Added Tax set off) or at revalued amount less accumulated depreciation. Projects under construction are carried at costs comprising of direct costs, related pre-operational incidental expenses and attributable interest.

ii) a) Leasehold land is amortised over the residual lease period.

b) Depreciation on tangible assets is provided as per written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

c) Intangible assets are amortised over the estimated period of future economic benefit of the asset or a period of ten years, whichever is lower.

**(e) Borrowing Costs: (Refer Note 26)**

Borrowing costs are charged to Statement of Profit and Loss except to the extent attributable to acquisition/construction of qualifying assets.

**(f) Impairment of Assets:**

At each Balance Sheet date, the Company assesses whether there is any indication that the asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount / value in use, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount. In assessing the value in use, the estimated future cash flows are discounted at present value at the weighted average cost of capital.

**(g) Investments: (Refer Note 11 and 15)**

Long-term Investments are stated at cost less provision for diminution other than temporary, if any, in value. Current investments are stated at lower of cost and net realisable value.

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

**(h) Inventories: (Refer Note 16 and 22)**

Inventories are valued at lower of cost and net realisable value, on weighted average basis. The cost includes cost of conversion and other costs incurred in bringing them to present location and condition.

**(i) Recognition of Income and Expenditure:**

i) Income and expenditure are accounted on accrual basis. Income in respect of insurance / other claims, interest, commission, etc. is recognised when it is reasonably certain that the ultimate collection will be made.

ii) Domestic sales are accounted on dispatch of goods to customers. Export sales are accounted on the basis of date of bill of lading. Gross Sales include Excise duty but exclude Value Added Tax/ Central Sales Tax and are net of trade discounts.

iii) Incentives for renewable energy generation are recognised as income on sale of such incentives.

iv) Purchases are net of Value Added Tax set off and Cenvat wherever applicable, but include inward freight. Import purchases are accounted on the basis of date of bill of lading.

**(j) Expenditure on Research and Development:**

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss under the appropriate heads of expenses. Capital expenditure is accounted as fixed assets.

**(k) Foreign Currency Transactions:**

i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of transaction.

ii) Monetary assets and liabilities are translated at year end rate of exchange.

iii) In case of forward and option contracts, premium is accounted in the Statement of Profit and Loss over the life of the contracts.

iv) Profit or loss arising on cancellation or renewal of forward / option exchange contracts is accounted as income or expenditure for the period

v) The difference on account of fluctuation in the rate of exchange is dealt within the Statement of Profit and Loss.

**(l) Employee benefits:**

i) Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which employees render service) are measured at cost.

ii) Long-term employee benefits (benefits which are payable after the end of twelve months in which employees render service) and post employment benefits (benefits which are payable on completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of actuarial valuation annually.

iii) Contributions to Provident Fund, a defined contribution plan, are made in accordance with the statute, and are recognised as an expense when employees have rendered service entitling them to the contributions.

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

iv) The eligible employees can accumulate un-availed privilege leave and are entitled to encash the same either while in employment, on termination or on retirement in accordance with the Company's policy. The present value of such un-availed leave is measured using the Projected Unit Cost Method, with actuarial valuations being carried out at each Balance Sheet date.

v) The cost of providing gratuity, a defined benefit plan, is determined using the Projected Unit Credit Method, on the basis of actuarial valuation at each Balance Sheet date. The gratuity benefit obligation recognised in Balance Sheet represents the present value of the obligation as reduced by the fair value of plan assets. Actuarial gains and losses are recognised in the Statement of Profit and Loss.

**(m) Leases:**

Leases where the lessor effectively retains substantially all the rights and benefits of ownership of the leased assets are classified as operating leases. Lease payments under operating leases are recognised as an expense in the Statement of Profit and Loss.

**(n) Taxation:**

i) Current tax is determined as the amount of tax payable in respect of taxable income for the year.

ii) Deferred tax is recognised on timing difference between accounting income and the taxable income for the year and quantified using tax rates and laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognised subject to consideration of prudence.

**(o) Segment Reporting:**

The Company prepares segment information in conformity with its accounting policies. Segment revenue and expenditure directly identifiable with / allocable to respective segments are considered for determining segment results. Income and expenditure not allocable to segments is reported under 'Other unallocated revenue / expenditure'. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities are included under 'Unallocated capital employed'.

**(p) Earnings Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstandings during the year is adjusted for events, if any, such as bonus issue, bonus elements in a rights issue to existing shareholders, shares split and reverse shares split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the year after tax attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(q) Provisions:**

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Contingent liability is disclosed when a Company has a possible or a present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognised nor disclosed.

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

| | | As at 31.3.2013 ₹ in lacs | As at 31.3.2012 ₹ in lacs |
|---|---|---|---|
| 2 | **Share Capital** | | |
| | **Authorised shares** | | |
| | 3,00,00,000 (Previous year 3,00,00,000) Equity shares of ₹ 10 each | **3,000.00** | 3,000.00 |
| | **Issued shares** | | |
| | (1,46,09,183 (Previous year 1,46,09,183) Equity shares of ₹ 10 each | **1,460.92** | 1,460.92 |
| | **Subscribed and fully paid-up shares** | | |
| | 1,46,02,083 (Previous year 1,46,02,083) Equity shares of ₹ 10 each | **1,460.21** | 1,460.21 |
| | **Forfeited shares** | | |
| | 7,100 (Previous year 7,100) Forfeited Shares | **0.35** | 0.35 |
| | **Total** | **1,460.56** | 1,460.56 |

**a) Reconciliation of number of shares**

| | As at 31.3.2013 | | As at 31.3.2012 | |
|---|---|---|---|---|
| | Nos. | ₹ in lacs | Nos. | ₹ in lacs |
| At the beginning of the year | **1,46,02,083** | **1,460.21** | 1,46,02,083 | 1,460.21 |
| Issued during the year | – | – | – | – |
| **Outstanding at the end of the year** | **1,46,02,083** | **1,460.21** | 1,46,02,083 | 1,460.21 |

**b) Rights, preferences and restrictions attached to equity shares (except forfeited shares)**

The Company has only one class of equity shares having par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.There are no restrictions on the distribution of dividend or repayment of capital.The Company declares dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in 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.

**c) Details of shareholder holding more than 5% of equity shares**

| | As at 31.3.2013 | | As at 31.3.2012 | |
|---|---|---|---|---|
| | Nos. | % of holding | Nos. | % of holding |
| Gautam N. Mehra | **88,86,743** | **60.86** | 88,86,743 | 60.86 |
| HDFC Trustees Company Ltd. | **13,29,732** | **9.11** | 13,29,732 | 9.11 |

As per the records of the Company, including its register of shareholders / members.

**d) Forfeited equity shares**

| | As at 31.3.2013 | As at 31.3.2012 |
|---|---|---|
| No. of Shares forfeited | **7,100** | 7,100 |
| Amount of share capital forfeited (₹ in lacs) | **0.35** | 0.35 |
| Amount of share premium forfeited (₹ in lacs) | **2.49** | 2.49 |

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

| | | As at 31.3.2013 ₹ in lacs | As at 31.3.2012 ₹ in lacs |
|---|---|---|---|
| 3 | **Reserves and Surplus** | | |
| | **Capital Reserve** | | |
| | As per last financial statements | **118.87** | 118.87 |
| | **Security Premium Account** | | |
| | As per last financial statements | **1,723.60** | 1,723.60 |
| | **General Reserve** | | |
| | As per last financial statements | **11,415.00** | 10,725.00 |
| | Add: Transfer from surplus in the Statement of Profit and Loss | **1,050.00** | 690.00 |
| | | **12,465.00** | 11,415.00 |
| | **Surplus in the Statement of Profit and Loss** | | |
| | As per last financial statements | **29,055.27** | 25,487.87 |
| | Add: Profit for the year | **10,332.11** | 6,803.03 |
| | | **39,387.38** | 32,290.90 |
| | Less: Appropriations | | |
| | Proposed Dividend | **2,555.36** | 2,190.31 |
| | Tax on Dividend | **434.28** | 355.32 |
| | Transfer to General Reserve | **1,050.00** | 690.00 |
| | Total Appropriations | **4,039.64** | 3,235.63 |
| | **Net Surplus in the Statement of Profit and Loss** | **35,347.74** | 29,055.27 |
| | **Total Reserves and Surplus** | **49,655.21** | 42,312.74 |

4 **Long-term Borrowings**

| | Non-current As at | | Current maturities As at | |
|---|---|---|---|---|
| | **31.3.2013 ₹ in lacs** | 31.3.2012 ₹ in lacs | **31.3.2013 ₹ in lacs** | 31.3.2012 ₹ in lacs |
| **Term Loans from Banks - Secured** | | | | |
| Foreign Currency Loans * | **3,924.01** | 3,104.17 | **1,793.24** | 2,206.06 |
| **Total Secured Loans** | **3,924.01** | 3,104.17 | **1,793.24** | 2,206.06 |
| **Deferred Payment Liability - Unsecured** | | | | |
| Sales Tax Deferment ** | **1,339.88** | 1,490.46 | **150.59** | 94.86 |
| **Total** | **5,263.89** | 4,594.63 | **1,943.83** | 2,300.92 |

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

| | Details of Secured Loans and Securities | Date of loan | Tenure of loan | No. of instalments (post moratorium) |
|---|---|---|---|---|
| * | Foreign Currency Loans | | | |
| i) | ₹ Nil (Previous year ₹ 969.02 lacs) secured by exclusive hypothecation of Wind Power Plants at i) Rangapura Kavalu ii) Aidahalli Kavalu and iii) Nayanakere Kavalu village, District Hassan, Karnataka. | 27.1.2009 | 4 years | 4 half yearly |
| ii) | ₹ 609.94 lacs (Previous year ₹ 1,176.31 lacs) secured by exclusive hypothecation of Wind Power Plants at i) Thadicherry village and ii) Koduvilarpatti village, District Theni, Tamilnadu. | 5.3.2010 | 3.5 years | 3 annual |
| iii) | ₹ 858.22 lacs (Previous year ₹ 1,239.64 lacs) secured by exclusive hypothecation of Wind Power Plants at Sadawaghapur, District Satara, Maharashtra. | 6.4.2010 | 5 years | 14 quarterly |
| iv) | ₹ 1,684.59 lacs (Previous year ₹ 1,925.26 lacs ) secured by exclusive hypothecation of Wind Power Plants at i) Panapatti, District Tirupur and ii) Mutiampatti, District Coimbtore, Tamilnadu. | 25.8.2011 | 5 years | 8 half yearly |
| v) | ₹ 2,564.50 lacs (Previous year ₹ Nil ) secured by exclusive hypothecation charge on all movable fixed assets situated at Kuvapada, Village Silli, Post Kilvani, Silvassa – 396 230 and on 3 X1,650 KW Wind Power Plants at Gudhe Panchgani, Village Panumbre and Village Patwarun, Taluka Shirala, District Sangli, Maharashtra. | 30.8.2012 | 5 years | 16 quarterly |

** **Details of Deferred Payment Liability**

Deferred payment liabilities amounting to ₹ 1,490.47 lacs (Previous year ₹ 1,585.32 lacs) are interest free sales tax deferments repayable in 5 equal instalments after 10 years from the respective year of availment.

| Year of deferral | Deferral Amount | |
|---|---|---|
| | **As at 31.3.2013 ₹ in lacs** | As at 31.3.2012 ₹ in lacs |
| 2000-2001 | **115.64** | 154.76 |
| 2001-2002 | **224.67** | 280.40 |
| 2002-2003 | **278.69** | 278.69 |
| 2003-2004 | **224.03** | 224.03 |
| 2004-2005 | **195.15** | 195.15 |
| 2005-2006 | **262.61** | 262.61 |
| 2006-2007 | **127.18** | 127.18 |
| 2007-2008 | **62.50** | 62.50 |
| Total | **1,490.47** | 1,585.32 |

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

| | | As at 31.3.2013 ₹ in lacs | As at 31.3.2012 ₹ in lacs |
|---|---|---|---|
| 5 | **Deferred Tax Liability (net)** | | |
| | **Deferred Tax liability** | | |
| | Depreciation | **4,246.79** | 4,403.65 |
| | **Deferred Tax Assets** | | |
| | Provision for doubtful debts | **625.40** | 561.83 |
| | Expenses allowable on payments basis | **169.67** | 164.27 |
| | Consideration received in advance (Refer Note 27) | **–** | 1,833.23 |
| | | **795.07** | 2,559.33 |
| | **Net Deferred Tax liability** | **3,451.72** | 1,844.32 |
| 6 | **Other Long-term Liabilities** | | |
| | Security deposits from vendors | **370.05** | 341.31 |
| | | **370.05** | 341.31 |

| 7 | **Provisions** | **Long-term provisions** | | **Short-term provisions** | |
|---|---|---|---|---|---|
| | | **As at** | | **As at** | |
| | | **31.3.2013 ₹ in lacs** | 31.3.2012 ₹ in lacs | **31.3.2013 ₹ in lacs** | 31.3.2012 ₹ in lacs |
| | **Provisions in respect of employee benefits** | | | | |
| | Leave encashment | **–** | – | **523.18** | 441.94 |
| | Gratuity (Refer Note 36) | **–** | – | **99.43** | 39.15 |
| | | **–** | – | **622.61** | 481.09 |
| | **Other Provisions** | | | | |
| | Taxation (net of income tax paid) | **–** | – | **152.14** | 900.62 |
| | Proposed dividend | **–** | – | **2,555.36** | 2,190.31 |
| | Tax on proposed dividend | **–** | – | **434.28** | 355.32 |
| | | **–** | – | **3,141.78** | 3,446.25 |
| | | **–** | – | **3,764.39** | 3,927.34 |

| | | As at 31.3.2013 ₹ in lacs | As at 31.3.2012 ₹ in lacs |
|---|---|---|---|
| 8 | **Short-term Borrowings (Secured)** | | |
| | Loans Repayable on Demand | | |
| | Cash Credits from banks | **571.62** | – |
| | Secured by ; | | |
| | i) hypothecation of inventories, receivables and other current assets and | | |
| | ii) charge on the following fixed assets:- | | |
| | a) Plant: Plot No. 17/17A, TTC Industrial Area, P.O.Vashi, Navi Mumbai 400 703, | | |
| | b) Plant: Survey No.10/2, Kharadpada, Post Naroli, Silvassa 396 230, | | |
| | c) Office premises: 81, Nariman Bhavan, Nariman Point, Mumbai 400 021 and | | |
| | d) Office premises: 58, 59, 68 and 69 Mahavir Centre, Vashi, Navi Mumbai 400 703 | | |
| | | **571.62** | – |

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

| | | As at 31.3.2013 ₹ in lacs | As at 31.3.2012 ₹ in lacs |
|---|---|---|---|
| 9 | **Current Liabilities** | | |
| | **Trade payables** (Refer Note 31 for details of dues to micro and small enterprises) | **42,884.96** | 55,918.92 |
| | **Other Current Liabilities** | | |
| | Current maturities of long-term borrowings (Refer Note 4) | **1,943.83** | 2,300.92 |
| | Interest accrued but not due on borrowings | **54.42** | 60.78 |
| | Unpaid dividends | **74.97** | 74.51 |
| | Income tax deducted at source | **315.66** | 281.40 |
| | Duties and taxes | **1,981.11** | 1,872.28 |
| | Consideration received in advance (Refer Note 27) | **–** | 3,273.06 |
| | Advances from customers | **284.27** | 330.84 |
| | Liabilities for expenses | **871.09** | 867.16 |
| | (Note:- There are no amounts due and outstanding in respect of Investor Education and Protection Fund as on 31st March, 2013) | | |
| | | **5,525.35** | 9,060.95 |

**10 Fixed Assets (Refer Note 1 (d))** ₹ in lacs

| Particulars | Gross Block | | | | Depreciation / Amortisation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1.4.2012 | Additions during the year | Deductions during the year | **As at 31.3.2013** | As at 1.4.2012 | For the year | Deductions during the year | **As at 31.3.2013** | **As at 31.3.2013** | As at 31.3.2012 |
| **Tangible Assets** | | | | | | | | | | |
| Freehold Land | 1,024.53 | 727.16 | – | **1,751.69** | – | – | – | – | **1,751.69** | 1,024.53 |
| Leasehold Land (Note a) | 401.42 | – | – | **401.42** | 70.75 | 9.41 | – | **80.16** | **321.26** | 330.67 |
| Buildings (Note b) | 4,919.73 | 1,698.37 | – | **6,618.10** | 1,038.99 | 268.60 | – | **1,307.59** | **5,310.51** | 3,880.74 |
| Wind Power Plants | 24,822.76 | 5.61 | – | **24,828.37** | 11,553.04 | 1,846.17 | – | **13,399.21** | **11,429.16** | 13,269.72 |
| Plant & Equipment | 4,777.71 | 273.51 | – | **5,051.22** | 2,870.84 | 288.60 | – | **3,159.44** | **1,891.78** | 1,906.87 |
| Furniture and Fixtures | 208.26 | 58.60 | – | **266.86** | 114.24 | 27.75 | – | **141.99** | **124.87** | 94.02 |
| Office Equipments | 449.39 | 82.83 | 4.11 | **528.11** | 322.58 | 34.60 | 3.61 | **353.57** | **174.54** | 126.81 |
| Vehicles | 172.17 | 30.05 | 18.69 | **183.53** | 95.51 | 25.75 | 14.80 | **106.46** | **77.07** | 76.66 |
| Total | 36,775.97 | 2,876.13 | 22.80 | **39,629.30** | 16,065.95 | 2,500.88 | 18.41 | **18,548.42** | **21,080.88** | 20,710.02 |
| Previous year | 33,274.60 | 3,533.82 | 32.45 | 36,775.97 | 13,584.08 | 2,506.40 | 24.53 | 16,065.95 | | |
| **Intangible Assets** | | | | | | | | | | |
| Computer Software | 83.19 | 25.94 | – | **109.13** | 62.72 | 13.33 | – | **76.05** | **33.08** | 20.47 |
| Total | 83.19 | 25.94 | – | **109.13** | 62.72 | 13.33 | – | **76.05** | **33.08** | 20.47 |
| Previous Year | 80.31 | 2.88 | – | 83.19 | 48.62 | 14.10 | – | 62.72 | | |
| | | | | | | | | | | |
| Grand Total | 36,859.16 | 2,902.07 | 22.80 | **39,738.43** | 16,128.67 | 2,514.21 | 18.41 | **18,624.47** | **21,113.96** | 20,730.49 |
| Previous Year | 33,354.91 | 3,536.70 | 32.45 | 36,859.16 | 13,632.70 | 2,520.50 | 24.53 | 16,128.67 | | |

a) Lease deeds in respect of Leasehold Land amounting to ₹ 174 lacs (Previous year ₹ 219 lacs) have not yet been executed.

b) Buildings include cost of shares amounting to ₹ 0.04 lac (Previous year ₹ 0.04 lac) in a co-operative housing society.

c) Additions during the year include capital expenditure amounting to ₹ 84.08 lacs (Previous year ₹ 30.03 lacs) towards Research and Development.

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

| | | Face Value ₹ | As at 31.3.2013 Quantity Nos. | As at 31.3.2012 Quantity Nos. | As at 31.3.2013 ₹ in lacs | As at 31.3.2012 ₹ in lacs |
|---|---|---|---|---|---|---|
| 11 | **Non - Current Investments** | | | | | |
| | **(Non-trade, fully paid up) (Refer Note 1 (g))** | | | | | |
| | **A. Investment in equity instruments** | | | | | |
| | **Quoted** | | | | | |
| | Adani Ports & Special Economic Zone Ltd. | 2 | **7,430** | 7,430 | **6.54** | 6.54 |
| | Central Bank of India | 10 | **11,095** | 11,095 | **11.36** | 11.36 |
| | Edelweiss Financial Services Ltd. | 1 | **–** | 3,850 | **–** | 3.18 |
| | Global Offshore Services Ltd. | 10 | **16,950** | 16,950 | **5.08** | 5.08 |
| | NHPC Ltd. | 10 | **25,369** | 25,369 | **9.13** | 9.13 |
| | Power Grid Corporation of India Ltd. | 10 | **4,897** | 4,897 | **2.55** | 2.55 |
| | Tanla Solutions Ltd. | 1 | **–** | 1,842 | **–** | 2.44 |
| | Tata Consultancy Services Ltd. | 1 | **1,228** | 1,228 | **2.61** | 2.61 |
| | | | | | **37.27** | 42.89 |
| | **Unquoted** | | | | | |
| | Kavini Ispat Ltd. [at cost less provision for other than temporary diminution in value ₹ 48.79 lacs (Previous year ₹ 48.79 lacs)] | 10 | **1,06,100** | 1,06,100 | **–** | – |
| | Savita Petro-Additives Ltd. (Refer Note 37) | 10 | **40** | 40 | **0.01** | 0.01 |
| | Savita Polymers Ltd. (Refer Note 37) | 10 | **10,000** | 10,000 | **1.00** | 1.00 |
| | | | | | **1.01** | 1.01 |
| | **B. Investment in Government Securities (unquoted)** | | | | | |
| | National Savings Certificates (Deposited with Government departments as security) | 1,000 | **7** | 7 | **0.07** | 0.07 |
| | | | | | **0.07** | 0.07 |
| | **C. Investment in Mutual Funds** | | | | | |
| | **Quoted** | | | | | |
| | Motilal Oswal Most Shares Nasdaq - 100 ETF | 10 | **48,432** | 48,432 | **50.00** | 50.00 |
| | | | | | **50.00** | 50.00 |
| | **Unquoted** | | | | | |
| | DSP BlackRock US Flexible Equity Fund - Regular Plan - Growth | 10 | **11,83,602** | – | **125.00** | – |
| | FT India Feeder - Franklin US Opportunities Fund - Growth | 10 | **10,86,414** | – | **125.00** | – |
| | HDFC Balanced Fund - Growth | 10 | **1,60,327** | – | **98.86** | – |
| | HDFC Equity Fund - Dividend - Option - Payout | 10 | **1,12,946** | 1,12,946 | **50.00** | 50.00 |
| | HDFC Prudence Fund - Dividend - Option - Payout | 10 | **4,31,439** | 10,37,625 | **142.92** | 295.10 |
| | ICICI Prudential Equity Volatility Advantage Fund - Regular Plan - Growth | 10 | **4,09,035** | – | **67.00** | – |
| | IDFC Premier Equity Fund - Dividend - (Regular Plan) | 10 | **1,37,984** | 1,37,984 | **25.00** | 25.00 |
| | JPMorgan Asean Equity Off Shore Fund - Regular Plan - Growth | 10 | **6,83,387** | – | **100.00** | – |
| | JPMorgan Greater China Equity Off Shore Fund - Regular Plan - Growth | 10 | **6,98,714** | – | **100.00** | – |
| | Mirae Asset India - China Consumption Fund - Regular Growth Plan | 10 | **2,50,000** | 2,50,000 | **25.00** | 25.00 |
| | Morgan Stanley A.C.E. Fund - Regular Dividend Plan | 10 | **9,17,719** | 9,17,719 | **125.97** | 125.97 |
| | | | | | **984.75** | 521.07 |
| | | | | | **1,073.10** | 615.04 |
| | Aggregate amount of Quoted Investments (Market Value ₹ 131.00 lacs) (Previous year ₹ 123.68 lacs) | | | | **87.27** | 92.89 |
| | Aggregate amount of Unquoted Investments | | | | **985.83** | 522.15 |
| | Aggregate Provision for diminution in value of investments | | | | **48.79** | 48.79 |

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

| | | Non-current As at | | Current As at | |
|---|---|---|---|---|---|
| | | **31.3.2013** | 31.3.2012 | **31.3.2013** | 31.3.2012 |
| | | **₹ in lacs** | ₹ in lacs | **₹ in lacs** | ₹ in lacs |
| **12** | **Loans and advances** | | | | |
| | Unsecured, considered good | | | | |
| | Capital Advances | **479.20** | 145.73 | **–** | – |
| | Security Deposits | **554.97** | 495.05 | **110.46** | 108.50 |
| | Less:Provision for doubtful security deposits | **30.00** | – | **–** | – |
| | | **524.97** | 495.05 | **110.46** | 108.50 |
| | Income tax (net of provisions) | **375.07** | 370.26 | **–** | – |
| | Cenvat balances | **–** | – | **2,958.22** | 2,389.65 |
| | Advances to vendors | **–** | – | **338.62** | 519.77 |
| | Duties and taxes refundable | **333.68** | 274.63 | **185.51** | 765.17 |
| | Other loans and advances | **67.37** | 75.93 | **589.36** | 442.16 |
| | | **776.12** | 720.82 | **4,071.71** | 4,116.75 |
| | Total | **1,780.29** | 1,361.60 | **4,182.17** | 4,225.25 |
| **13** | **Trade Receivables** | | | | |
| | **Trade Receivables - Unsecured** | | | | |
| | **Outstanding for a period exceeding six months** | | | | |
| | Considered good | **377.15** | 314.83 | **2,369.32** | 1,362.10 |
| | Considered doubtful | **1,788.53** | 1,727.81 | **–** | – |
| | | **2,165.68** | 2,042.64 | **2,369.32** | 1,362.10 |
| | Less: provision for bad and doubtful debts | **1,788.53** | 1,727.81 | **–** | – |
| | Sub-total | **377.15** | 314.83 | **2,369.32** | 1,362.10 |
| | **Others** | | | | |
| | Considered good | **–** | – | **42,665.50** | 42,665.73 |
| | Considered doubtful | **21.45** | 3.82 | **–** | – |
| | | **21.45** | 3.82 | **42,665.50** | 42,665.73 |
| | Less: provision for bad and doubtful debts | **21.45** | 3.82 | **–** | – |
| | Sub-total | **–** | – | **42,665.50** | 42,665.73 |
| | Total | **377.15** | 314.83 | **45,034.82** | 44,027.83 |
| **14** | **Other Assets** | | | | |
| | Unsecured, considered good | | | | |
| | Non-current bank balances (Refer Note 17) | **38.61** | 32.59 | **–** | – |
| | Interest accrued on fixed deposits / Other investments | **–** | – | **1.88** | 0.89 |
| | Dividend receivable | **–** | – | **3.42** | – |
| | | **38.61** | 32.59 | **5.30** | 0.89 |

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

| | | Face Value ₹ | As at 31.3.2013 Quantity Nos. | As at 31.3.2012 Quantity Nos. | As at 31.3.2013 ₹ in lacs | As at 31.3.2012 ₹ in lacs |
|---|---|---|---|---|---|---|
| 15 | **Current Investments (Non-trade, fully paid up) (Refer Note 1 (g) )** | | | | | |
| | **Unquoted Mutual Funds** | | | | | |
| | ICICI Prudential Income Opportunities - Regular Plan - Growth | 10 | – | 13,81,111 | – | 198.62 |
| | [at cost less provision for temporary diminution in value ₹ Nil (Previous year ₹ 1.38 lacs)] | | | | | |
| | Kotak Liquid Scheme Plan A - Growth | 1,000 | **21,033** | – | **500.00** | – |
| | Mirae Asset China Advantage Fund - Regular Plan Growth | 10 | **8,38,223** | – | **92.05** | – |
| | [at cost less provision for temporary diminution in value ₹ 7.96 lacs (Previous year ₹ Nil)] | | | | | |
| | Morgan Stanley Gilt Fund - Regular Growth Plan | 10 | **10,00,000** | – | **100.00** | – |
| | Motilal Oswal MOSt 10 year Gilt Fund - Growth | 10 | – | 7,50,000 | – | 75.00 |
| | Pramerica Dynamic Bond Fund - Growth Option | 1,000 | – | 19,854 | – | 200.00 |
| | Pramerica Short Term Income Fund - Growth Option | 1,000 | – | 9,703 | – | 98.49 |
| | Reliance Income Fund - Growth Plan - Bonus Option | 10 | **20,56,915** | – | **225.00** | – |
| | SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Growth | 1,000 | **9,976** | – | **200.00** | – |
| | SBI Magnum Insta Cash Fund - Regular Plan - Cash | 1,000 | **23,184** | 16,848 | **600.00** | 400.00 |
| | Templeton India Low Duration Fund - Growth | 10 | – | 64,69,471 | – | 690.00 |
| | Union KBC Liquid Fund - Growth | 1,000 | **25,556** | – | **300.00** | – |
| | Union KBC Ultra Short Term Debt Fund - Growth | 1,000 | **13,902** | – | **150.00** | – |
| | | | | | **2,167.05** | 1,662.11 |
| | Aggregate amount of Unquoted Investments | | | | **2,167.05** | 1,662.11 |
| | Aggregate Provision for diminution in value of investments | | | | **7.96** | 1.38 |

| | | As at 31.3.2013 ₹ in lacs | As at 31.3.2012 ₹ in lacs |
|---|---|---|---|
| 16 | **Inventories (Refer Note 1 (h))** | | |
| | Raw and Packing Material (Includes in transit ₹ 11,971.97 lacs (Previous year ₹ 12,532.60 lacs)) | **20,298.12** | 31,893.91 |
| | Work-in-Process | **837.12** | 383.56 |
| | Finished Goods (Includes in transit ₹ 906.61 lacs (Previous year ₹ 1,608.91 lacs)) | **10,294.51** | 10,651.02 |
| | Traded Goods | **382.91** | 381.35 |
| | Stores and Spares | **259.68** | 102.72 |
| | | **32,072.34** | 43,412.56 |

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

| | | Non-current As at | | Current As at | |
|---|---|---|---|---|---|
| | | **31.3.2013** ₹ **in lacs** | 31.3.2012 ₹ in lacs | **31.3.2013** ₹ **in lacs** | 31.3.2012 ₹ in lacs |
| **17** | **Cash and Bank Balances** | | | | |
| | Cash and Cash Equivalents | | | | |
| | Balances with banks | | | | |
| | On Current accounts | | | **2,464.42** | 2,675.20 |
| | Deposit accounts with less than 3 months maturity | | | **350.00** | 115.50 |
| | Cash on hand | | | **12.99** | 9.91 |
| | | | | **2,827.41** | 2,800.61 |
| | Other bank balances | | | | |
| | Margin money deposits | **38.61** | 32.59 | **55.00** | 36.27 |
| | Unpaid Dividend accounts | **–** | – | **74.97** | 74.51 |
| | | **38.61** | 32.59 | **129.97** | 110.78 |
| | Amount disclosed under non-current assets (Refer Note 14) | **(38.61)** | (32.59) | **–** | – |
| | | **–** | – | **2,957.38** | 2,911.39 |

| | | **2012-2013** ₹ **in lacs** | 2011-2012 ₹ in lacs |
|---|---|---|---|
| **18** | **Revenue from Operations** | | |
| | Sale of products | | |
| | Finished and traded products | **2,21,789.33** | 2,11,757.49 |
| | Other operating revenue | | |
| | Export incentives | **1,697.35** | 1,896.27 |
| | Processing income | **2.61** | 24.20 |
| | Compensation for wind power generation loss | **–** | 69.74 |
| | Incentives for renewable energy generation | **83.95** | 242.68 |
| | Revenue from Operations (gross) | **2,23,573.24** | 2,13,990.38 |
| | Less:Excise duty | **23,668.68** | 22,938.08 |
| | Revenue from Operations (net) | **1,99,904.56** | 1,91,052.30 |
| | **Details of sale of products** | | |
| | Transformer Oils / Liquid Paraffins and White Oils / Lubricating Oils / Greases and Other Specialities | **2,18,231.94** | 2,08,041.70 |
| | Base Oils | **42.08** | 447.07 |
| | Electricity (Wind Power) | **3,442.14** | 3,161.39 |
| | Others | **73.17** | 107.33 |
| | | **2,21,789.33** | 2,11,757.49 |

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

| | | 2012-2013 ₹ in lacs | 2011-2012 ₹ in lacs |
|---|---|---|---|
| **19** | **Other Income** | | |
| | Interest income - current | **115.57** | 180.00 |
| | Dividend income | | |
| | Long-term investments | **23.02** | 64.79 |
| | Net gain on sale of investments | | |
| | Current | **405.75** | 262.44 |
| | Long-term | **9.52** | 7.44 |
| | Profit on sale of fixed assets (net) | **1.68** | – |
| | Other non-operating income | **787.86** | 569.47 |
| | | **1,343.40** | 1,084.14 |
| **20** | **Cost of Materials Consumed** | | |
| | Base oils | **1,43,346.97** | 1,37,010.55 |
| | Process chemicals / solvents | **10,121.70** | 8,830.74 |
| | Packing materials | **8,154.95** | 7,825.24 |
| | Others | **524.71** | 377.67 |
| | | **1,62,148.33** | 1,54,044.20 |
| **21** | **Purchase of Traded Goods** | | |
| | Base oils | **32.95** | 365.64 |
| | Lubricating oils / Greases | **1,363.79** | 1,612.15 |
| | Others | **11.94** | 46.46 |
| | | **1,408.68** | 2,024.25 |
| **22** | **(Increase) / Decrease in Inventories (Refer Note 1 (h))** | | |
| | **Inventories at the end of the year** | | |
| | Finished Goods | **10,294.51** | 10,651.02 |
| | Work-in-Process | **837.12** | 383.56 |
| | Traded Goods | **382.91** | 381.35 |
| | | **11,514.54** | 11,415.93 |
| | **Inventories at the beginning of the year** | | |
| | Finished Goods | **10,651.02** | 7,283.02 |
| | Work-in-Process | **383.56** | 495.75 |
| | Traded Goods | **381.35** | 356.42 |
| | | **11,415.93** | 8,135.19 |
| | | **(98.61)** | (3,280.74) |
| **23** | **Employee Benefits Expense (Refer Note 36)** | | |
| | Salaries, Wages and Bonus | **2,506.59** | 2,198.75 |
| | Contribution to employees' provident and other funds | **245.01** | 170.66 |
| | Staff Welfare Expenses | **92.75** | 82.48 |
| | | **2,844.35** | 2,451.89 |

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

| | | 2012-2013 ₹ in lacs | 2011-2012 ₹ in lacs |
|---|---|---|---|
| **24** | **Other Expenses** | | |
| | Stores and spares consumed | **154.84** | 155.26 |
| | Fuel and power | **203.84** | 196.53 |
| | Rent | **923.32** | 812.18 |
| | Freight | **3,760.19** | 3,048.22 |
| | Rates, taxes and octroi | **148.61** | 171.71 |
| | Insurance | **348.82** | 232.08 |
| | Commission on sales | **1,102.83** | 1,063.52 |
| | Donations | **51.57** | 30.65 |
| | Repairs and maintenance: | | |
| | Buildings | **21.60** | 25.39 |
| | Plant and Machinery | **484.43** | 435.45 |
| | Others | **75.17** | 59.73 |
| | Discounts | **1,404.18** | 1,363.65 |
| | Royalty | **7,510.65** | 7,353.57 |
| | Advertisement and sales promotion | **898.78** | 1,232.82 |
| | Loss on sale of fixed assets (net) | **–** | 3.86 |
| | Loss on foreign exchange fluctuation (net) | **2,979.74** | 5,040.02 |
| | Bad debts | **0.86** | 21.29 |
| | Provision for diminution in value of investments | **6.58** | 1.38 |
| | Provision for doubtful debts & advances (net) | **108.35** | 141.94 |
| | Excise duty | **158.52** | 133.71 |
| | Miscellaneous expenses | **1,636.49** | 1,553.20 |
| | | **21,979.37** | 23,076.16 |
| | **Payment to auditors** | | |
| | a) Audit fees | **12.50** | 9.00 |
| | b) Tax Audit Fees | **3.00** | 2.00 |
| | c) VAT Audit Fees | **1.00** | – |
| | d) Certification | **0.83** | 1.83 |
| | e) Taxation matter | **0.60** | – |
| | f) Out of pocket expenses | **0.60** | – |
| **25** | **Depreciation / Amortisation (Refer Note 1 (d) and 10)** | | |
| | Depreciation on tangible assets | **2,500.88** | 2,506.40 |
| | Amortisation of intangible assets | **13.33** | 14.10 |
| | | **2,514.21** | 2,520.50 |
| **26** | **Finance costs (Refer Note 1 (e))** | | |
| | Interest | **543.92** | 725.11 |
| | Other borrowing costs and bank charges | **503.48** | 549.88 |
| | | **1,047.40** | 1,274.99 |

**27** In November 2006, the Company had entered into a Technical Collaboration Agreement for manufacturing and marketing of Idemitsu Products (Agreement) with Idemitsu Lube India Pvt. Ltd. (ILI). The said Agreement was valid for a period of 10 years, i.e. up to 31st October, 2016. During the financial year 2011-2012, ILI served 180 days advance notice to terminate the Agreement and remitted consideration amounting to ₹ 3,273.06 lacs. As at 31st March, 2012, pending completion of the notice

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

period and termination process, the advance consideration received was disclosed as "Consideration received in advance" under Other Current Liabilities (Refer Note 9) . During the year, the Company received the balance consideration amounting to ₹ 2,377.22 lacs and the termination process was completed. Consideration on such termination being exceptional in nature, the Company has disclosed total consideration determined amounting to ₹ 5,650.28 lacs as Exceptional Income in the Statement of Profit and Loss.

| | | 2012-2013 ₹ in lacs | 2011-2012 ₹ in lacs |
|---|---|---|---|
| 28 | **Value of Imports on CIF basis** | | |
| | Raw Materials | **1,16,743.76** | 1,30,405.63 |
| | Capital goods | **42.75** | 42.32 |
| | | **1,16,786.51** | 1,30,447.95 |

| | | 2012-2013 | | 2011-2012 | |
|---|---|---|---|---|---|
| | | ₹ in lacs | % | ₹ in lacs | % |
| 29 | **Value of imported and indigenous materials consumed** | | | | |
| | a) Raw Materials | | | | |
| | Imported | **1,37,447.66** | **89** | 1,29,944.23 | 89 |
| | Indigenous | **16,546.17** | **11** | 16,274.73 | 11 |
| | | **1,53,993.83** | **100** | 1,46,218.96 | 100 |
| | b) Packing Materials - Indigenous | **8,154.50** | **100** | 7,825.24 | 100 |
| | c) Spare parts and components - Indigenous | **154.84** | **100** | 155.25 | 100 |

| | | 2012-2013 ₹ in lacs | 2011-2012 ₹ in lacs |
|---|---|---|---|
| 30 | **Earnings and Expenditure in foreign currency** | | |
| | **Earnings** | | |
| | Export Sales (FOB value) | **34,257.11** | 31,188.05 |
| | Freight and insurance | **1,224.63** | 966.17 |
| | Claims received and commision earned | **39.56** | – |
| | Carbon Credit | **–** | 199.13 |
| | | **35,521.30** | 32,353.35 |
| | **Expenditure** | | |
| | Commission | **229.22** | 217.04 |
| | Finance Cost | **524.14** | 572.90 |
| | Professional fees | **70.55** | – |
| | Others | **136.34** | 47.43 |
| | | **960.25** | 837.37 |

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

| | | As at 31.3.2013 ₹ in lacs | As at 31.3.2012 ₹ in lacs |
|---|---|---|---|
| **31** | **Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company)** (Refer Note 9) | | |
| | a) Principal amount due and outstanding | – | – |
| | b) Interest due on (a) above and unpaid | – | – |
| | c) Interest paid to the suppliers | – | – |
| | d) Payments made to the suppliers beyond the appointed day during the year | – | – |
| | e) Interest due and payable for the period of delay | – | – |
| | f) Interest accrued and remaining unpaid | – | – |
| | g) Amount of further interest remaining due and payable in succeeding year | – | – |
| **32** | **Contingent Liabilities not provided for** | | |
| | a) Letters of Credit | **2,429.08** | 2,269.47 |
| | b) Guarantees/Bonds | **2,242.95** | 1,951.87 |
| | c) Corporate guarantee * | – | 4,800.00 |
| | d) Disputed demands | | |
| | i) Excise and Customs | **1,921.24** | 2,506.88 |
| | ii) Sales Tax | **1,364.06** | 1,032.09 |
| | iii) Income Tax | **784.02** | 741.18 |
| | iv) Others | **149.14** | 115.65 |

* Represents corporate guarantee given to banks for credit facilities of Savita Polymers Limited

**33 Commitments**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 831.87 lacs (Previous year ₹ 1,292.21 lacs).

b) The Company has set up wind power projects in the states of Maharashtra, Karnataka and Tamilnadu. The Company has entered into agreements for sale of power exclusively to the state utility companies in the respective states, for periods varying from 13 to 20 years.

**34 Leases**

The Company has entered into agreements for operating leases in respect of residential, office, plant and machinery and land taken/given on lease. All these leases are cancellable.

a) The lease Expenditure/Income recognised in the Statement of Profit and Loss :

Expenditure ₹ 900.11 lacs (Previous year ₹ 804.12 lacs)

Income ₹ 27.25 lacs (Previous year ₹ 27.36 lacs)

b) Under these agreements refundable interest free deposits are given/taken except in case of land.

c) All these agreements have restriction on further leasing.

d) Agreements for office, factory premises and land provide for revision in the rent.

e) Cost, written down value and depreciation in respect of assets given on lease, being not material, have not been disclosed separately.

**35 Derivative instruments and unhedged foreign currency**

The Company is exposed to various financial risks which relate to changes in exchange rates and interest rates.

The Company hedges risks of the aforesaid nature using forward and option contracts. The outstanding position and exposure is as under:

i) As at 31st March, 2013, the outstanding position in respect of the derivatives / forward contracts in US $ is ₹ 18,150.90 lacs (Previous year ₹ 18,257.54 lacs) net payable.

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

ii) As at 31st March, 2013, unhedged foreign currency exposure in US $ is ₹ 17,641.07 lacs (Previous year ₹ 32,036.72 lacs) net payable, in Euro ₹ 323.38 lacs net receivable (Previous year ₹ 11.72 lacs net payable), in UAE Dirham ₹ 16.64 lacs (Previous year ₹ 15.59 lacs) net payable.

**36 Employee Benefits:** (Refer Notes 7 and 23)

i) Defined Contribution Plan:

Company's contribution to Provident Fund ₹ 129.72 lacs (Previous year ₹ 116.22 lacs).

ii) Defined Benefit Plan:

The following table sets out the funded status of the Gratuity Plan and the amounts recognised in the Company's financial statements as at 31st March, 2013.

| | | As at 31.3.2013 ₹ in lacs | As at 31.3.2012 ₹ in lacs |
|---|---|---|---|
| a) | Change in the obligation benefits: | | |
| | Projected benefit obligation at the beginning of the year | **707.61** | 628.37 |
| | Service cost | **42.32** | 46.83 |
| | Interest cost | **60.14** | 51.84 |
| | Actuarial (gain) / loss | **46.45** | (13.47) |
| | Benefits paid | **(12.49)** | (5.96) |
| | Projected benefit obligation at the end of the year | **844.03** | 707.61 |
| b) | Change in the plan assets: | | |
| | Fair value of the plan assets at the beginning of the year | **668.45** | 492.44 |
| | Expected return on plan assets | **57.48** | 39.39 |
| | Employer's contribution | **39.16** | 135.93 |
| | Benefits paid | **(12.49)** | (5.96) |
| | Actuarial gain / (loss) on plan assets | **(8.00)** | 6.65 |
| | Fair value of the plan assets at the end of the year | **744.60** | 668.45 |
| | Excess of (obligation over plan assets) / plan assets over obligation | **(99.43)** | (39.16) |
| c) | Net Gratuity and other cost: | | |
| | Service cost | **42.32** | 46.83 |
| | Interest on defined benefit obligation | **60.14** | 51.84 |
| | Expected return on plan assets | **(57.48)** | (39.39) |
| | Net actuarial (gain) / loss recognised in the year | **54.45** | (20.12) |
| | Net Gratuity and other cost | **99.43** | 39.16 |
| | Actual Return on plan assets | **49.48** | 46.04 |
| d) | Category of Assets: | | |
| | Corporate Bonds | **0.36** | 0.36 |
| | Special Deposits Scheme | **43.66** | 43.66 |
| | Others | **700.58** | 624.43 |
| | Total | **744.60** | 668.45 |
| e) | Assumptions used in accounting for the Gratuity Plan: | | |
| | | **%** | % |
| | Discount rate | **8.00** | 8.50 |
| | Expected rate of return on plan assets | **8.70** | 8.60 |

The estimates of future salary increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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

**37 Details of related party transactions in accordance with the Accounting Standard AS-18 'Related Party Disclosures'**

**Controlled by / Key Management Personnel:** Mr. G.N.Mehra

**Enterprises where key management personnel or relatives of key management personnel have control or significant influence:**

| | | |
|---|---|---|
| Basant Lok Trading Co. | Chemi Pharmex Pvt. Ltd. | D.C.Mehra Public Charitable Trust |
| Khatri Investments Pvt. Ltd. | Kurla Investment & Trading Co. Pvt. Ltd. | Madhu Trust |
| Mansukhmal Investment Pvt. Ltd. | Mehra Syndicate | N. K. Mehra Trust |
| Naved Investment & Trading Co.Pvt. Ltd. | NKM Grand Children's Trust | Savita Petro-Additives Ltd. |
| Savita Polymers Ltd. | | |

**Relatives of key management personnel and relationship**

Mrs. S.N.Mehra - Mother  Mrs. R.G.Mehra - Wife  Mr. S.G.Mehra - Son  Ms. S.G.Mehra - Daughter

**Details of transactions during the year:**

| | | | **2012-2013** | 2011-2012 |
|---|---|---|---|---|
| | | | **₹ in lacs** | ₹ in lacs |
| **Enterprises:** | | | | |
| Sale of goods | - | Savita Polymers Ltd. | **177.06** | 396.04 |
| Sale of fixed assets | - | Savita Polymers Ltd. | **–** | 0.94 |
| Purchase of goods | - | Savita Polymers Ltd. | **229.85** | 493.14 |
| Purchase of fixed assets | - | Savita Polymers Ltd. | **–** | 0.05 |
| Dividend received | - | Savita Polymers Ltd. | **1.00** | 1.00 |
| | | Savita Petro-Additives Ltd. | **0.01** | 0.01 |
| Dividend paid | - | Basant Lok Trading Co. | **0.92** | 1.23 |
| | | Chemi Pharmex Pvt. Ltd. | **0.15** | 0.20 |
| | | Khatri Investments Pvt. Ltd. | **64.14** | 85.52 |
| | | Kurla Investment & Trading Co. Pvt. Ltd. | **2.05** | 2.73 |
| | | Mansukhmal Investment Pvt. Ltd. | **61.50** | 82.00 |
| | | Mehra Syndicate | **1,380.51** | 1,840.67 |
| | | Naved Investment & Trading Co. Pvt. Ltd. | **1.28** | 1.70 |
| Rent Paid | - | Chemi Pharmex Pvt. Ltd. | **45.98** | 45.13 |
| | | Madhu Trust | **8.09** | 23.82 |
| Rent Received | - | Savita Polymers Ltd. | **17.86** | – |
| Car parking charges | - | Basant Lok Trading Co. | **0.15** | 0.15 |
| | | Chemi Pharmex Pvt. Ltd. | **0.06** | 0.30 |
| Donations | - | D.C.Mehra Public Charitable Trust | **20.00** | – |
| | | N.K.Mehra Trust | **20.00** | 30.00 |
| Corporate Guarantee | - | Savita Polymers Ltd. | **–** | 4,800.00 |

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

| | 2012-2013 ₹ in lacs | 2011-2012 ₹ in lacs |
|---|---|---|
| **Key management personnel:** | | |
| Dividend | **25.32** | 33.76 |
| Remuneration | **214.86** | 160.86 |
| **Relatives of key management personnel:** | | |
| Dividend paid - Mrs. S.N.Mehra | **25.20** | 33.60 |
| Mrs. R.G.Mehra | **5.01** | 6.68 |
| Mr. S.G.Mehra | **0.09** | 0.12 |

Balance outstanding :

| | As at 31.3.2013 ₹ in lacs | | As at 31.3.2012 ₹ in lacs | |
|---|---|---|---|---|
| | **Debit** | **Credit** | Debit | Credit |
| Enterprises: | | | | |
| Basant Lok Trading Co. | **3.50** | – | 3.50 | – |
| Chemi Pharmex Pvt. Ltd. | **1.00** | – | 1.00 | – |
| Madhu Trust | **1.00** | – | 1.00 | – |
| Key management personnel: | | | | |
| Mr. G.N.Mehra | | **148.86** | – | 99.41 |

| | 2012-2013 ₹ in lacs | 2011-2012 ₹ in lacs |
|---|---|---|
| **38 Details of Segment Reporting:** | | |
| a) Segment Revenue: | | |
| Petroleum Products | **1,97,242.59** | 1,88,325.84 |
| Wind Power | **3,526.09** | 3,473.81 |
| Other unallocated revenue | **479.28** | 336.79 |
| Net Income from Operations | **2,01,247.96** | 1,92,136.44 |
| b) Segment Results: | | |
| Profit / (Loss) before taxation and interest for each segment | | |
| Petroleum Products (Refer Note iii) | **15,742.89** | 11,136.18 |
| Wind Power | **1,088.80** | 974.70 |
| Total | **16,831.69** | 12,110.88 |
| Less: i) Finance Costs | **1,047.40** | 1,274.99 |
| ii) Other unallocated expenditure | **729.78** | 810.70 |
| | **1,777.18** | 2,085.69 |
| Total profit before tax | **15,054.51** | 10,025.19 |

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

| | | 2012-2013 ₹ in lacs | 2011-2012 ₹ in lacs |
|---|---|---|---|
| c) | Capital Employed: | | |
| | Segment Assets - Segment Liabilities | | |
| | Petroleum Products | **42,449.36** | 36,392.18 |
| | Wind Power | **9,880.56** | 9,067.37 |
| | Unallocated capital employed | **(1,214.15)** | (1,686.25) |
| | Total | **51,115.77** | 43,773.30 |
| d) | Secondary Business Segment: | | |
| | Revenue by Geographical Segment | | |
| | Domestic | **1,64,151.95** | 1,58,443.97 |
| | Exports | **37,096.01** | 33,692.47 |
| | | **2,01,247.96** | 1,92,136.44 |

i) The Primary Segments are determined based on the type of business / products.
ii) Secondary Segments are determined based on geographical markets.
iii) Segment results for the year ended 31st March, 2013 in respect of petroleum products include exceptional income amounting to ₹ 5,650.28 lacs being compensation on termination of Technical collaboration agreement for Idemitsu Products.

**39 Basic and diluted earnings per share:**

| | 2012-2013 | 2011-2012 |
|---|---|---|
| Profit for the year after tax (₹ in lacs) | **10,332.11** | 6,803.03 |
| Number of Ordinary Shares outstanding (Nos.) | **1,46,02,083** | 1,46,02,083 |
| Nominal value of the share ₹ | **10** | 10 |
| Basic and Diluted earnings per share ₹ | **70.76** | 46.59 |

**40** Previous year's figures have been regrouped / rearranged wherever necessary to conform to those of current year classification.

**41** Figures in bracket indicate those for previous year.

As per our report of the even date.

For G. M. Kapadia & Co.
Chartered Accountants

Rajen Ashar
Partner

U. C. Rege
Company Secretary and Executive VP - Legal

S. M. Dixit
Group Chief Financial Officer

Mumbai,
18th May, 2013

For and on behalf of the Board

| | |
|---|---|
| G. N. Mehra | Chairman and Managing Director |
| C. V. Alexander | Director |
| N. B. Karpe | Director |
| H. A. Nagpal | Director |
| S. R. Pandit | Director |

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## NOTES

## NOTES

# Savita Oil Technologies Limited

**Registered Office : 66/67, Nariman Bhavan, Nariman Point, Mumbai – 400 021**

## Attendance Slip

**Please fill in Attendance Slip and hand it over at the entrance of the meeting hall.**
Members are requested to bring their copy of the Annual Report to the Meeting.

Name of the Attending Member — Mr. / Ms. _____
(Surname) (First Name) (Middle Name)

Name of the proxy (To be filled in if the Proxy attends instead of the Member) — Mr. / Ms. _____
(Surname) (First Name) (Middle Name)

Folio No. _____

DP Id* _____ No. of Shares held _____

Client Id* _____

I/We hereby record my/our presence at the 52nd Annual General Meeting of the Company on Saturday, 24th August 2013 at 11.00 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

*Applicable if shares are held in dematerialized form.

_____
Signature of the Member / Proxy


# Savita Oil Technologies Limited

**Registered Office : 66/67, Nariman Bhavan, Nariman Point, Mumbai – 400 021**


## Proxy

I/We.....
of .....being a member / members of Savita Oil Technologies Limited
hereby appoint .....
of ..... or failing him/her .....
of .....or failing him/her .....
of .....on my/our behalf at the 52nd Annual General Meeting of the Company to be held on Saturday, 24th August 2013 at 11.00 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 and at any adjournments thereof.

Signed this .....day of ..... 2013.

Signature ..... Affix 1 Rupee Revenue Stamp .....

| For office use only | |
|---|---|
| Proxy No. | |
| Folio No. | |
| DP Id* | |
| Client Id* | |
| No. of shares | |

*Applicable if shares are held in dematerialized form.

**Notes :**
1) The form should be signed across the stamp as per specimen signature.
2) The Proxy form duly completed, stamped and signed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

# Five Year Performance at a Glance

₹ in lacs

| Particulars | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 | 2008-2009 |
|---|---|---|---|---|---|
| **A. Revenue And Appropriations** | | | | | |
| Sales and Other Income | 2,01,248 | 1,92,136 | 1,56,449 | 1,18,693 | 1,16,079 |
| Profit Before Tax | 15,055 | 10,025 | 16,038 | 12,850 | 2,600 |
| Profit After Tax | 10,332 | 6,803 | 10,933 | 8,639 | 1,723 |
| Dividend % | 175 | 150 | 200 | 150 | 50 |
| **B. Assets Employed** | | | | | |
| Net Fixed Assets | 23,259 | 20,897 | 20,229 | 18,905 | 14,930 |
| Investments | 3,240 | 2,277 | 4,907 | 4,614 | 6,406 |
| Other Assets | 33,702 | 27,380 | 23,149 | 18,509 | 12,798 |
| **Total** | **60,201** | **50,554** | **48,285** | **42,028** | **34,134** |
| **C. Financed By** | | | | | |
| Equity Shares | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 |
| Reserves | 49,655 | 42,313 | 38,055 | 30,516 | 24,432 |
| Other Liabilities | 5,633 | 4,936 | 5,272 | 6,584 | 5,254 |
| Deferred Tax | 3,452 | 1,844 | 3,497 | 3,467 | 2,987 |
| **Total** | **60,201** | **50,554** | **48,285** | **42,028** | **34,134** |

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