

52nd Annual Report 2012-2013





New manufacturing facility at Silvassa



## Fifty-Second Annual Report

2012-2013

**Board of Directors** Mr. G. N. Mehra - Chairman and Managing Director

Mr. C. V. Alexander - Executive Director

Mr. N. B. Karpe Mr. S. R. Pandit 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

Corporation Bank
DBS Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Standard Chartered E

Standard Chartered Bank Union Bank of India

Auditors G. M. Kapadia & Co.

Chartered Accountants

Mumbai

**Registered Office** 66/67, Nariman Bhavan,

Nariman Point, Mumbai - 400 021

Tel: 91-22-6624 6200 / 6624 6228

Fax: 91-22-2202 9364

Factories 17/17A, Thane Belapur Road, Turbhe,

Navi Mumbai - 400 703

Survey No. 10/2, Kharadpada,

Post Naroli, Silvassa,

Dadra and Nagar Haveli - 396 230

Share Transfer Agent 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

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### **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, 4<sup>th</sup> Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on **Saturday**, **24**<sup>th</sup> **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 9<sup>th</sup> September 2008, pursuant to provisions of Section 309 and other applicable provisions of the Companies Act, 1956, with effect from 1<sup>st</sup> 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 26<sup>th</sup> 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 26<sup>th</sup> 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 18<sup>th</sup> May 2013 re-appointed Mr. C. V. Alexander, as a Whole-time Director of the Company from 1<sup>st</sup> October 2013 up to 30<sup>th</sup> 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 26<sup>th</sup> 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

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## 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 31<sup>st</sup> March 2013.

٠	Walch 2013.		
	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

### 2. Dividend

Balance carried to Balance Sheet

1.

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.

35,348

29,055

## 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 2<sup>nd</sup> 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 18<sup>th</sup> 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 22<sup>nd</sup> 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 6<sup>th</sup> December 1976 till she retired on 9<sup>th</sup> 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:

- 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 31<sup>st</sup> 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 18<sup>th</sup> 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.	Name of Employee	Age	Designation	Gross	Qualification	Experience	Date of	Previous
No.				Remuneration		(in years)	joining	Employment/
				(₹)				Position held
1	Mr. Gautam N. Mehra	51	Chairman and	1,65,39,666	B.E. (Chem),	30	1.12.1983	
			Managing		M.B.A.,			– Mehra Trading &
			Director		Univ. of California			Investment Company
					(Berkeley)			Pvt. Ltd.
2	Mr. M. K. Wazir	64	President -	65,86,526	B.Sc., Chief	40	1.6.1994	Senior Manager
			Marketing		Engineer			(Marketing)
					(Marine)			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 breakup 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

Par	ticula	ars		2012-13	2011-12
A.	Pov	wer & F	uel Consumption		
	1.	Electri	city		
		a. Pu	urchased units (million)	2,432	2,300
		To	otal amount (₹ in lacs)	151.75	129.12
		A	verage rate/unit (₹)	6.24	5.61
		b. O	wn 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) Total amount (₹ in lacs)		26	79	
			12.51	32.60	
		Averag	e 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	2012-13	5	15	7	5
(KWH)	2011-12	5	15	7	5
Furnace Oil	2012-13	_	_	-	_
(in litres)	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.

### 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.

### 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.

## **Expenditure on Research and Development**

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

#### **Technology Absorption** 5.

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 18<sup>th</sup> 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.	1. Savita Polymers Ltd.
	2. OnMobile Global Ltd.	2. Kurla Investment & Trading Co. Pvt. Ltd.
	3. Vox Mobili, France	
	4. OnMobile SA, France	
	5. OnMobile Global for Tele-communication Services, Egypt	

#### **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	Atter No. of meetings held dur	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

<sup>\*</sup>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 18<sup>th</sup> May 2013, re-appointed Mr. C. V. Alexander as the Whole-time Director of the Company for a period from 1<sup>st</sup> October 2013 to 30<sup>th</sup> 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 (30<sup>th</sup> May 2012, 21<sup>st</sup> July 2012, 3<sup>rd</sup> November 2012 and 29<sup>th</sup> 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 (30<sup>th</sup> May 2012, 21<sup>st</sup> July 2012, 3<sup>rd</sup> November 2012 and 29<sup>th</sup> 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.	Туре	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,

> Bhogilal Hargovindas Building, 4th Floor, 18/20, 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** 

Phiroze Jeejeebhoy Towers, Dalal street,

Mumbai – 400 001 Stock Code: 524667

National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East),

Mumbai – 400 051 Stock Code: SOTL - EQ

E. Status of Listing Fees Paid to BSE Limited and

National Stock Exchange of India Limited for 2013-14

F. Registered office 66/67, Nariman Bhavan,

> Nariman Point, Mumbai - 400 021 Tel: 91-22-6624 6200 / 6624 6228

Fax: 91-22-2202 9364

G. Works 17/17A, Thane Belapur Road,

> Turbhe, Navi Mumbai - 400 705 Tel: 91-22-2768 1521 / 6768 3500

Fax: 91-22-2768 2024

Survey No.10/2 Kharadpada,

Post Naroli, Silvassa,

Dadra and Nagar Haveli - 396 230

Tel: 0260-320 4003 Fax: 0260-265 0182

National Securities Depository Ltd. H. Depositories

> 4th Floor, Trade World, Kamala Mills Compound, Senapati Bapat Marg,

Lower Parel, Mumbai - 400 013

Central Depository Services (India) Ltd.

Phiroze Jeejeebhoy Towers, 20th Floor, Dalal Street, 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 Sharepro Services (India) Pvt. Ltd. 13 AB, Samhita Warehousing Complex, Near Sakinaka Telephone Exchange, Andheri-Kurla Road,

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

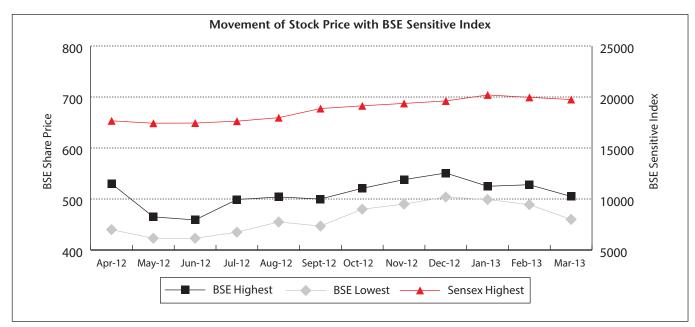
## 13.Dematerialisation of Shares

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	
MOILLI	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 guarter 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 18<sup>th</sup> 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;
  - 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 18<sup>th</sup> 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 18<sup>th</sup> 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.

Gol 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 18<sup>th</sup> 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 31<sup>st</sup> 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: 18<sup>th</sup> 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 quarantee 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: 18<sup>th</sup> 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	Excise Duty	Commissioner of Central	November 2004 to March 2009	122.81
	Act, 1944		Excise	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	April 1999 to April 2003	7.24
			Commissioner of Central	May 2002 to April 2003	13.85
			Excise	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	April 2003 to December 2003	0.05
			Central Excise	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	April 2006 to September 2006	17.19
			Commissioner of Central	July 2008 to April 2009	46.47
			Excise	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	0.42
				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)
No	Statute	dues	pending Appellate Tribunal	1999-2002 2008-2009 April 1998 to March 2003 July,2001 to August, 2001 July 2000 to March 2002 July 2005 to March 2002 July 2000 to March 2002 July 1999 to March 2002 April 2002 to March 2003 April 2003 to March 2004 July 2004 to March 2005 April 1999 to March 2005 April 1999 to March 2002 April 1998 to March 2002 April 2008 to June 2011 April 2009 to January 2010 February 2010 to April 2010 May 2006 to March 2010	9.19 37.34 2.50 42.72 4.99 6.45 106.82 0.49 2.26 1.56 0.10 23.47 260.53 10.35 21.05 9.75 4.19
				2008-2009 to 2009-2010 May 2010	3.93 3.44
2	Finance Act, 1994	Service Tax	Commissioner of Central Excise	May 2010 to September 2010 October 2002 to January 2004	16.83 0.26
	1774		Commissioner (Appeals)of Central Excise	2006-07 to 2010-11	20.16
3	Central Sales Tax	Sales Tax	Assistant Commissioner	2003-2004	0.09
	Act and Sales Tax Acts of Various States		Deputy Commissioner (VAT)	2002-2003 2003-2004 2004-2005 2005-2006	184.61 202.53 207.02 428.02
			Additional Deputy Commissioner- Commercial Tax, Bangalore	2000-2001	0.12
			Joint Commissioner (VAT)	2008-2009 2008-2009 2009-2010 2006-2007 2007-2008	0.44 3.09 45.21 95.29 150.48
			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 June 2006	3.58 399.05
5	Income Tax Act, 1961	Income Tax	Commissioner (Appeals) of Income Tax	2008-2009 2010-2011	557.02 227.00
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 October 2001 to November 2005 September 2002 to November 2005	8.76 35.35 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

		As at		As at	
		31.3.2	2013	31.3.	2012
	Notes	₹ in lacs	₹ in lacs	₹ 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	42 772 20
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	. Otal				
1. Non-current Assets Fixed Assets					
Tangible Assets	10	21,080.88		20,710.02	
Intangible Assets	10	33.08		20,710.02	
Capital Work-in-Progress	10	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	• •		20,020.03		23,220.7
Current Assets  Current Investments	15	2,167.05		1,662.11	
Inventories	13 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
2 3 30					
Significant Accounting Policies	Total 1		1,12,947.75		1,19,460.77
5					
The accompanying notes are an integral part of th	e financial statement	ts.			

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

As per our repor	t of the even date.	For and on behal	For and on behalf of the Board		
For G. M. Kapadia & Co. Chartered Accountants			G. N. Mehra	Chairman and Managing Director	
Rajen Ashar Partner	U. C. Rege Company Secretary and Executive VP - Legal	S. M. Dixit Group Chief Financial Officer	C. V. Alexander N. B. Karpe H. A. Nagpal S. R. Pandit	Director Director Director Director	
Mumbai, 18 <sup>th</sup> May, 2013					



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

•	·	Year ended	Year ended
	Notes	31.3.2013	31.3.2012
		₹ in lacs	₹ 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.	Fo	or and on behalf of t	ne Board
For G. M. Kapadia & Co. Chartered Accountants	G		airman and
			naging Director
			ector ector
Rajen Ashar U. C. Rege S. M. Dixit	H	. A. Nagpal Dir	ector
Partner Company Secretary and Group Chief Financial Office Executive VP - Legal	:ı 5.	R. Pandit Dir	ector
Mumbai, 18 <sup>th</sup> May, 2013			

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

		2012-2013	2011-2012
		₹ in lacs	₹ 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
В.	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)
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
	Cash Flow from Financing Activities: Proceeds from long-term Borrowings Proceeds from short-term Borrowings Repayment of long-term Borrowings Interest paid Dividend paid  Net Cash used in Financing Activities  Net Increase / (Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents – Beginning of the year Cash and Cash Equivalents – End of the year	Dividend received  Net cash used in investing activities  Cash Flow from Financing Activities:  Proceeds from long-term Borrowings  Proceeds from short-term Borrowings  Repayment of long-term Borrowings  Interest paid  Dividend paid  Net Cash used in Financing Activities  Net Cash used in Financing Activities  (2,359.82)  Net Increase / (Decrease) in Cash and Cash Equivalents  Cash and Cash Equivalents − Beginning of the year  Cash and Cash Equivalents − End of the year  2,957.38

S. M. Dixit

**Group Chief Financial Officer** 

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

As r	oer	our	report	of	the	even	date.
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For G. M. Kapadia & Co.

Chartered Accountants

U. C. Rege Rajen Ashar Company Secretary and Partner Executive VP - Legal

Mumbai, 18<sup>th</sup> 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 S. R. Pandit Director Director

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

#### **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)

- 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.
- Leasehold land is amortised over the residual lease period. ii) a)
  - Depreciation on tangible assets is provided as per written down value method at the rates prescribed under b) Schedule XIV to the Companies Act, 1956.
  - 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:

- 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.
- 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.
- 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.

#### **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:

- Foreign currency transactions are accounted at the exchange rate prevailing on the date of transaction.
- Monetary assets and liabilities are translated at year end rate of exchange.
- In case of forward and option contracts, premium is accounted in the Statement of Profit and Loss over the life of the
- iv) Profit or loss arising on cancellation or renewal of forward / option exchange contracts is accounted as income or expenditure for the period
- The difference on account of fluctuation in the rate of exchange is dealt within the Statement of Profit and Loss.

#### **Employee benefits:**

- 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.
- 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

- 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.
- 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:

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



		As at	As at
		31.3.2013	31.3.2012
		₹ in lacs	₹ 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		As at	
	31.3.2013		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		As	at			
	31.3.2013		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

		, 10 0.0
	31.3.2013	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

As at

As at

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

		As at	As at
		31.3.2013	31.3.2012
		₹ in lacs	₹ 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

#### **Long-term Borrowings**

	Non-current		Current maturities	
	As at		As at	
	<b>31.3.2013</b> 31.3.2012		31.3.2013	31.3.2012
	₹ in lacs	₹ in lacs	₹ in lacs	₹ 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



	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

				31.3.2013	31.3.2012
_	Defermed Toy Link life ( / o.t.)			₹ in lacs	₹ in lacs
5	Deferred Tax Liability (net)				
	Deferred Tax liability			4 246 70	4 402 65
	Depreciation  Deferred Tax Assets			4,246.79	4,403.65
	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
	Not Deferred Toulishility			2 451 72	1 044 22
	Net Deferred Tax liability			3,451.72	1,844.32
6	Other Long-term Liabilities			270.05	2.41.21
	Security deposits from vendors			370.05	341.31
				370.05	341.31
_					
7	Provisions	Long-term	-	Short-term	-
			at 21 2 2012	As	
		31.3.2013	31.3.2012	31.3.2013	31.3.2012
		₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
	Provisions in respect of employee benefits			502.40	
	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	As at
				31.3.2013	31.3.2012
				₹ in lacs	₹ 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 as	ssets and			
	ii) charge on the following fixed assets:- a) Plant: Plot No. 17/17A, TTC Industrial Area, P.O.Vashi, Nav	702			
	b) Plant: Survey No.10/2, Kharadpada, Post Naroli, Silvassa 3		703,		
	c) Office premises: 81, Nariman Bhavan, Nariman Point, Mu		and		
	d) Office premises: 58, 59, 68 and 69 Mahavir Centre, Vashi,				
	,,,,	2		571.62	

As at

As at



	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

#### Fixed Assets (Refer Note 1 (d)) 10

₹ in lacs

	Gross Block				Depreciation / Amortisation				Net Block	
Particulars	As at	Additions	Deductions	As at	As at	For the	Deductions	As at	As at	As at
	1.4.2012	during	during	31.3.2013	1.4.2012	year	during	31.3.2013	31.3.2013	31.3.2012
		the year	the year				the year			
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.

		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. NHPC Ltd.	10 10	16,950	16,950 25,369	5.08 9.13	5.08 9.13
	Power Grid Corporation of India Ltd.	10	25,369 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	10	1.07.100	1.07.100		
	Kavini Ispat Ltd. [at cost less provision for other than temporary	10	1,06,100	1,06,100	_	_
	diminution in value ₹ 48.79 lacs (Previous year ₹ 48.79 lacs)]					
	Savita Petro-Additives Ltd. (Refer Note 37)	10	40	40	0.01	0.01
	Savita Polymers Ltd.	10	10,000	10,000	1.00	1.00
	B. Leverton at the Community Secretary				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
	( 4				0.07	0.07
	C. Investment in Mutual Funds					
	Quoted Motifal Oqual Most Sharos Nasdag 100 ETE	10	48,432	48,432	50.00	50.00
	Motilal Oswal Most Shares Nasdaq - 100 ETF	10	40,432	40,432	50.00	50.00
	Unquoted					
	DSP BlackRock US Flexible Equity Fund - Regular					
	Plan - Growth FT India Feeder - Franklin US Opportunities	10	11,83,602	_	125.00	_
	Fund - Growth	10 10	10,86,414	_	125.00 98.86	_
	HDFC Balanced Fund - Growth HDFC Equity Fund - Dividend - Option - Payout	10	1,60,327 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 -	10	6,98,714		100.00	
	Regular Plan - Growth Mirae Asset India - China Consumption Fund -	10	0,96,714	_	100.00	_
	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				87.27	92.89
	Value ₹ 131.00 lacs) (Previous year ₹ 123.68 lacs) Aggregate amount of Unquoted Investments				985.83	522.15
	Aggregate Provision for diminution in value of investments				48.79	48.79



		Non-current		Current	
		As	at	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

		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)					
13	(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 -	1 000	0.074			
	Direct Plan - Growth	1,000	9,976	16040	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	25.556	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
					<u> </u>	1,002.11
	Aggregate amount of Unquoted Investments				2,167.05	1,662.11
	Aggregate Provision for diminution in value of investment	nents			7.96	1.38
					As at	Acat
					As at 31.3.2013	As at 31.3.2012
					₹ in lacs	31.3.2012 ₹ in lacs
16	Inventories (Refer Note 1 (h))				( III lacs	( III IaCs
10	Raw and Packing Material (Includes in transit ₹ 11,971 (Previous year ₹ 12,532.60 lacs))	.97 lacs			20,298.12	31,893.91
	Work-in-Process		837.12	383.56		
	Finished Goods (Includes in transit ₹ 906.61 lacs (Previ	ious 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
					=======================================	



		Non-current As at		Curr As		
		31.3.2013	31.3.2012	31.3.2013	31.3.2012	
		₹ in lacs	₹ in lacs	₹ in lacs	₹ 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	2011-2012	
				₹ in lacs	₹ 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	

		2012-2013	2011-2012
		₹ in lacs	₹ 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



		2012-2013	2011-2012
		₹ in lacs	₹ 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))		
20	Interest	543.92	725.11
	Other borrowing costs and bank charges	503.48	549.88
	Other borrowing costs and bank charges	1,047.40	1,274.99
		=======================================	1,2/4.23

<sup>27</sup> 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 Éxceptional Income in the Statement of Profit and Loss.

				2012-2013	2011-2012
20	VI () (SEL )			₹ in lacs	₹ 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
	Capital goods			1,16,786.51	1,30,447.95
				1,10,700.51	1,30,447.23
		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		7,825.24	100
	c) Spare parts and components - Indigenous	154.84	100	155.25	100
	c) Spare parts and components - indigenous	=====		=======================================	
				2012-2013	2011-2012
				₹ in lacs	₹ in lacs
30	Earnings and Expenditure in foreign currency			\ III Iucs	( III lucs
30	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



	As at	As at
	31.3.2013	31.3.2012
	₹ in lacs	₹ 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

<sup>\*</sup> 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

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)
  - ₹ 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.

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

- **Defined Contribution Plan:** 
  - Company's contribution to Provident Fund ₹ 129.72 lacs (Previous year ₹ 116.22 lacs).
- 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.

	ilitaticiai stateriierits as at 31 March, 2013.		
		As at	As at
		31.3.2013	31.3.2012
		₹ in lacs	₹ 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
-15	·		
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
			000.43
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, seniori	tv. promotion

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.



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

nadriu rrust

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

			2012-2013	2011-2012
			₹ in lacs	₹ 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 31.3.20			at 2012
	₹ in lac		₹ in	
		- "		
	Debit	Credit	Debit	Credit
Enterprises:	2.50		2.50	
Basant Lok Trading Co.	3.50	_	3.50	_
Chemi Pharmex Pvt. Ltd. Madhu Trust	1.00	_	1.00	_
Key management personnel:	1.00	_	1.00	_
Mr. G.N.Mehra		148.86		99.41
IVII. G.IV.IVIETII a		140.00	_	99.41
			2012-2013	2011-2012
20 0 1 1 66 10 11			₹ in lacs	₹ in lacs
<ul><li>38 Details of Segment Reporting:</li><li>a) Segment Revenue:</li></ul>				
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
T. 1. 6.1.6			45.55.55	
Total profit before tax			<u>15,054.51</u>	10,025.19



		2012-2013	2011-2012
		₹ in lacs	₹ 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:

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.

For and on behalf of the Board As per our report of the even date.

For G. M. Kapadia & Co. **Chartered Accountants** 

G. N. Mehra Chairman and Managing Director

> C. V. Alexander Director Director Director

N. B. Karpe S. M. Dixit H. A. Nagpal U. C. Rege Company Secretary and **Group Chief Financial Officer** S. R. Pandit Director Executive VP - Legal

Mumbai, 18<sup>th</sup> May, 2013

Rajen Ashar

Partner

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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 Attend	ding Member	Mr. / Ms.			
			(Surname)	(First Name)	(Middle Name)
Name of the proxy attends instead of t	(To be filled in if the Proxy he Member)	Mr. / Ms.			
	,	,	(Surname)	(First Name)	(Middle Name)
Folio No.					
DP ld*		No. of Sh	ares held		
Client Id*					
A.M. at M. C. Ghia H.	ny/our presence at the 52 <sup>nd</sup> Annuall, Bhogilal Hargovindas Building are held in dematerialized form.				
				Signature of the M	 1ember / Proxy
CAVITA	Savita ∩il	Technol	logies Lir	mited	
bonds build businesse	Savita Oil Registered Office: 66/67, Na	Tせい用い ariman Bhavan	, Nariman Point,		
		Prox	У		
I/We					
of			being a member	/ members of Savita O	il Technologies Limite
				•	
				•	
•	ne Company to be held on Saturo /20, Kaikhushru Dubash Marg, N				l, Bhogilal Hargovinda
Signed this	da	v of	201	3 —	
orgrica and	day	y O1	201.	J.	Affix
					Rupee
			S		evenueStamp
Fo	or office use only				r
Proxy No.	. once use only				
Folio No.					
DP Id*					
Client Id*					
No. of shares					

#### Notes:

The form should be signed across the stamp as per specimen signature. 1)

\*Applicable if shares are held in dematerialized form.

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

Par	ticulars		2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
A.	Revenue And Appropriati	ons					
	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
В.	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	<b>50</b> ,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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#### **Savita Oil Technologies Limited**

Registered Office : 66/67, Nariman Bhavan, Nariman Point, Mumbai 400 021, India. Tel : +91-22-2288 3061-64 / 6624 6200, Fax : +91-22-2202 9364. www.savita.com



26th July, 2013

Savita Oil Technologies Limited

(Formerly known as 'Savita Chemicals Limited')
Registered Office: 66/67, Nariman Bhavan, Nariman Point, Mumbai 400 021, India
Tel: +91-22-2288 3061-64 Fax: +91-22-2202 9364 E-mail: legal@savita.com

The Secretary BSE Ltd. P. J. Towers, Dalal Street, Mumbai – 400 001

Dear Sir,

Sub: Manner of Dealing with Audit Reports

Ref.: Code No. 524667

With reference to the amended clause 31(a) of the listing agreement vide SEBI Circulr No.CIR/CFD/DIL/7/2012 dated August 13, 2012 on the captioned subject, we are submitting herewith "Form A" along with 6 copies of our Company's Annual Report for the financial year 2012-2013.

FORM A

1.	Name of the Company			Savita Oil Technologies Limited	
2.	An	nual financial statements for the year ended	:	31 <sup>st</sup> March, 2013	
3.	. Type of Audit observation		:	Un-qualified	
4.	Frequency observation		:	N. A.	
5.	Sig	ned by-			
	1.	Mr. Gautam N. Mehra Chairman & Managing Director	:	Sylvani -	
	2.	Mr. S. M. Dixit Group Chief Financial Officer	:	DESTR. I	
	3.	G. M. Kapadia & Co. Auditor	:	lake	
	4.	Mr. S. R. Pandit Chairman of Audit Committee	:	STO-andil:	

Kindly take the above documents on record.

Thanking you,

Yours faithfully,

For Savita Oil Technologies Limited

U. C. Rege

Company Secretary & Executive VP-Legal