



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF SAVITA POLYMERS LIMITED**

**Report on the Audit of the Financial Statements**

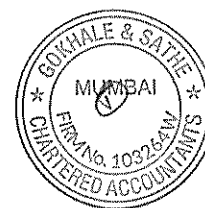
**Opinion**

We have audited the accompanying financial statements of Savita Polymers Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.





### **Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board Report including Annexures to Board Report and other Shareholder Information but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

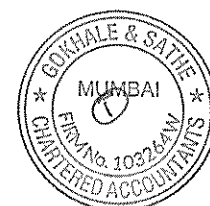
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.





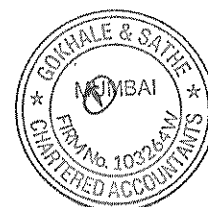
### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and





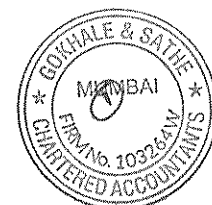
qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy





and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid managerial remuneration to its director and hence compliance with the provisions of section 197 of the Act is not required.

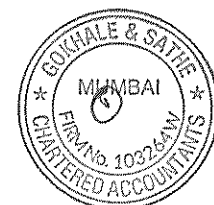
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have pending litigations which would impact on its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

- (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate





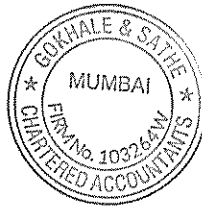
Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
- v. As stated under statement of changes in equity to the financial statements
- a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For Gokhale & Sathe  
Chartered Accountants  
Firm Reg. No.: 103264W

Tejas Parikh  
Partner

Membership No: 123215  
UDIN: 22123215AKFLPB1667  
Place: Mumbai  
Date: 30 May 2022

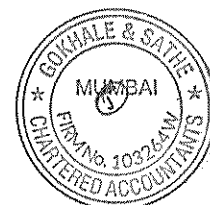




**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Savita Polymers Limited of even date)

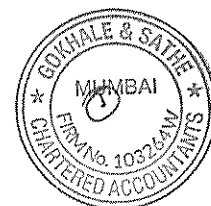
- i. In respect of the Company's Property Plant and Equipment and Intangible Assets:
  - a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property Plant and Equipment and Capital Work in Progress.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a regular program of verification of Property, Plant and Equipment so to cover all the items in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. No material discrepancies were noticed on such verification which were not properly dealt with in the books of accounts in the current year.
  - c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds of self-constructed buildings and title deeds of all immovable properties (other than properties where the Company is lessee and lease agreements are duly executed in favour of the Company), disclosed in the financial statements included under Property Plant and Equipment are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed separately in Property Plant & Equipment in the financial statements, the lease agreements are in the name of the Company.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; Discrepancies noticed were less than 10% for each class of inventory.
  - b) The Company has working capital limits in excess of five crore rupees, from banks on the basis of security of current assets; the difference between the quarterly returns or statements filed by the company with the banks and books of account of the Company





are on account explainable items and not in material in nature. (Refer note no 38 to the financial statements)

- iii. During the year, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or any other parties and hence reporting under clauses 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e), 3(iii)(f) are not applicable.
- iv. The Company has not granted any loans, provided guarantees and securities and hence compliance with provisions of section 185 and 186 of the Act is not applicable.
- v. The Company has not accepted deposits or amounts which are deemed to be deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provision of section 73 to 76 any other relevant provisions of the At and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
- vi. We have broadly reviewed the accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 148 (1) 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.
- vii. In respect of statutory dues:
  - a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including the Provident Fund, Employees' State Insurance, Income tax, Goods and Service Tax, Sales Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable have been regularly deposited during the year with appropriate authorities. There were no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
  - b) There were no arrears in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as at 31 March 2022 on account of dispute except as stated below.

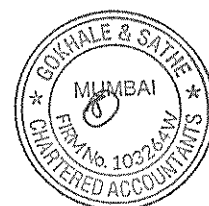






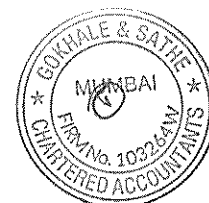
Name of Statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ in Lakhs
Maharashtra Value Added Tax Act, 2002	Sales Tax CST	Dy. Commissioner of Sales Tax (E-640) LTU-4, Mumbai	2014-15	2.69
Maharashtra Value Added Tax Act, 2002	Sales Tax CST	Dy. Commissioner of Sales Tax (E-640) LTU-4, Mumbai	2015-16	1.89

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - In our opinion and according to information and explanations given to us, the Company has not raised money through term loans during the year and hence the utilisation for the purpose for which they were obtained does not arise.
  - On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - The Company does not have any subsidiaries, associates or joint ventures and hence provision of clause 3(ix) (e) is not applicable.
  - The Company does not have any subsidiaries, associates or joint ventures and hence provision of clause 3(ix)(f) is not applicable.
- x.
- The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.





- xi. b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting standards.
- xiv. The Company is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence provisions of clause 3 (xiv) (a) and 3 (xiv) (b) are not applicable.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) (b), (c) and (d) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.



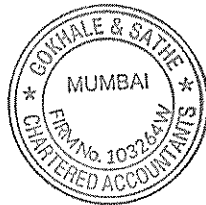


- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- xxi. The Company is not required to prepare consolidated financial statements and hence reporting under clause 3(xxi) of the Order is not applicable.

For Gokhale & Sathe  
Chartered Accountants  
Firm Reg. No.: 103264W

Tejas Parikh  
Partner

Membership No:  
UDIN: 22123215AKFLPB1667  
Place: Mumbai  
Date: 30 May 2022





## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Savita Polymers Limited of even date)

**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

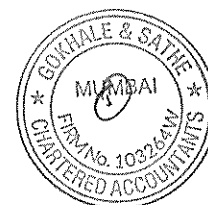
We have audited the internal financial controls over financial reporting of Savita Polymers Limited ("the Company") as of 31 March 2022, in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

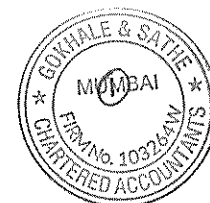
We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gokhale & Sathe  
Chartered Accountants  
Firm Reg. No.: 103264W

Tejas Parikh

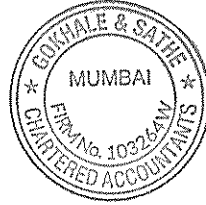
Partner

Membership No: 123215

UDIN: 22123215AKFLPB1667

Place: Mumbai

Date: 30 May 2022



# Savita Polymers Limited

## Balance Sheet as at 31<sup>st</sup> March, 2022

Particulars	Notes	As at	As at	As at
		31.3.2022	31.3.2021	1.4.2020
		₹ in lacs	₹ in lacs	₹ in lacs
<b>ASSETS</b>				
<b>1. Non-current Assets</b>				
a. Property, Plant and Equipments	3	943.84	886.35	859.13
b. Capital Work-in-Progress	3	228.46	53.30	12.72
c. Other Intangible Assets	4	0.48	0.93	1.66
d. Financial Assets	5			
(i) Investments	5.1	1,889.25	1,866.65	1,249.89
(ii) Loans	5.3	-	-	-
(iii) Others	5.4	20.28	29.05	28.94
e. Other Non-current Assets	7	1.08	1.06	25.89
<b>2. Current Assets</b>				
a. Inventories	6	5,085.18	4,027.84	3,747.62
b. Financial Assets	5			
(i) Investments	5.1	937.62	-	252.08
(ii) Trade Receivables	5.2	1,981.40	2,008.49	1,958.00
(iii) Cash and cash equivalents	5.5	1,239.50	1,939.59	755.67
(iv) Bank balances other than (iii) above	5.6	463.17	463.17	491.57
(v) Loans	5.3	9.72	9.65	28.01
(vi) Others	5.4	8.95	9.30	15.47
c. Current Tax Assets (Net)	14	7.00	6.57	13.57
d. Other Current Assets	7	690.07	860.17	1,032.29
e. Assets classified as held for sale		-	-	-
<b>Total Assets</b>		<u>13,506.00</u>	<u>12,162.12</u>	<u>10,472.51</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a. Equity Share Capital	8	61.00	61.00	61.00
b. Other Equity	9	10,440.86	9,599.58	8,265.31
		<u>10,501.86</u>	<u>9,660.58</u>	<u>8,326.31</u>
<b>Liabilities</b>				
<b>1. Non-current Liabilities</b>				
a. Provisions	11	88.90	92.39	78.46
b. Deferred Tax Liabilities (Net)	12	126.96	100.72	39.45
c. Other Non-current Liabilities	13	-	-	-
<b>2. Current Liabilities</b>				
a. Financial Liabilities	10			
(i) Borrowings	10.1	-	-	7.05
(ii) Trade Payables				
Total outstanding dues of micro enterprises and small enterprises	10.2	169.74	113.19	76.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	10.2	2,372.57	1,918.35	1,749.18
(iii) Other Financial Liabilities (other than those specified in (c) below)	10.3	56.43	52.73	77.18
b. Other Current Liabilities	13	130.30	124.91	73.42
c. Provisions	11	20.27	21.70	45.36
d. Current Tax Liabilities (Net)	14	38.97	77.55	-
<b>Total Liabilities</b>		<u>3,004.14</u>	<u>2,501.54</u>	<u>2,146.20</u>
<b>Total Equity and Liabilities</b>		<u>13,506.00</u>	<u>12,162.12</u>	<u>10,472.51</u>
Significant Accounting Policies	2			

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

As per our report of the even date

For and on behalf of the Board

For Gokhale & Sathe  
Chartered Accountants  
Firm Registration Number: 103264W

Tejas J. Parikh  
Partner  
Membership No. 123215

Mumbai  
30<sup>th</sup> May, 2022



*[Signature]*  
Director  
(RP)

*[Signature]*  
Director  
(SMD)

*[Signature]*  
Director  
(GNM)

*[Signature]*  
Director  
(SGM)

*[Handwritten mark]*

# Savita Polymers Limited

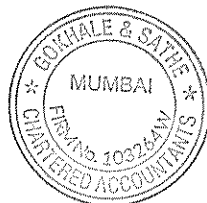
## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2022

	Notes	Year ended 31.03.2022 ₹ in lacs	Year ended 31.3.2021 ₹ in lacs
<b>INCOME</b>			
Revenue from Operations	15	12,431.71	10,221.96
Other Income	16	518.63	787.65
<b>Total Income</b>		<b>12,950.34</b>	<b>11,009.61</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	17	8,441.61	7,342.96
Purchase of Stock-in-trade	18	1,253.10	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(363.88)	(187.73)
Employee Benefits Expense	20	852.74	779.48
Finance Costs	21	54.95	46.52
Depreciation and Amortisation Expense	22	109.28	87.71
Other Expenses	23	1,411.76	1,240.30
<b>Total Expenditure</b>		<b>11,759.56</b>	<b>9,309.24</b>
<b>Profit for the year before exceptional items and tax</b>		<b>1,190.78</b>	<b>1,700.37</b>
Add: Exceptional items		-	-
<b>Profit for the year before tax</b>		<b>1,190.78</b>	<b>1,700.37</b>
<b>Tax Expenses</b>			
Current Tax	33	239.72	310.19
Deferred Tax	33	26.24	61.27
Provision / (reversal) of tax estimates relating to prior years	33	8.50	(5.90)
<b>Total Tax Expenses</b>		<b>274.46</b>	<b>365.56</b>
<b>Profit for the year from continuing operations</b>		<b>916.32</b>	<b>1,334.81</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss:			
i) Re-measurement gains / (losses) on defined benefit plans	33	(18.76)	(0.74)
ii) Income tax related to such items	33	4.72	0.19
<b>Total Other Comprehensive Income</b>		<b>(14.04)</b>	<b>(0.55)</b>
<b>Total Comprehensive Income for the year</b>		<b>902.28</b>	<b>1,334.26</b>
<b>Basic and Diluted earnings per share in ₹ (face value of ₹ 10 each)</b>	41	<b>150.22</b>	<b>218.82</b>
<b>Significant Accounting Policies</b>	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of the even date

For Gokhale & Sathe  
Chartered Accountants  
Firm Registration Number: 103264W

Tejas J. Parikh  
Partner  
Membership No. 123215



Mumbai  
30<sup>th</sup> May, 2022

For and on behalf of the Board

Director  
(RP)

Director  
(SMD)

Director  
(GNM)

Director  
(SGM)



# Savita Polymers Limited

## Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2022

### Equity Share Capital

	₹ in lacs
Balance as at April 1, 2020	61.00
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>61.00</b>
Changes in equity share capital during the year	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>61.00</b>

### Other Equity

₹ in lacs

Particulars	Reserves and Surplus				Other Comprehensive Income	Total Amount
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings		
Balance as at April 1, 2020	20.00	200.00	3,583.98	4,461.34	-	8,265.31
Profit for the year	-	-	-	1,334.81	-	1,334.81
Other comprehensive income	-	-	-	-	(0.55)	(0.55)
Total comprehensive income for the year	20.00	200.00	3,583.98	5,796.15	(0.55)	9,599.58
Transfer from retained earnings / Transfer to General Reserve	-	-	100.00	(100.00)	-	-
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>20.00</b>	<b>200.00</b>	<b>3,683.98</b>	<b>5,696.15</b>	<b>(0.55)</b>	<b>9,599.58</b>
Profit for the year	-	-	-	916.32	-	916.32
Other comprehensive income	-	-	-	-	(14.04)	(14.04)
Total comprehensive income for the year	20.00	200.00	3,683.98	6,612.47	(14.59)	10,501.86
Proposed Dividend for FY 2020-21	-	-	-	(61.00)	-	(61.00)
Transfer from retained earnings / Transfer to General Reserve	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2022</b>	<b>20.00</b>	<b>200.00</b>	<b>3,683.98</b>	<b>6,551.47</b>	<b>(14.59)</b>	<b>10,440.86</b>

The Board of Directors have recommended dividend @ 150 %, i.e., 15 per Equity Share (face value ₹ 10 each) aggregating to ₹ 91.50 lacs for the year ended 31<sup>st</sup> March, 2022.

Securities Premium	: Premium collected on issue of securities is accumulated as part of securities premium. Utilisation of such premium is restricted by the Companies Act, 2013.
Capital Redemption Reserve	: This reserve is created u/s 69 of the Companies Act, 2013 by transferring an amount equal to the nominal value of shares bought back by the Company. The same is permitted to be used for issuing fully paid bonus shares.
General Reserve	: General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend.
Retained Earnings	: This represents profits remaining after all appropriations. This is free reserve and can be used for distribution as dividend.

As per our report of the even date

For Gokhale & Sathe  
Chartered Accountants  
Firm Registration Number: 103264W

Tejas J. Parikh  
Partner  
Membership No. 123215

Mumbai  
30<sup>th</sup> May, 2022



For and on behalf of the Board

Director  
(ERP)

Director  
(SMD)

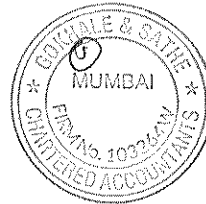
Director  
(GNM)

Director  
(SVM)

# Savita Polymers Limited

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2022

	2021-2022 ₹ in lacs	2020-2021 ₹ in lacs
<b>A. Cash Flow from Operating Activities :</b>		
Profit before tax from continuing operations	1,190.78	1,700.37
<b>Adjustments for -</b>		
Depreciation on tangible assets	108.82	86.98
Amortisation on intangible assets	0.46	0.72
(Profit)/Loss on sale of tangible fixed assets (net)	(2.45)	1.97
(Profit)/Loss on sale of non-current investments(net)	(104.29)	(55.28)
(Profit)/Loss on sale of current investments(net)	(2.86)	(23.14)
(Gain) / Diminution in the value of non-current investments	(253.31)	(566.21)
(Gain) / Diminution in the value of current investments	(2.62)	1.97
Interest income	(24.26)	(29.15)
Dividend income	(7.27)	(4.01)
Unrealised foreign exchange (gain)/loss	(2.39)	6.53
Bad Debts	13.48	0.18
Provision for Doubtful Debts	(10.17)	25.08
Operating profit before working capital changes	903.91	1,146.02
<b>Changes in working capital:</b>		
Increase / (Decrease) in trade payables	512.85	198.43
Increase / (Decrease) in other current liabilities	9.08	27.04
(Increase) / Decrease in trade receivables	24.11	(74.43)
(Increase) / Decrease in inventories	(1,057.34)	(280.23)
(Increase) / Decrease in long-term loans and advances	8.76	24.72
(Increase) / Decrease in short-term loans and advances	170.03	190.57
Increase / (Decrease) in long term provisions	(3.49)	13.93
Increase / (Decrease) in short term provisions	(20.19)	(24.40)
Cash generated from operations	547.72	1,221.66
Income tax paid	(282.50)	(219.55)
<b>Net cash from Operating Activities</b>	<b>265.22</b>	<b>1,002.11</b>



Cash Flow Statement for the year ended 31<sup>st</sup> March, 2022 (contd.)


	2021-2022 ₹ in lacs	2020-2021 ₹ in lacs
<b>B. Cash Flow from Investing Activities:</b>		
Additions to tangible assets and CWIP		
Sale of tangible assets	(342.18)	(156.81)
Purchase of current investments	3.15	0.05
Purchase of Non-current investments	(1,735.00)	(936.74)
Sale of Non-current investments	-	(446.43)
Sale of current investments	334.99	451.15
Interest received	802.86	1,210.00
Dividend received	24.61	35.23
	7.27	4.01
<b>Net cash used in Investing Activities</b>	<b>(904.30)</b>	<b>160.46</b>
<b>C. Cash Flow from Financing Activities:</b>		
Repayment of short-term Borrowings	-	(7.05)
Dividend paid	(61.00)	-
Transfer to other banks balance (FDs)	-	28.41
<b>Net cash used in Financing Activities</b>	<b>(61.00)</b>	<b>21.36</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(700.08)</b>	<b>1,183.93</b>
<b>Cash and Cash Equivalents - Beginning of the year</b>	<b>1,939.58</b>	<b>755.67</b>
<b>Cash and Cash Equivalents - End of the year (Refer Note 5.5)</b>	<b>1,239.50</b>	<b>1,939.59</b>
<b>Net Cash and Cash Equivalents</b>	<b>700.08</b>	<b>(1,183.93)</b>

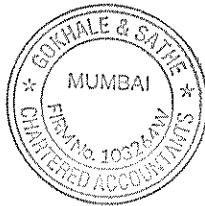
Notes:

- 1) Cash flow statement has been prepared under the indirect method as set out in Ind AS - 7 specified under Section 133 of the Companies Act, 2013.
- 2) Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

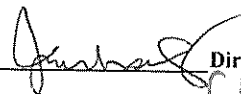
As per our report of the even date

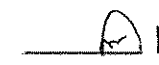
For Gokhale & Sathe  
Chartered Accountants  
Firm Registration Number 103264W

  
Tejas J. Parikh  
Partner  
Membership No. 123215




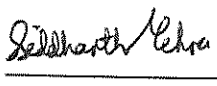
Mumbai  
30<sup>th</sup> May, 2022

  
Director  
(RP)

  
Director  
(SMD)

For and on behalf of the Board

  
Director  
(GMM)

  
Director  
(SGM)



**Ita Polymers Limited**

**Financial Statements for the year ended March 31, 2022**

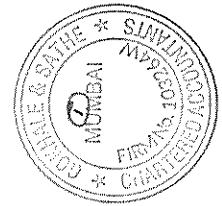
**PROPERTY, PLANT AND EQUIPMENTS**

Particulars	Building	Right-of-use Assets	Plant & Machinery	Lab Equipment	Furniture and Fittings	Office Equipments	Data Processing Equipments	Vehicles	Total	Capital Work-in-progress
Gross Carrying Amount										
balance as at 1 <sup>st</sup> April, 2020	480.81	20.18	1,870.44	92.59	33.00	81.36	9.06	28.57	2,616.01	12.72
additions	11.96	-	97.67	0.82	4.69	0.80	0.27	-	116.21	40.58
deletions	1.50	-	54.27	1.92	4.13	8.03	0.38	-	70.23	-
balance as at 31st March, 2021	491.28	20.18	1,913.84	91.49	33.56	74.13	8.95	28.57	2,662.00	53.30
accumulated Depreciation and Impairment										
balance as at 1 <sup>st</sup> April, 2020	306.11	4.66	1,272.89	49.98	24.93	74.73	6.61	16.97	1,756.88	-
depreciation for the year (Refer Note 23)	14.40	0.25	58.91	6.56	1.08	1.27	1.28	3.23	86.98	-
accumulated depreciation on deletions	1.42	-	52.83	1.82	4.11	7.67	0.36	-	68.21	-
balance as at 31st March, 2021	319.09	4.91	1,278.97	54.72	21.90	68.33	7.53	20.20	1,775.65	-
Net Carrying Amount as at 31 <sup>st</sup> March, 2021	172.19	15.27	634.87	36.77	11.66	5.80	1.42	8.37	886.35	53.30
Gross Carrying Amount										
balance as at 1 <sup>st</sup> April, 2021	491.28	20.18	1,913.84	91.49	33.56	74.13	8.95	28.57	2,662.00	53.30
additions	66.41	-	52.70	18.16	4.63	5.38	13.64	6.10	107.02	222.60
deletions	-	-	14.09	-	-	-	-	-	14.09	47.44
balance as at 31st March, 2022	557.69	20.18	1,952.45	109.65	38.19	79.51	22.59	34.67	2,814.93	228.46
accumulated Depreciation and Impairment										
balance as at 1 <sup>st</sup> April, 2021	319.09	4.91	1,278.97	54.72	21.90	68.33	7.53	20.20	1,775.65	-
depreciation for the year (Refer Note 23)	15.52	0.25	74.54	7.42	1.54	2.03	3.93	3.59	108.82	-
accumulated depreciation on deletions	-	-	13.38	-	-	-	-	-	13.38	-
balance as at 31st March, 2022	334.61	5.16	1,340.13	62.14	23.44	70.36	11.46	23.79	1,871.09	-
Net Carrying Amount as at 31 <sup>st</sup> March, 2022	223.08	15.02	612.32	47.51	14.75	9.15	11.13	10.88	943.84	228.46

ertain property, plant and equipments have been mortgaged for borrowing facilities availed by the Company (Refer Note 29).  
Refer note 37 for property, plant and equipments damaged due to flood.

**WIP ageing schedule**

Financial Year 2021-22	Amount in CWIP for a period of				Total
	Less than 1 year			More than 3 years	
	Less than 1 year	1-2 year	2-3 years		
Objects in progress					
Objects temporarily suspended	225.69	2.77	-	-	228.46
Total	225.69	2.77	-	-	228.46
Financial Year 2020-21					
Financial Year 2020-21	Amount in CWIP for a period of				Total
	Less than 1 year			More than 3 years	
	Less than 1 year	1-2 year	2-3 years		
Objects in progress					
Objects temporarily suspended	47.22	2.77	-	3.31	53.30
Total	47.22	2.77	-	3.31	53.30



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

### 4 OTHER INTANGIBLE ASSETS

#### Information Technology Software and Licences

#### Software & License

#### I. Gross Carrying Amount

Balance as at April 1, 2020	39.64
Additions	-
Deletions	-
Balance as at March 31, 2021	<u>39.64</u>

#### II. Accumulated Amortisation and Impairment

Balance as at April 1, 2020	37.98
Amortisation for the year (Refer Note 23)	0.72
Accumulated depreciation on deletions	-
Balance as at March 31, 2021	<u>38.71</u>

#### III. Net Carrying Amount as at March 31, 2021

0.93

#### IV. Gross Carrying Amount

Balance as at 1 <sup>st</sup> April, 2021	39.64
Additions	-
Deletions	-
Balance as at 31 <sup>st</sup> March, 2022	<u>39.64</u>

#### V. Accumulated Amortisation and Impairment

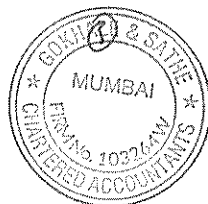
Balance as at 1 <sup>st</sup> April, 2021	38.71
Additions	0.46
Deletions	-
Balance as at 31 <sup>st</sup> March, 2022	<u>39.16</u>

#### VI. Net Carrying Amount as at 31st March, 2022

0.48

Carrying amount and remaining period of amortisation of Intangible Assets is as below:

Information Technology Software and Licences	₹ in lacs		
	0 to 5 years	6 to 10 years	Total WDV
	0.48	-	0.48



# Savita Polymers Limited

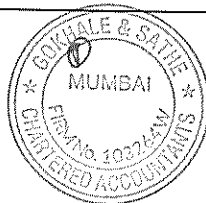
## Notes to Financial Statements for the year ended 31st March, 2022

	Face Value ₹	As at 31.3.2022 Quantity Nos. / Units	As at 31.3.2021 Quantity Nos. / Units	As at 1.4.2020 Quantity Nos. / Units	As at 31.3.2022 ₹ in lacs	As at 31.3.2021 ₹ in lacs	As at 1.4.2020 ₹ in lacs
<b>5 FINANCIAL ASSETS</b>							
<b>5.1 Non-current Investments (fully paid up) (at FVTPL)</b>							
<b>Quoted</b>							
<b>Investments in Equity Instruments</b>							
Abbott India Limited	10	85	85	85	15.04	12.74	13.14
Asian Paints	1	275	275	275	8.47	6.98	4.58
Bajaj Finance Limited	2	510	510	510	37.02	26.26	11.30
Geodesic Limited	2	20,000	20,000	20,000	-	-	-
HDFC Bank Ltd.	1	1,845	1,845	1,845	27.12	27.56	15.90
Indian Oil Corporation Ltd.	10	49,550	49,550	49,550	58.94	45.49	40.46
Kotak Mahindra Bank Ltd.	5	800	800	800	14.04	14.03	10.37
Nippon India ETF Bank Bees	1	8,000	8,000	8,000	29.24	26.79	15.58
Nippon India ETF Nifty Bees	1	43,700	43,700	43,700	82.53	68.73	40.09
Nippon India ETF Gold Bees	1	1,11,000	1,11,000	-	48.98	42.40	-
Pidifite Industries Ltd.	1	320	320	320	7.86	5.79	4.34
Prism Johnson Ltd.	10	500	500	500	-	-	-
Prudential Sugar Corporation Ltd.	10	4,900	4,900	4,900	-	-	-
Sarthak Securities Ltd.	10	100	100	100	-	-	-
SBI Cards and payment Ltd.	10	1,224	1,224	1,224	10.42	11.38	7.57
Torrent Pharmaceuticals Ltd	5	230	230	230	6.43	5.84	4.53
					<b>346.11</b>	<b>293.98</b>	<b>167.86</b>
<b>Unquoted</b>							
<b>Investments in Equity Instruments</b>							
<b>Related Entities (Refer Note 31)</b>							
Savita Finance Corporation Limited	10	-	80	80	-	0.01	0.01
Savita Petro Additives Limited	10	-	10	10	-	0.00	0.00
					-	0.01	0.01
<b>Others</b>							
MMA CETP Co-operative Society Limited	100	2,118	2,118	2,118	2.12	2.12	2.12
					<b>2.12</b>	<b>2.12</b>	<b>2.12</b>
<b>Investments in 16% Partly Convertible Redeemable Cumulative Preference Shares</b>							
Prudential Sugar Corporation Ltd.	10	4,900	4,900	4,900	-	-	-
					<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity Oriented Mutual Funds</b>							
Axis Midcap Fund - Regular - Growth	10	1,26,103	1,26,103	1,26,103	84.98	68.88	41.06
Aditya Birla Sun Life Digital India Fund - Growth - Regular Plan	10	1,05,448	1,05,448	-	145.82	102.54	-
Edelweiss US Technology Equity Fund of Fund - Regular Plan Growth	10	3,77,200	3,77,200	-	64.34	65.71	-
Franklin India Focused Equity Fund - Growth	10	1,20,130	2,38,260	2,38,260	78.05	124.84	69.64
Franklin India Prima Fund - Growth	10	-	2,604	2,604	-	32.64	18.00
Franklin India Smaller Companies Fund - Growth	10	-	18,966	18,966	-	12.80	6.40
Franklin India Low Duration Fund - Growth	10	-	-	20,37,610	-	-	420.14
Franklin India Low Duration Fund - Growth Segregated Portfolio 2 (10.90% Vodafone Idea 02Sep2023 (PC 03Sep2021)	0	17,11,500	18,76,028	20,37,610	5.81	-	-
Franklin India Technology Fund - Growth	10	48,434	48,434	-	161.80	134.04	-
Franklin India Feeder - Franklin US Opportunities Fund - Growth	10	1,52,169	1,52,169	-	79.18	74.53	-
HDFC Gold Fund - Regular Plan - Growth	10	3,06,712	3,06,712	-	49.30	43.18	-
HDFC Small Cap Fund - Regular Plan - Growth Plan	10	-	70,234	70,234	-	37.12	18.26
Kotak Emerging Equity Fund - Growth (Regular Plan)	10	3,09,212	3,09,212	3,09,212	220.77	177.43	91.33
Kotak Dynamic Bond Fund - Regular Plan - Growth	10	-	1,99,688	-	-	57.90	-
L&T Midcap Fund - Growth	10	-	23,037	23,037	-	40.37	22.70
Motilal Oswal Dynamic Fund - Regular Plan	10	8,45,073	8,45,073	8,45,073	126.57	123.60	95.61
Motilal Oswal Nasdaq 100 Fund of Fund - Regular Plan Growth Option	10	1,48,655	1,48,655	1,89,497	34.31	29.58	24.12
Mireia Asset Focused Fund - Regular Plan - Growth	10	7,91,171	7,91,171	7,91,171	150.96	124.59	66.67
Mireia Asset Hybrid - Equity Fund - Regular Plan Growth	10	7,48,335	7,48,335	7,48,335	163.13	140.71	92.49
Mirae Asset Large Cap Fund - Regular - Growth Plan	10	-	59,660	-	-	39.08	-
SBI Focused Equity Fund - Regular Growth	10	75,373	75,373	75,373	175.99	141.00	90.31
Mireia Asset India Equity Fund - Growth	10	-	-	59,660	-	-	23.17
					<b>1,541.02</b>	<b>1,570.54</b>	<b>1,079.90</b>
					<b>1,889.25</b>	<b>1,866.65</b>	<b>1,249.89</b>
Aggregate amount of Quoted Investments					346.11	293.98	167.86
Market value of Quoted Investments					346.11	293.98	167.86
Aggregate amount of Unquoted Investments					1,543.14	1,572.67	1,082.02
Aggregate amount of impairment in value of investments					-	-	-

# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

	Face Value ₹	As at 31.3.2022 Quantity Nos. / Units	As at 31.3.2021 Quantity Nos. / Units	As at 1.4.2020 Quantity Nos. / Units	As at 31.3.2022 ₹ in lacs	As at 31.3.2021 ₹ in lacs	As at 1.4.2020 ₹ in lacs
<b>5.1 Current Investments (at FVTPL)</b>							
<b>Unquoted Mutual Funds</b>							
Kotak Liquid Fund Regular Plan - Growth	1,000	10,548	-	3,294	451.34	-	131.77
HDFC Liquid Fund - Regular Plan - Growth	1,000	11,713	-	-	486.28	-	-
HDFC Overnight Fund - Growth	1,000	-	-	4,072	-	-	120.31
					<u>937.62</u>	<u>-</u>	<u>252.08</u>
Aggregate amount of Quoted Investments					-	-	-
Market value of Quoted Investments					-	-	-
Aggregate amount Unquoted Investments					937.62	-	252.08
Aggregate amount of impairment in value of investments					-	-	-



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

	As at 31.3.2022 ₹ in lacs	As at 31.3.2021 ₹ in lacs	As at 1.4.2020 ₹ in lacs
<b>5.2 Trade Receivables</b>			
<b>Current</b>			
Unsecured, Considered good	1,992.34	2,012.42	1,971.29
Considered doubtful	22.48	39.68	5.41
	<b>2,014.82</b>	<b>2,052.10</b>	<b>1,976.70</b>
Allowance for doubtful debts	(22.48)	(39.68)	(5.41)
	<b>1,992.34</b>	<b>2,012.42</b>	<b>1,971.29</b>
Less: Impairment under expected credit loss	(10.95)	(3.93)	(13.28)
	<b>1,981.40</b>	<b>2,008.49</b>	<b>1,958.00</b>

The Company has used a practical and expedient model for computing the expected credit loss allowance in respect of trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

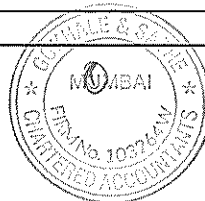
Ageing	Expected credit loss(%)
Not due	0.00
1-90 days past due	0.21
91-180 days past due	2.48
181-270 days past due	9.90
More than 270 days past due	25.16

Age of receivables *	As at 31.3.2022 ₹ in lacs	As at 31.3.2021 ₹ in lacs	As at 1.4.2020 ₹ in lacs
Not due	1,228.08	1,375.16	1,202.74
1-90 days past due	675.45	548.57	703.11
91-180 days past due	52.85	82.56	32.43
181-270 days past due	5.49	4.68	17.10
More than 270 days past due	30.46	1.46	15.91

\* Expected credit loss is worked out on the trade receivables for which no specific provision is made.

### Movement in the expected credit loss allowance

Balance at the beginning of the year	3.93	13.28	13.28
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	7.02	(9.35)	-
Balance at the end of the year	<b>10.95</b>	<b>3.93</b>	<b>13.28</b>





# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

### 5.2.A Trade Receivables ageing schedule

#### The ageing schedule for Trade Receivable as at 31st March, 2022

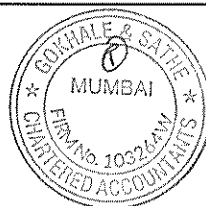
Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivable</b>							
Unsecured, Considered good	1,228.07	728.31	6.42	29.54	-	-	1,992.34
Considered doubtful	-	-	-	-	3.74	13.50	17.24
<b>Disputed Trade receivable</b>							
Unsecured, Considered good	-	-	-	-	-	-	-
Considered doubtful	-	-	-	-	-	5.24	5.24
<b>Total</b>	<b>1,228.07</b>	<b>728.31</b>	<b>6.42</b>	<b>29.54</b>	<b>3.74</b>	<b>18.74</b>	<b>2,014.82</b>

#### The ageing schedule for Trade Receivable as at 31st March, 2021

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivable</b>							
Unsecured, Considered good	1,375.15	631.13	5.18	0.96	-	-	2,012.42
Considered doubtful	-	-	12.59	5.97	12.77	3.11	34.44
<b>Disputed Trade receivable</b>							
Unsecured, Considered good	-	-	-	-	-	-	-
Considered doubtful	-	-	-	-	-	5.24	5.24
<b>Total</b>	<b>1,375.15</b>	<b>631.13</b>	<b>17.77</b>	<b>6.93</b>	<b>12.77</b>	<b>8.35</b>	<b>2,052.10</b>

#### The ageing schedule for Trade Receivable as at 1st April, 2020

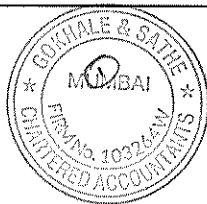
Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade receivable</b>							
Unsecured, Considered good	1,202.74	735.54	17.29	11.95	1.23	2.54	1,971.29
Considered doubtful	-	-	-	-	-	0.17	0.17
<b>Disputed Trade receivable</b>							
Unsecured, Considered good	-	-	-	-	-	-	-
Considered doubtful	-	-	-	-	-	5.24	5.24
<b>Total</b>	<b>1,202.74</b>	<b>735.54</b>	<b>17.29</b>	<b>11.95</b>	<b>1.23</b>	<b>7.95</b>	<b>1,976.70</b>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

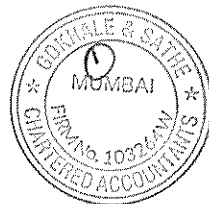
	As at 31.03.2022 ₹ in lacs	As at 31.03.2021 ₹ in lacs	As at 1.4.2020 ₹ in lacs
<b>5.3 Loans</b>			
<b>Current</b>			
<b>Other Loans</b>			
Unsecured, considered good	9.72	9.65	28.01
	<u>9.72</u>	<u>9.65</u>	<u>28.01</u>
	<u>9.72</u>	<u>9.65</u>	<u>28.01</u>
	<u>9.72</u>	<u>9.65</u>	<u>28.01</u>
<p>The Company has not given any loans and advances to promoters / directos / Key Managerial Personnels (KMP) or related parties.</p>			
<b>5.4 Other Financial Assets</b>			
<b>Non-current</b>			
Security Deposits	16.56	25.75	25.64
Bank deposits with more than 12 months maturity	3.72	3.30	3.30
	<u>20.28</u>	<u>29.05</u>	<u>28.94</u>
<b>Current</b>			
Other Financial Assets	8.95	9.30	15.47
	<u>8.95</u>	<u>9.30</u>	<u>15.47</u>
	<u>29.23</u>	<u>38.35</u>	<u>44.42</u>
<b>5.5 Cash and Cash Equivalents</b>			
Balances with banks on Current accounts	1,234.75	1,934.88	751.12
Cash on hand	4.75	4.71	4.55
	<u>1,239.50</u>	<u>1,939.59</u>	<u>755.67</u>
<b>5.6 Other Bank Balances</b>			
Deposit accounts with more than 3 months but less than 12 months maturity	463.17	463.17	491.57
	<u>463.17</u>	<u>463.17</u>	<u>491.57</u>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

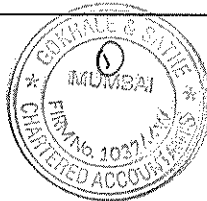
	As at 31.03.2022 ₹ in lacs	As at 31.03.2021 ₹ in lacs	As at 1.4.2020 ₹ in lacs
<b>6 INVENTORIES</b>			
Raw and Packing Materials :			
on hand	2,627.70	2,850.13	2,198.69
in transit	1,127.65	224.67	793.07
Work-in-Process	7.64	3.79	3.43
Finished Goods :			
on hand	1,258.65	898.91	694.18
in transit	-	-	17.36
Stock-in-trade	-	-	-
Stores and Spares	63.54	50.34	40.89
	<u>5,085.18</u>	<u>4,027.84</u>	<u>3,747.62</u>
Please refer Note H in Significant Accounting Policies, for mode of valuation of inventories.			
<b>7 OTHER ASSETS</b>			
<b>Non-current</b>			
Capital Advances	1.08	1.06	25.89
	<u>1.08</u>	<u>1.06</u>	<u>25.89</u>
<b>Current</b>			
GST balances	371.19	714.68	953.12
Advances to vendors	54.52	71.78	13.48
Other loans and advances including duties and taxes receivable (other than GST balances)	264.36	73.71	65.68
	<u>690.07</u>	<u>860.17</u>	<u>1,032.29</u>
	<u>691.15</u>	<u>861.23</u>	<u>1,058.18</u>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

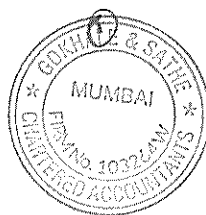
	As at 31.03.2022 ₹ in lacs	As at 31.03.2021 ₹ in lacs	As at 1.4.2020 ₹ in lacs
<b>8 EQUITY SHARE CAPITAL</b>			
<b>Authorised shares</b>			
20,00,000 (As at 1.4.2020: 20,00,000, as at 31.3.21: 20,00,000) Equity shares of ₹ 10 each	200.00	200.00	200.00
30,00,000 (As at 1.4.2020: 30,00,000, as at 31.3.21: 30,00,000) 11% Cumulative Redeemable Preference Shares of Rs.10 each	300.00	300.00	300.00
	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>
<b>Issued shares</b>			
6,10,000 (As at 1.4.2020: 6,10,000, as at 31.3.21: 6,10,000) Equity shares of ₹ 10 each	61.00	61.00	61.00
<b>Subscribed and fully paid-up shares</b>			
6,10,000 (As at April 1, 2020: 6,10,000) Equity shares of ₹ 10 each	61.00	61.00	61.00
	<u>61.00</u>	<u>61.00</u>	<u>61.00</u>
<b>a) Reconciliation of number of shares</b>			
	Nos.	₹ in lacs	
As at 01.04.2020	6,10,000	61.00	
Issued during the year	-	-	
As at 31.03.2021	6,10,000	61.00	
Issued during the year	-	-	
As at 31.3.2022	<u>6,10,000</u>	<u>61.00</u>	
<b>b) Rights, preferences and restrictions attached to equity shares (except forfeited shares)</b>			
<p>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.</p>			
<b>c) Details of shareholders holding more than 5% of equity shares</b>			
Name of the Shareholders	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
	Nos. % of holding	Nos. % of holding	Nos. % of holding
Savita Oil Technologies Limited	6,10,000 100.00	10,000 1.64	10,000 1.64
Mr. G. N. Mehra*	- -	3,17,500 52.05	3,17,500 52.05
Mrs. R. G. Mehra**	- -	1,68,900 27.69	1,68,900 27.69
Mr. S. G. Mehra	- -	67,100 11.00	67,100 11.00
<p>*Includes 1,95,500 shares as at 31st March, 2021 held as a member of Association of Persons and HUFs, wherein Mr. Gautam N. Mehra is one of the beneficiaries, and as a trustee of family</p> <p>**Includes 1,68,900 shares as at 31st March, 2021 held as a member of Association of Persons wherein Mrs. Reshma G. Mehra is one of the beneficiaries.</p>			
<b>d) Shares held by the promoters at the end of the year</b>			
	As at 31.03.2022	As at 31.03.2021	% Change during the year
	Nos. % of holding	Nos. % of holding	
Mr. G. N. Mehra*	-	3,17,500 52.05	-52.05
Mrs. R. G. Mehra**	-	1,68,900 27.69	-27.69
Mr. S. G. Mehra	-	67,100 11.00	-11.00
<p>*Includes 1,95,500 shares as at 31st March, 2021 held as a member of Association of Persons and HUFs, wherein Mr. Gautam N. Mehra is one of the beneficiaries, and as a trustee of family</p> <p>**Includes 1,68,900 shares as at 31st March, 2021 held as a member of Association of Persons wherein Mrs. Reshma G. Mehra is one of the beneficiaries.</p>			



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

	As at 31.03.2022 ₹ in lacs	As at 31.03.2021 ₹ in lacs	As at 1.04.2020 ₹ in lacs
<b>9 OTHER EQUITY</b>			
<b>Securities Premium</b>			
Balance at beginning of the year	20.00	20.00	20.00
Add: Transfer from General Reserve	-	-	-
	<u>20.00</u>	<u>20.00</u>	<u>20.00</u>
<b>Capital Redemption Reserve</b>			
Balance at beginning of the year	200.00	200.00	200.00
Add: Transfer from General Reserve	-	-	-
	<u>200.00</u>	<u>200.00</u>	<u>200.00</u>
<b>General Reserve</b>			
Balance at beginning of the year	3,683.98	3,583.98	3,583.98
Add: Transfer from surplus in the Statement of Profit and Loss	-	100.00	-
	<u>3,683.98</u>	<u>3,683.98</u>	<u>3,583.98</u>
<b>Surplus in the Statement of Profit and Loss</b>			
Restated Balance at beginning of the year as per Ind AS	5,695.60	4,461.34	4,461.34
Add: Profit for the year	916.32	1,334.81	-
Less: Other comprehensive income arising from re-measurement of defined benefit obligation net off tax	14.04	0.55	-
	<u>6,597.88</u>	<u>5,795.60</u>	<u>4,461.34</u>
<b>Less: Appropriations</b>			
Dividend paid for FY 2020-21 (amount per share ₹10)	61.00	-	-
Transfer to General Reserve	-	100.00	-
Total Appropriations	<u>61.00</u>	<u>100.00</u>	<u>-</u>
<b>Net retained earnings</b>	<u>6,536.88</u>	<u>5,695.60</u>	<u>4,461.34</u>
	<u>10,440.86</u>	<u>9,599.58</u>	<u>8,265.31</u>
For details of reserves, refer Statement of Changes in Equity.			



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

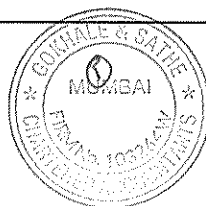
	As at 31.03.2022 ₹ in lacs	As at 31.03.2021 ₹ in lacs	As at 1.04.2020 ₹ in lacs
<b>10 FINANCIAL LIABILITIES</b>			
<b>10.1 Short-term Borrowings (Secured)</b>			
Loans Repayable on demand			
Cash Credits from banks	-	-	7.05
Secured by ;			
Secured by first hypothecation charge on entire stocks and receivables of the Company and mortgage of fixed assets situated at plot Nos. A 2/1, 2/2, M.I.D.C, Mahad.			
	<u>-</u>	<u>-</u>	<u>7.05</u>
For details of carrying amounts of assets hypothecated / mortgaged for borrowing facilities, refer Note 29.			
<b>10.2 Trade payables and Acceptances</b>			
<b>Current</b>			
Trade payables			
Micro and Small Enterprises	169.74	113.19	76.09
Other than Micro and Small Enterprises	2,042.28	1,374.88	469.92
Acceptances	330.29	543.47	1,279.26
	<u>2,542.31</u>	<u>2,031.54</u>	<u>1,825.27</u>

(Refer Note 25 for details of dues to micro and small enterprises)

### 10.2 A Trade Payable ageing schedule

#### Ageing Schedule for Trade Payable as at 31.3.2022

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
<b>Due Not disputed</b>					
Micro and Small Enterprises	169.74	-	-	-	169.74
Other than Micro and Small Enterprises	2,368.43	0.02	2.45	1.67	2,372.57
<b>Disputed dues</b>					
Micro and Small Enterprises	-	-	-	-	-
Other than Micro and Small Enterprises	-	-	-	-	-
<b>Total</b>	<u>2,538.17</u>	<u>0.02</u>	<u>2.45</u>	<u>1.67</u>	<u>2,542.31</u>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

### Ageing Schedule for Trade Payable as at 31.3.2021

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3	
<b>Due Not disputed</b>					
Micro and Small Enterprises	113.19	-			113.19
Other than Micro and Small Enterprises	1,911.50	4.70	0.26	1.89	1,918.35
<b>Disputed dues</b>					
Micro and Small Enterprises	-	-	-	-	-
Other than Micro and Small Enterprises	-	-	-	-	-
<b>Total</b>	<b>2,024.69</b>	<b>4.70</b>	<b>0.26</b>	<b>1.89</b>	<b>2,031.54</b>

### Ageing Schedule for Trade Payable as at 1.4.2020

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3	
<b>Due Not disputed</b>					
Micro and Small Enterprises	76.09			-	76.09
Other than Micro and Small Enterprises	1,733.73	14.75	0.30	0.40	1,749.18
<b>Disputed dues</b>					
Micro and Small Enterprises	-	-	-	-	-
Other than Micro and Small Enterprises	-	-	-	-	-
<b>Total</b>	<b>1,809.82</b>	<b>14.75</b>	<b>0.30</b>	<b>0.40</b>	<b>1,825.27</b>

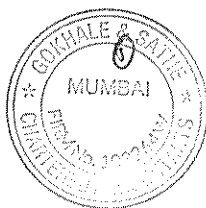
### 10.3 Other Financial Liabilities

#### Current

#### Other financial liabilities at amortised cost

Security deposits		6.65	4.44	4.25
Employee benefits		44.04	37.28	43.39
Other payables		5.74	11.01	29.55
		<u>56.43</u>	<u>52.73</u>	<u>77.18</u>

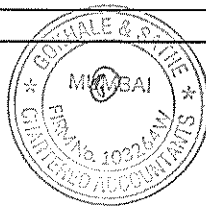
Note: There are no amounts due and outstanding in respect of Investor Education and Protection Fund as on 31st March, 2022, 31st March, 2021 and 1st April, 2020.



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

	As at 31.03.2022 ₹ in lacs	As at 31.03.2021 ₹ in lacs	As at 1.4.2020 ₹ in lacs
<b>11 PROVISIONS</b>			
<b>Non-current</b>			
<b>Provisions in respect of employee benefits</b>			
Leave encashment	88.90	92.39	78.46
	<u>88.90</u>	<u>92.39</u>	<u>78.46</u>
<b>Current</b>			
<b>Provisions in respect of employee benefits</b>			
Leave encashment	20.27	21.15	24.85
Gratuity (Refer Note 30)	-	0.55	20.51
	<u>20.27</u>	<u>21.70</u>	<u>45.36</u>
	<u>109.17</u>	<u>114.09</u>	<u>123.82</u>
<b>12 DEFERRED TAX LIABILITY (NET)</b>			
Deferred Tax Liability	162.85	137.62	100.72
Deferred Tax Asset	35.89	36.90	61.27
<b>Net Deferred Tax Liability</b>	<u>126.96</u>	<u>100.72</u>	<u>39.45</u>
<b>Deductible temporary difference</b>			
Investment	-	0.51	24.66
Provision for doubtful debts and advances	8.41	7.63	4.71
Defined benefit obligation	27.48	28.58	29.19
Actuarial Gain/Loss	-	0.18	1.98
Short Term Loss carried forward Loss	-	-	0.74
	<u>35.89</u>	<u>36.90</u>	<u>61.27</u>
<b>Taxable temporary differences</b>			
Property, plant and equipment and Intangible Asset	93.09	96.93	100.36
Defined benefit obligation	-	0.06	0.01
Investments	69.75	40.63	0.34
Unpaid Bonus	0.01	-	-
	<u>162.85</u>	<u>137.62</u>	<u>100.72</u>
	<u>126.96</u>	<u>100.72</u>	<u>39.45</u>

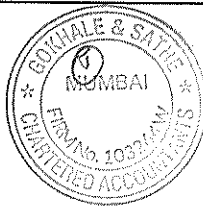




# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

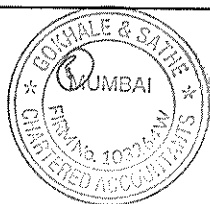
	As at 31.03.2022 ₹ in lacs	As at 31.03.2021 ₹ in lacs	As at 1.4.2020 ₹ in lacs
<b>13 OTHER CURRENT LIABILITIES</b>			
Income tax deducted at source	11.96	11.18	9.60
Income tax collected at source	0.02	0.95	-
Duties and taxes	5.27	2.88	4.56
Contract Liabilities - Advances from customers	107.86	69.85	56.63
Other payables	5.19	40.05	2.63
	<u>130.30</u>	<u>124.91</u>	<u>73.42</u>
<b>14 CURRENT TAX ASSETS AND LIABILITIES</b>			
<b>Current tax assets</b>			
Tax refund receivable	7.00	6.57	13.57
	<u>7.00</u>	<u>6.57</u>	<u>13.57</u>
<b>Current tax liabilities</b>			
Income tax payable	38.97	77.55	-
	<u>38.97</u>	<u>77.55</u>	<u>-</u>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

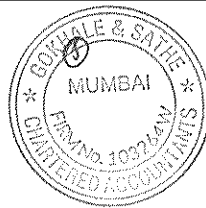
	2021-2022 ₹ in lacs	2020-2021 ₹ in lacs
<b>15 REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Finished and traded products	12,183.13	10,112.20
<b>Other operating revenue</b>		
Export incentives	248.58	109.76
<b>Revenue from Operations</b>	<u>12,431.71</u>	<u>10,221.96</u>
<p>The effect on adoption of Ind AS 115 does not have any material impact on the financial statements of the Company.</p>		
<b>16 OTHER INCOME</b>		
Interest income	24.26	29.15
Dividend income	7.27	4.01
Net gain on sale of investments - Current	5.68	23.14
- Non Current	101.46	55.28
Gain on fair valuation of investments (net)	255.94	564.24
Gain on Foreign Currency Transactions and Translation (net)	49.18	-
Gain on Sale of Fixed Assets (net)	2.45	-
Miscellaneous income	72.39	111.83
	<u>518.63</u>	<u>787.65</u>
<b>17 COST OF MATERIALS CONSUMED</b>		
Base oils	4,694.93	3,885.92
Waxes	2,214.96	2,057.41
Packing materials	807.04	713.40
Others	724.68	686.23
	<u>8,441.61</u>	<u>7,342.96</u>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

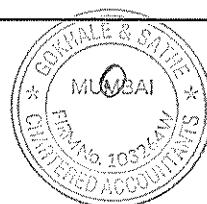
	2021-2022 ₹ in lacs	2020-2021 ₹ in lacs
<b>18 PURCHASE OF TRADED GOODS</b>		
Waxes	1,253.10	-
	<u>1,253.10</u>	<u>-</u>
<b>19 (INCREASE) / DECREASE IN INVENTORIES</b>		
<b>Inventories at the end of the year</b>		
Finished Goods	1,258.94	898.91
Work-in-Process	7.64	3.79
	<u>1,266.58</u>	<u>902.70</u>
<b>Inventories at the beginning of the year</b>		
Finished Goods	898.91	711.54
Work-in-Process	3.79	3.43
	<u>902.70</u>	<u>714.97</u>
	<u>(363.88)</u>	<u>(187.73)</u>
<b>20 EMPLOYEE BENEFIT EXPENSE (Refer Note 30)</b>		
Salaries, Wages and Bonus	742.04	679.72
Contribution to employees' provident and other funds	70.75	63.80
Staff Welfare Expenses	39.95	35.96
	<u>852.74</u>	<u>779.48</u>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

	2021-2022 ₹ in lacs	2020-2021 ₹ in lacs
<b>21 FINANCE COST</b>		
Interest Expenses	2.48	12.68
Other Borrowing Costs and Bank Charges	52.47	33.84
	<u>54.95</u>	<u>46.52</u>
<b>22 DEPRECIATION / AMORTISATION (Refer Note 3 and 4)</b>		
Depreciation on property, plant and equipment	108.82	86.99
Amortisation of intangible assets	0.46	0.72
	<u>109.28</u>	<u>87.71</u>
<b>23 OTHER EXPENSES</b>		
Stores and spares consumed	30.10	24.99
Fuel and power	236.92	186.50
Rent	66.23	54.02
Freight	268.73	295.61
Rates, taxes and octroi	9.74	9.74
Insurance	55.07	45.82
Advertisement and sales promotion	0.33	0.05
Donations	15.03	15.00
Repairs and maintenance:		
Buildings	59.66	55.68
Plant and Machinery	218.52	90.48
Others	4.27	3.88
Labour Charges	182.12	161.98
Loss on Sale of Fixed Assets (net)	-	1.97
Net Loss on sale of investments - Current	-	-
Loss on fair valuation of investments (net)	-	-
Loss on foreign currency transactions and translation (net)	-	44.13
Bad debts	13.48	0.18
Provision for doubtful debts and advances (net)	7.02	25.08
Corporate Social Responsibility	22.10	40.46
Miscellaneous expenses	222.44	184.73
	<u>1,411.76</u>	<u>1,240.30</u>
<b>Payment to auditors</b>		
a) Audit fees	4.00	3.15
b) Other services	0.85	0.85
c) Out of pocket expenses	-	-
	<u>4.85</u>	<u>4.00</u>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

- 24 The Company has spent ₹ 22.10 lacs (Previous year ₹ 40.46 lacs) towards Corporate Social Responsibility expenditure (including capital expenditure ₹ Nil, Previous year ₹ Nil) and debited the same to the Statement of Profit and Loss as against ₹ 21.73 lacs (Previous year ₹ 19.37 lacs) computed as per the provisions of section 135(5) of the Companies Act, 2013.

	₹ in lacs	
	2021-22	2020-21
Amount computed as per provisions of section 135(5) of Companies Act, 2013	21.73	19.37
Less: Amount spent during the year	(22.10)	(40.46)
Unspent / (excess) amount for the year	(0.37)	(21.09)
- Amount paid towards current year	22.10	24.00
- Unspent amount of previous year paid in current year	-	16.46
Total expenses debited to the Statement of Profit and Loss	22.10	40.46

### Details of amounts spent on CSR expenses:

		₹ in lacs
Name of the Party	Purpose	Amount
Sri Chaitanya Seva Trust	Cataract surgeries for the poor and needy cataract patients	5.60
Deeds Public Charitable Trust	Vocational and Other Education Courses for the Deaf	8.00
MMA Covid Health Center Contribution	Contribution for Dedicated Covid Care Centre for treatment of Covid-19 Patients	8.50
		<b>22.10</b>

	As at 31.3.2022	As at 31.3.2021	As at 1.4.2020
	₹ in lacs	₹ in lacs	₹ in lacs

- 25 Disclosure of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 (as available with the Company) (Refer Note 10.3)

a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	169.74	113.19	76.09
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

### 26 CONTINGENT LIABILITIES NOT PROVIDED FOR

	As at 31.3.2022	As at 31.3.2021
	₹ in lacs	₹ in lacs
a) Disputed demands - Sales Tax	4.59	4.59

### 27 COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 103.97 lacs.



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 28 LEASES

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

#### 1) As a lessee:

##### a) Right-of-use assets:

The following is the movement of right-of-use assets during the year ended 31<sup>st</sup> March, 2022

Particulars	2021-22	₹ in lacs	
		2020-21	
Opening balance	15.27	15.51	
Depreciation / Amortisation during the year	0.25	0.25	
Any other adjustments	-	-	
Closing balance	15.02	15.26	

The right-of-use assets are leasehold lands. These lease rentals were paid upfront at the time of acquisition. Therefore, there is no future liability to pay lease rentals.

b) The lease expenditure recognised in the Statement of Profit and Loss for short-term leases is ₹ 66.23 lacs (Previous year ₹ 54.02 lacs).

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

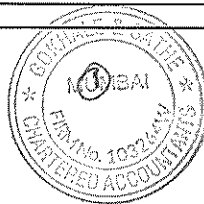
4) All these agreements have restriction on further leasing.

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

### 29 ASSETS HYPOTHICATED / MORTGAGED AS SECURITY

The carrying amount of assets hypothecated / mortgaged as security for borrowings are as under:

	As at 31.3.2022 ₹ in lacs	As at 31.3.2021 ₹ in lacs	As at 1.4.2020 ₹ in lacs
<b>Current Borrowings</b>			
<b>Hypothecation of</b>			
i) Inventories	5,085.18	4,027.84	3,747.62
ii) Trade receivables	1,981.40	2,008.49	1,958.00
	<u>7,066.58</u>	<u>6,036.33</u>	<u>5,705.62</u>
<b>First Pari-passu Charge on Property, plant and equipment</b>	858.32	811.81	779.31
	<u>858.32</u>	<u>811.81</u>	<u>779.31</u>
(Refer Note 10.1)	<u>7,924.90</u>	<u>6,848.14</u>	<u>6,484.93</u>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 30 EMPLOYEE BENEFITS (Refer Note 11 and 20)

#### i) Defined Contribution Plan:

Company's contribution to Provident Fund ₹ 41.75 lacs (Previous year ₹ 40.34 lacs).

The Company also contributes to the following:

- National Pension Scheme (NPS) : ₹ 4.90 lacs (Previous year ₹ 5.61 lacs)

- Labour Welfare Fund : ₹ 0.03 lacs (Previous year ₹ 0.03 lacs)

#### ii) Defined Benefit Plan:

The following table sets out the funded status of the Gratuity Plan and the amounts recognised in the Company's

	As at 31.3.2022 ₹ in lacs	As at 31.3.2021 ₹ in lacs	As at 31.3.2020 ₹ in lacs
<b>a) Change in the obligation benefits:</b>			
Projected benefit obligation at the beginning of the year	299.15	279.75	240.53
Service cost	14.25	12.98	11.67
Interest cost	19.65	16.90	17.97
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	0.07	(1.71)	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(5.64)	(3.34)	1.01
Actuarial (Gains) / Losses on Obligations - Due to Experience	16.48	8.97	23.69
Benefits paid	(38.28)	(14.40)	(15.12)
Projected benefit obligation at the end of the year	<u>305.68</u>	<u>299.15</u>	<u>279.75</u>
<b>b) Change in the plan assets:</b>			
Fair value of the plan assets at the beginning of the year	298.59	259.24	227.37
Expected return on plan assets	19.62	15.66	16.98
Employer's contribution	0.55	20.51	13.16
Benefits paid	-	-	(15.12)
Return on plan assets, excluding interest income	(7.85)	3.18	16.85
Fair value of the plan assets at the end of the year	<u>310.91</u>	<u>298.59</u>	<u>259.24</u>
Funded status (Surplus / (Deficit))	<u>5.23</u>	<u>(0.56)</u>	<u>(20.51)</u>
<b>c) Net Gratuity and other cost:</b>			
Service cost	14.25	12.98	11.68
Interest on defined benefit obligation	0.04	1.24	0.98
Interest income	-	-	-
Net gratuity cost	<u>14.29</u>	<u>14.22</u>	<u>12.66</u>
<b>d) Amounts recognised in the statement of other comprehensive income:</b>			
Actuarial gains / (losses)	10.91	3.93	24.70
Return on plan assets, excluding interest income	7.85	(3.18)	(16.85)
Net income / (expense) for the period recognised in other comprehensive income	<u>18.76</u>	<u>0.74</u>	<u>7.85</u>
<b>e) Category of Assets:</b>			
Corporate Bonds	-	-	-
Special Deposits Scheme	-	-	-
Others	310.91	298.59	259.24
	<u>310.91</u>	<u>298.59</u>	<u>259.24</u>

# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

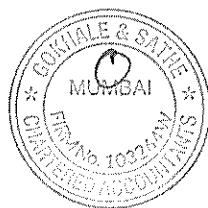
f) Assumptions used in accounting for the Gratuity Plan:	As at 31.3.2022 ₹ in lacs	As at 31.3.2021 ₹ in lacs	As at 31.3.2020 ₹ in lacs
	%	%	%
Discount rate	6.96	6.57	6.04
Expected rate of return on plan assets	6.96	6.57	6.04
<b>g) Maturity analysis of the benefit payments : from the fund</b>			
Projected benefits payable in future years from the date of reporting			
1 <sup>st</sup> Following Year	53.85	56.94	54.75
2 <sup>nd</sup> Following Year	22.85	13.87	6.59
3 <sup>rd</sup> Following Year	43.76	25.47	13.09
4 <sup>th</sup> Following Year	34.82	40.93	21.44
5 <sup>th</sup> Following Year	31.38	31.56	35.65
Sum of years 6 to 10	139.16	147.80	141.26

As at 31<sup>st</sup> March 2022, the weighted average duration of the defined benefit obligation was 6 years (Previous year 6 years).

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

### Sensitivity analysis:

Projected benefit obligation on current assumptions	305.68	299.15	279.75
Delta effect of +1% change in rate of discounting	(13.50)	(13.93)	(15.35)
Delta effect of -1% change in rate of discounting	14.93	15.41	17.17
Delta effect of +1% change in rate of salary increase	14.63	15.05	16.85
Delta effect of -1% change in rate of salary increase	(13.50)	(13.88)	(15.37)
Delta effect of +1% change in rate of employee turnover	(0.85)	(1.19)	(1.61)
Delta effect of -1% change in rate of employee turnover	0.92	1.28	1.77





# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 31 DETAILS OF RELATED PARTY TRANSACTIONS IN ACCORDANCE WITH IND AS 24 'RELATED PARTY DISCLOSURES'

#### Key Management Personnel:

Mr. G. N. Mehra	Director
Mr. S. M. Dixit	Director
Mr. Siddharth G. Mehra	Additional Director (From 03.11.2021)
Mr. Suresh Kumar	Non Executive Independent Director
Mr. R. N. Pisharody	Non Executive Independent Director (From 03.11.2021)
Mr. C. V. Alexander	Director (upto 01.11.2021)
Mr. S. K. Bansal	Non Executive Independent Director (upto 01.11.2021)

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

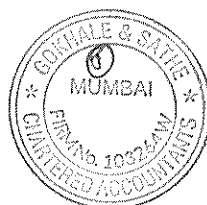
Basant Lok Trading Company Pvt Ltd.	Chemi Pharmex Pvt. Ltd.	D. C. Mehra Public Charitable Trust
Gautam & Co.	Khatri Investments Pvt. Ltd.	Kurla Trading Co. Pvt. Ltd.
Mansukhmal Investments Pvt. Ltd.	GNM SGM Family Trust	Naved Investment and Trading Co.Pvt. Ltd.
N. K. Mehra Trust	NKM Grand Children's Trust	Savita Oil Technologies Ltd.
Savita Petro-Additives Ltd.	Savita Finance Corporation Ltd.	

#### Relatives of key management personnel and relationship

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

#### Details of transactions during the year:

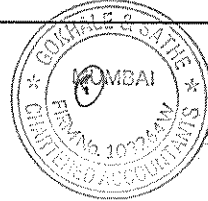
		2021-2022 ₹ in lacs	2020-2021 ₹ in lacs
<b>A. Enterprises:</b>			
a) Sale of goods:	Savita Oil Technologies Limited	661.00	396.98
	Chemi Pharmex Pvt. Ltd.	68.39	334.66
b) Sale of shares	Mansukhmal Investments Pvt Ltd	0.02	-
	Naved Investment and Trading Co.Pvt. Ltd.	0.06	-
c) Purchase of goods:	Savita Oil Technologies Limited	921.47	1,075.72
d) Purchase of property, plant and equipment:	Savita Oil Technologies Limited	6.23	-
e) Dividend received:	Savita Petro-Additives Ltd.	0.01	-
f) Dividend paid:	Savita Oil Technologies Limited	1.00	-
	Chemi Pharmex Pvt. Ltd.	0.01	-
	Khatri Investments Pvt. Ltd.	2.31	-
	Mansukhmal Investments Pvt. Ltd.	2.31	-
	GNM SGM Family Trust	12.20	-
	Naved Investment and Trading Co. Pvt. Ltd.	0.01	-
g) Rent paid:	Chemi Pharmex Pvt. Ltd.	18.29	18.19
	Savita Oil Technologies Limited	43.19	43.19



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

		2021-2022		2020-2021	
		₹ in lacs		₹ in lacs	
h) Donations:	D. C. Mehra Public Charitable Trust N. K. Mehra Trust	7.50 7.50		7.50 7.50	
<b>B. Key management personnel:</b>					
a) Dividend paid:	Mr. G. N. Mehra Mr. Siddharth G Mehra	19.55 6.71		- -	
b) Commission and sitting fees	Mr. S. K. Bansal Mr. Suresh Kumar Mr. R. N. Pisharody	- 1.20 1.15		1.05 1.05 -	
<b>C. Relatives of key management personnel:</b>					
a) Dividend paid:	Mrs. Reshma G Mehra	16.90		-	
b) Remuneration:	Short term employee benefits Post employment benefits Medical benefits	38.69 2.03 0.85		33.11 1.84 0.76	
<b>Balance outstanding :</b>		<b>As at 31.3.2022 ₹ in lacs</b>	<b>As at 31.3.2021 ₹ in lacs</b>	<b>As at 1.4.2020 ₹ in lacs</b>	
		Debit	Credit	Debit	Credit
<b>Enterprises:</b>					
	Chemi Pharmex Pvt. Ltd.	-	-	290.64	-
	Savita Oil Technologies Limited	22.60	350.11	53.87	109.95
				12.41	-
				37.92	85.78



# Savita Polymers Limited

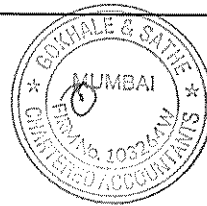
## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 32 DETAILS OF SEGMENT REPORTING

The Company is a one business segment company, in the business of manufacturing and selling petroleum speciality products. However, as the Company has several geographical segments, secondary segment disclosures are given below.

#### Secondary Business Segment:

	2021-22	2020-21
	₹ in lacs	₹ in lacs
Revenue by Geographical Segment		
Domestic	6,257.27	5,237.77
Export	5,925.86	4,874.43
	<u>12,183.13</u>	<u>10,112.20</u>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 33 Tax expense

#### (a) Amounts recognised in the Statement of Profit and Loss

₹ in lacs

Particulars	Year ended 31.3.2022	Year ended 31.3.2021
<b>Current tax expense</b>		
Current year	239.72	310.19
Changes in estimates relating to prior years	8.50	(5.90)
	248.22	304.29
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	26.24	61.27
Change in tax rate	-	-
Adjustment recognised in the period for current tax of prior periods	-	-
	26.24	61.27
<b>Tax expense recognised in the Statement of Profit and Loss</b>	<b>274.46</b>	<b>365.56</b>

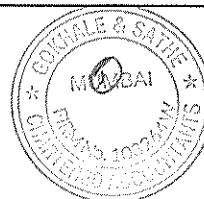
#### (b) Amounts recognised in Other Comprehensive Income

Particulars	Year ended 31.3.2022		
	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss:			
Re-measurements of the defined benefit plans	(18.76)	4.72	(14.04)
	(18.76)	4.72	(14.04)

Particulars	Year ended 31.3.2021		
	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss:			
Re-measurements of the defined benefit plans	(0.74)	0.19	(0.55)
	(0.74)	0.19	(0.55)

#### (c) Reconciliation of effective tax rate

Particulars	Year ended 31.3.2022	Year ended 31.3.2021
<b>Profit before tax</b>	<b>1,190.78</b>	<b>1,700.37</b>
<b>Tax using the Company's domestic tax rate</b>	<b>299.70</b>	<b>427.95</b>
Increase / (decrease) due to change in tax rate	-	-
<b>Tax effect of:</b>		
Non-deductible tax expenses / disallowances under Income Tax Act	(2.01)	9.95
Tax-exempt income and deductions under Chapter VI A of Income Tax Act	-	-
Allowable income tax on indexation of investment property	-	-
Temporary difference recognised in deferred taxes	(45.03)	(69.15)
Others	8.58	2.52
Excess provision of tax of prior periods	8.50	(5.90)
Amounts recognised in Other Comprehensive Income	4.72	0.19
<b>Tax expense recognised in the Statement of Profit and Loss</b>	<b>274.46</b>	<b>365.56</b>



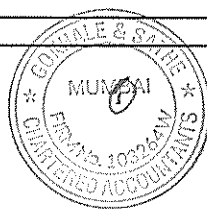
# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### (d) Movement in deferred tax balances

₹ in lacs						
Particulars	Net balance 1.4.2021	Recognised in profit or loss	Recognised in OCI	Net balance 31.3.2022	Deferred tax asset	Deferred tax liability
Leave encashment	(28.53)	1.05	-	(27.48)	(27.48)	-
Property, plant and equipment and intangible assets	96.93	(3.84)	-	93.09	-	93.09
Investment in quoted equity instruments	-	5.45	-	5.45	-	5.45
Investment in equity oriented mutual funds	40.12	24.18	-	64.30	-	64.30
Provision for doubtful debts and advances	(7.63)	(0.78)	-	(8.41)	(8.41)	-
Gratuity and Bonus	(0.17)	0.18	-	0.01	-	0.01
<b>Tax assets / (liabilities)</b>	<b>100.72</b>	<b>26.24</b>	<b>-</b>	<b>126.96</b>	<b>(35.89)</b>	<b>162.85</b>

₹ in lacs						
Particulars	Net balance 1.4.2020	Recognised in profit or loss	Recognised in OCI	Net balance 31.3.2021	Deferred tax asset	Deferred tax liability
Leave encashment	(29.19)	0.61	-	(28.58)	(28.58)	-
Property, plant and equipment and intangible assets	100.36	(3.43)	-	96.93	-	96.93
Investment in quoted equity instruments	(9.24)	8.74	-	(0.51)	(0.51)	-
Investment in equity oriented mutual funds	(15.42)	56.05	-	40.63	-	40.63
Investment in unquoted mutual funds	0.34	(0.34)	-	-	-	-
Provision for doubtful debts and advances	(4.71)	(2.93)	-	(7.63)	(7.63)	-
Gratuity and Bonus	(1.97)	1.78	-	(0.18)	(0.18)	-
Defined benefit obligation	-	0.06	-	0.06	-	0.06
Carry Forward Losses / Unabsorbed depreciation	(0.74)	0.74	-	-	-	-
<b>Tax assets / (liabilities)</b>	<b>39.45</b>	<b>61.27</b>	<b>-</b>	<b>100.72</b>	<b>(36.90)</b>	<b>137.62</b>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 34 Financial Instruments : Accounting classifications and fair value measurements

#### (i) Accounting classifications

The fair values of the financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The carrying amounts of trade receivables, cash and cash equivalents, bank balances, short term deposits, trade payables, payables for acquisition of property, plant and equipment, short term loans from banks, financial institutions and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

#### (ii) Fair value measurements

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

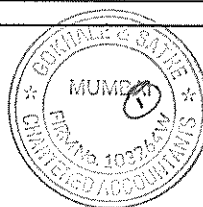
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents carrying value and fair value of financial instruments by categories and also fair value hierarchy of assets and liabilities measured at fair value :

As at 31<sup>st</sup> March, 2022

₹ in lacs

Particulars	Note	Carrying Value	Classification			Fair Value		
			FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Investments</b>								
Investment in equity shares (quoted)	5.1	346.11	346.11	-	-	346.11	-	-
Investment in equity shares (unquoted)	5.1	2.12	-	-	2.12	-	-	-
Investment in equity oriented mutual funds	5.1	1,541.02	1,541.02	-	-	1,541.02	-	-
Investment in mutual funds	5.1	937.62	937.62	-	-	937.62	-	-
Trade receivables	5.2	1,981.40	-	-	1,981.40	-	-	-
<b>Loans and Advances</b>								
Loans to employees / Others	5.3	9.72	-	-	9.72	-	-	-
<b>Other financial assets</b>								
Other receivables	5.4	29.23	-	-	29.23	-	-	-
Cash and cash equivalents	5.5	1,239.50	-	-	1,239.50	-	-	-
Bank balances	5.6	463.17	-	-	463.17	-	-	-
		6,549.89	2,824.76	-	3,725.13	2,824.76	-	-
<b>Financial Liabilities</b>								
<b>Borrowings</b>								
Short term loan from Bank	10.1	-	-	-	-	-	-	-
Trade payables and acceptances	10.2	2,542.31	-	-	2,542.31	-	-	-
<b>Other financial liabilities</b>								
Others	10.3	56.43	-	-	56.43	-	-	-
		2,598.74	-	-	2,598.74	-	-	-



# Savita Polymers Limited

Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

₹ in lacs

As at 31<sup>st</sup> March, 2021

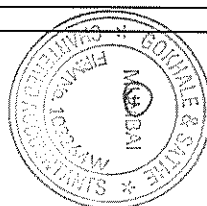
Particulars	Note	Carrying Value	Classification			Fair Value		
			FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Investments</b>								
Investment in equity shares (quoted)	5.1	293.98	293.98	-	-	293.98	-	-
Investment in equity shares (unquoted)	5.1	2.13	-	-	2.13	-	-	-
Investment in equity oriented mutual funds	5.1	1,570.54	1,570.54	-	-	1,570.54	-	-
Investment in mutual funds	5.1	-	-	-	-	-	-	-
Trade receivables	5.2	2,008.49	-	-	2,008.49	-	-	-
<b>Loans and Advances</b>								
Loans to employees/ Others	5.3	9.65	-	-	9.65	-	-	-
<b>Other financial assets</b>								
Other receivables	5.4	38.35	-	-	38.35	-	-	-
Cash and cash equivalents	5.5	1,939.59	-	-	1,939.59	-	-	-
Bank balances	5.6	463.17	-	-	463.17	-	-	-
		<b>6,325.90</b>	<b>1,864.52</b>	<b>-</b>	<b>4,461.37</b>	<b>1,864.52</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>								
<b>Borrowings</b>								
Short term loan from Bank	10.1	-	-	-	-	-	-	-
Trade payables and acceptances	10.2	2,031.54	-	-	2,031.54	-	-	-
<b>Other financial liabilities</b>								
Others	10.3	52.73	-	-	52.73	-	-	-
		<b>2,084.27</b>	<b>-</b>	<b>-</b>	<b>2,084.27</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the reporting period ending 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

(iii) Description of significant observable inputs to valuation:

The following table shows the valuation techniques used to determine fair value :

Type	Valuation technique
Investments in equity shares (unquoted)	Based on book value
Investment in mutual fund	Based on NAV
Loan to employees	Based on prevailing market interest rate
Loans from foreign banks	Fair valued based on prevailing exchange rate at each closing date
Derivative instruments	Based on quotes from banks and financial institutions



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 35 Financial risk management

#### Risk management framework

The Company has put in place Risk Management Policy, objectives of which are to optimize business performance, to promote confidence amongst the Company's stakeholders in the effectiveness of its business management process and its ability to plan and meet its strategic objectives. The Company has a Risk Management Committee (RMC) comprising senior executives which is responsible for the review of risk management processes within the Company, and for overseeing the implementation of the requirements of this policy. The RMC provides updates to the Board on a regular basis on key risks faced by the Company, and the relevant mitigant actions. At an operational level, the respective functional managers are responsible for identifying and assessing risks within their area of responsibility; implementing agreed actions to treat such risks; and for reporting any event or circumstance that may result in new risks. The Company's risk management system is fully aligned with the corporate and operational objectives.

The Board of Directors of the Company and the Audit Committee of Directors periodically review the Risk Management Policy of the Company so that the management controls the risks through properly defined network.

The Company has identified financial risks and categorised them in three parts viz. (i) Credit Risk, (ii) Liquidity Risk and (iii) Market Risk. Details regarding sources of risk in each such category and how Company manages the risk is explained in following notes:

#### (i) Credit risk

Credit risk refers to the possibility of a customer or other counterparties not meeting their obligations and terms and conditions which would result into financial losses. Such risk arises mainly from trade receivables and investments. Credit risk is managed through internal credit control mechanism such as credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

#### Trade receivables

The Company's exposure to credit risk is influenced mainly by the following:

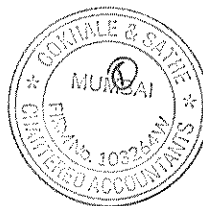
Petroleum Products Segment – As per the credit policy of the Company, generally no credit is given exceeding the accepted credit norms. The Company deals with large corporate houses after considering their credit standing. The credit policy with respect to other customers is strictly monitored by the Company at periodic intervals. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers. In addition, for amounts recoverable on exports, the Company has adequate insurance to mitigate overseas customer and country risk.

As at 31.3.2022, the Company's most significant customers accounted for ₹ 845.05 lacs of the trade receivables carrying amount (Previous year ₹ 1097.19 lacs).

The Company uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

Ageing	₹ in lacs			
	Gross Carrying Amount	Expected Credit Loss Rate (%)	Credit Loss	Net Carrying Amount
Not due	1,228.08	0.00	-	1,228.08
1-90 days past due	675.45	0.21	1.42	674.03
91-180 days past due	52.85	2.48	1.31	51.54
181-270 days past due	5.49	9.90	0.54	4.95
More than 270 days past due	30.46	25.16	7.67	22.80
	1,992.34		10.95	1,981.40

Note : Expected credit loss is worked out on the trade receivable for which no specific provision is made.





# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 1,239.50 lacs at 31.3.2022 (Previous year ₹ 1939.59 lacs). The cash and cash equivalents are held with banks with good credit ratings.

### Investments

The Company invests its surplus funds mainly in liquid schemes of mutual funds, which carry no / low mark to market risks for short duration and therefore, does not expose the Company to credit risk. Such investments are made after reviewing the credit worthiness and market standing of such funds and therefore, does not expose the Company to credit risk. Such investments are monitored on a regular basis.

### Security Deposit

The Company has taken premises on lease and has paid security deposits. Since the Company has the ability to adjust the deposit with future lease payments, therefore, does not expose the Company to credit risk.

### (ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations on due date. The Company has a strong focus on effective management of its liquidity to ensure that all business and financial commitments are met on time. This is ensured through proper financial planning with detailed annual business plans, discussed at appropriate levels within the organisation. Annual business plans are divided into quarterly plans and put up to management for detailed discussion and an analysis of the nature and quality of the assumptions, parameters etc. Daily and monthly cash flows are prepared, followed and monitored at senior levels to prevent undue loss of interest and utilise cash in an effective manner. Cash management services are availed to avoid any loss of interest on collections. In addition, the Company has adequate, duly approved borrowing limits in place with reputed banks.

### (a) Financing arrangements

The Company has an adequate fund and non-fund based limits with various banks. The Company's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. The financing products include working capital loans, buyer's credit loan etc.

### (b) Maturities of financial liabilities

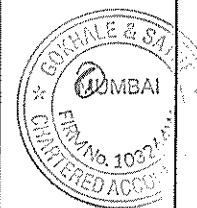
The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ in lacs

As at 31.3.2022	Less than one year	1 to 5 years	More than Five Years	Total
Borrowings (including current maturities of long-term debts)	-	-	-	-
Trade payables	2,542.31	-	-	2,542.31
Other financial liabilities (other than derivative liabilities)	56.43	-	-	56.43
<b>Total</b>	<b>2,598.74</b>	<b>-</b>	<b>-</b>	<b>2,598.74</b>

As at 31.3.2021	Less than one year	1 to 5 years	More than Five Years	Total
Borrowings (including current maturities of long-term debts)	-	-	-	-
Trade payables	2,031.54	-	-	2,031.54
Other financial liabilities (other than derivative liabilities)	52.73	-	-	52.73
Derivative Liabilities	-	-	-	-
<b>Total</b>	<b>2,084.27</b>	<b>-</b>	<b>-</b>	<b>2,084.27</b>

As at 1.4.2020	Less than one year	1 to 5 years	More than Five Years	Total
Borrowings (including current maturities of long-term debts)	7.05	-	-	7.05
Trade payables	1,825.27	-	-	1,825.27
liabilities)	77.18	-	-	77.18
Derivative Liabilities	-	-	-	-
<b>Total</b>	<b>1,909.50</b>	<b>-</b>	<b>-</b>	<b>1,909.50</b>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### (iii) Market Risk

The risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price. Market risk further comprises of (a) Currency risk, (b) Interest rate risk and (c) Commodity risk.

#### (a) Currency Risk

The Company is exposed to currency risk mainly on account of its import payables and export receivables in foreign currency. The major exposures of the Company are in U.S. dollars. The Company hedges its import foreign exchange exposure mainly through exports and depending upon the market situations through options and forward foreign currency contracts if necessary. The Company has a policy in place for hedging its foreign currency borrowings along with interest. The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk - The currency profile of financial assets and financial liabilities is as below:

Particulars	As at 31.3.2022		As at 31.3.2021	
	₹ in lacs	Exposure in USD (INR terms)	₹ in lacs	Exposure in USD (INR terms)
<b>Financial assets</b>				
Trade and other receivables	735.00	9,69,872	590.40	8,07,404
Cash and cash equivalents	1,128.07	14,88,615	1,768.38	24,18,461
<b>Net exposure for assets - A</b>	<b>1,863.07</b>	<b>24,58,487</b>	<b>2,358.78</b>	<b>32,25,865</b>
<b>Financial liabilities</b>				
Trade Payables	1,644.87	21,70,001	1,217.73	16,65,384
Other financial liabilities	20.99	28,231	20.07	27,443
Less: Foreign currency forward exchange contracts	-	-	-	-
<b>Net exposure for liabilities - B</b>	<b>1,665.86</b>	<b>21,98,232</b>	<b>1,237.80</b>	<b>16,92,827</b>
<b>Net exposure (A-B)</b>	<b>197.21</b>	<b>2,60,255</b>	<b>1,120.98</b>	<b>15,33,038</b>

Particulars	As at 31.3.2022		As at 31.3.2021	
	₹ in lacs	Exposure in Other Foreign Currencies (INR terms)	₹ in lacs	Exposure in Other Foreign Currencies (INR terms)
<b>Financial assets</b>				
Trade and other receivables	1.51	1,795	-	-
Cash and cash equivalents	-	-	-	-
<b>Net exposure for assets - A</b>	<b>1.51</b>	<b>1,795</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Trade payables	-	-	-	-
Other financial liabilities	-	-	-	-
Less: Foreign currency forward exchange contracts	-	-	-	-
<b>Net exposure for liabilities - B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net exposure (A-B)</b>	<b>1.51</b>	<b>1,795</b>	<b>-</b>	<b>-</b>

The following exchange rates have been applied at the end of the respective years

	31.3.2022	31.3.2021
	₹	₹
USD 1	75.79	73.12

#### Sensitivity analysis

The table below shows sensitivity of open forex exposure to USD / INR movement. We have considered 1% (+ / -) change in USD / INR movement, increase indicates appreciation in USD / INR whereas decrease indicates depreciation in USD / INR. The indicative 1% movement is directional and does not reflect management forecast on currency movement.

#### Impact on profit or loss due to % increase / (decrease) in currency

Particulars	2021-22		2020-21	
	Increase	(Decrease)	Increase	(Decrease)
Movement (%)	1%	1%	1%	1%
USD	(1.97)	1.97	(11.21)	11.21



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Company agrees with other parties to exchange, at specified intervals (i.e. quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The management also maintains a portfolio mix of floating and fixed rate debt. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company is not exposed to significant interest rate risk during the respective reporting periods.

#### Interest rate risk exposure:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Carrying amount as at	₹ in lacs		
	31.3.2022	31.3.2021	1.4.2020
<b>Fixed-rate instruments</b>			
Financial assets	-	-	-
Financial liabilities	-	-	-
<b>Variable-rate instruments</b>			
Financial assets	-	-	-
Financial liabilities	330.29	543.47	1,286.31

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 25 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss by the amounts shown below. The indicative 25 basis point (0.25%) movement is directional and does not reflect management forecast on interest rate

This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	₹ in lacs	
	2021-22	2020-21
Floating rate borrowings	0.83	1.36

### (c) Commodity Risk

#### Raw Material Risk

Timely availability and also non-availability of good quality base oils / other imports from across the globe could negate the qualitative and quantitative production of various products of the Company. Volatility in prices of crude oil and base oil is another major risk for this segment. The Company procures base oils from various suppliers scattered in different parts of the world. The Company tries to enter into long term supply contracts with regular suppliers and at times buys base oils on spot basis.

#### Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

#### i) Debt Equity Ratio

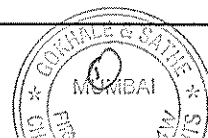
The Company monitors capital using debt equity ratio. The Company's debt to equity ratios are as follows:

Particulars	₹ in lacs		
	31.3.2022	31.3.2021	1.4.2020
Total borrowings (Refer note 11.1 and 11.2)	-	-	7.05
Total equity (Refer note 9 and 10)	10,501.86	9,660.58	8,326.31
Debt to Equity ratio	-	-	0.01

#### ii) Dividends

Dividends paid during the year

Particulars	₹ in lacs	
	2021-22	2020-21
Dividend	Rate per share ₹	-
	Amount (₹ in lacs)	61.00



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

### 36 First time adoption of Ind AS

#### 36.1 Mandatory exceptions, optional exemptions

##### Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2021, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2014, notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act ('IGAAP').

The accounting policies set out in Note 2 have been applied in preparing these Financial Statements for the year ended 31st March 2021 and the opening Ind AS Balance Sheet on the date of transition (i.e. 1st April 2020).

In preparing its Ind AS Balance Sheet as at 1st April 2020 and in presenting the comparative information for the year ended 31st March 2021, the Company has adjusted amounts previously reported in the Financial Statements prepared in accordance with IGAAP. This note explains the principal adjustments made by the Company in restating its Financial Statements prepared in accordance with IGAAP, and how the transition from IGAAP to Ind AS has impacted the Company financial position, financial performance and cash flows.

##### Exemptions and exceptions availed

In preparing the Financial Statement, the Company has availed the below mentioned optional exemptions and mandatory exceptions.

#### A. Exceptions :

##### 1 Classification and measurement of financial assets

As permitted under Ind AS 101, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

##### 2 Estimates

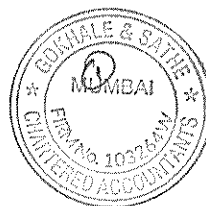
Ind AS estimates as at 1st April, 2020 are consistent with the estimates as at the same date made in conformity with IGAAP. Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP:

- investment in equity instruments carried at FVTPL;
- impairment of financial assets based on expected credit loss model;

#### B. Optional exemptions :

##### Property, plant and equipment and intangible assets

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the IGAAP.



# Savita Polymers Limited

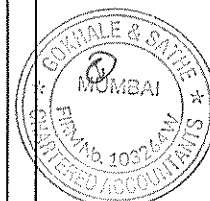
Notes to Financial Statements for the year ended 31st March, 2022

## 36.2 First time adoption reconciliations

Effect of Ind AS adoption on the balance sheet as at 31st March, 2021 and 1st April, 2020

₹ in lacs

Particulars	As at 31.3.2021			As at 1.4.2020		
	(End of last period presented under previous GAAP)			(Date of Transition)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>Non-current assets</b>						
a. Property, Plant and Equipments	886.36	15.26	871.10	859.13	15.51	843.62
b. Capital Work-in-Progress	53.30	-	53.30	12.72	0.00	12.72
c. ROU Asset	-	(15.26)	15.26	-	(15.51)	15.51
d. Other Intangible Assets	0.93	-	0.93	1.66	-	1.66
<b>e. Financial Assets</b>						
(i) Investments	1,517.93	(348.72)	1,866.65	1,467.38	217.49	1,249.89
(ii) Trade Receivables	-	-	-	-	-	-
(iii) Loans	-	-	-	-	-	-
(vi) Others	-	(29.05)	29.05	-	(28.94)	28.94
f. Other non-current assets	493.28	492.22	1.06	559.98	534.09	25.89
<b>Total non-current assets</b>	<b>2,951.80</b>	<b>114.44</b>	<b>2,837.36</b>	<b>2,900.87</b>	<b>722.64</b>	<b>2,178.23</b>
<b>Current assets</b>						
a. Inventories	4,027.84	-	4,027.84	3,747.62	-	3,747.62
<b>b. Financial Assets</b>						
(i) Investments	-	-	-	250.12	(1.96)	252.08
(ii) Trade Receivables	2,012.42	3.93	2,008.49	1,971.29	13.29	1,958.00
(iii) Cash and Cash Equivalents	1,939.59	-	1,939.59	755.67	-	755.67
(iv) Bank balances other than (iii) above	-	(463.17)	463.17	-	(491.57)	491.57
(v) Loans	9.65	-	9.65	28.01	-	28.01
(vi) Others	-	(9.30)	9.30	-	(15.47)	15.47
c. Current Tax Assets (Net)	-	-	-	-	(13.57)	13.57
d. Other Current Assets	869.55	9.38	860.17	1,047.84	15.55	1,032.29
<b>Total current assets</b>	<b>8,859.05</b>	<b>(459.15)</b>	<b>9,318.20</b>	<b>7,800.54</b>	<b>(493.74)</b>	<b>8,294.28</b>
<b>Total assets</b>	<b>11,810.85</b>	<b>(344.72)</b>	<b>12,155.56</b>	<b>10,701.41</b>	<b>228.89</b>	<b>10,472.51</b>
<b>Equity</b>						
a. Equity share capital	61.00	-	61.00	61.00	-	61.00
b. Other equity	9,300.69	(298.89)	9,599.58	8,470.73	205.42	8,265.31
<b>Total equity (shareholders' funds as per previous GAAP)</b>	<b>9,361.69</b>	<b>(298.89)</b>	<b>9,660.58</b>	<b>8,531.73</b>	<b>205.42</b>	<b>8,326.31</b>
<b>Liabilities</b>						
<b>1. Non-current liabilities</b>						
<b>a. Financial liabilities</b>						
(i) Borrowings	-	-	-	-	-	-
b. Provisions	92.39	-	92.39	78.46	-	78.46
c. Deferred tax liability (net)	54.82	(45.90)	100.72	62.84	23.39	39.45
d. Other non-current liabilities	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>147.21</b>	<b>(45.90)</b>	<b>193.11</b>	<b>141.30</b>	<b>23.39</b>	<b>117.91</b>
<b>2. Current Liabilities</b>						
<b>a. Financial liabilities</b>						
(i) Borrowings	-	-	-	7.05	-	7.05
(ii) Trade payables	2,038.74	7.20	2,031.54	1,827.61	2.34	1,825.27
(iii) Other financial liabilities	-	(59.94)	59.94	-	(77.18)	77.18
b. Other current liabilities	170.53	52.82	117.71	148.36	74.94	73.42
c. Provisions	21.70	-	21.70	45.36	-	45.36
d. Current tax liabilities (net)	70.98	-	70.98	-	-	-
<b>Total current liabilities</b>	<b>2,301.95</b>	<b>0.08</b>	<b>2,301.87</b>	<b>2,028.38</b>	<b>0.10</b>	<b>2,028.28</b>
<b>Total liabilities</b>	<b>2,449.16</b>	<b>(45.82)</b>	<b>2,494.98</b>	<b>2,169.68</b>	<b>23.49</b>	<b>2,146.19</b>
<b>Total equity and liabilities</b>	<b>11,810.85</b>	<b>(344.71)</b>	<b>12,155.56</b>	<b>10,701.41</b>	<b>228.90</b>	<b>10,472.51</b>



# Savita Polymers Limited

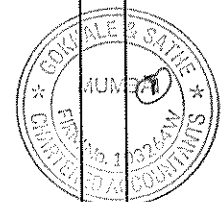
## Notes to Financial Statements for the year ended 31st March, 2022

### Reconciliation of total equity as at 31st March, 2021 and 1st April, 2020

	₹ in lacs	
	As at 31.03.2021	As at 01.04.2020
Total equity (shareholders' funds) under previous GAAP	9,361.69	8,531.73
Ind AS transition adjustments	(205.42)	-
Fair valuation of financial assets	564.25	(215.53)
(Provision)/ Write back for expected credit loss	9.36	(13.28)
Deferred tax	(69.30)	23.39
Total adjustment to equity	298.89	(205.42)
Total equity as per Ind AS	9,660.58	8,326.31

### Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March, 2021

	₹ in lacs		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations	10,469.17	247.21	10,221.96
Other income	223.40	(564.24)	787.64
<b>Total Income (A)</b>	<b>10,692.57</b>	<b>(317.03)</b>	<b>11,009.60</b>
<b>Expenditure</b>			
Cost of Materials Consumed	7,342.96	0.00	7,342.96
Purchase of Stock-in-trade progress and stock-in-trade	-	-	-
	(187.73)	-0.00	(187.73)
Excise duty	-	-	-
Employee Benefits Expense	780.22	0.74	779.48
Finance Costs	46.52	0.00	46.52
Depreciation and Amortisation Expense	87.71	0.00	87.71
Other Expenses	1,496.86	256.57	1,240.29
<b>Total Expenditure (B)</b>	<b>9,566.54</b>	<b>257.32</b>	<b>9,309.22</b>
<b>Profit / (Loss) for the year before tax (A-B)</b>	<b>1,126.03</b>	<b>(574.35)</b>	<b>1,700.38</b>
<b>Tax Expenses</b>			
Current Tax	310.00	-	310.00
Deferred Tax	(8.03)	-	61.46
Tax adjustments of previous years (net)	(5.90)	-	(5.90)
	296.07	-	365.56
Profit / (Loss) for the year from continuing operations	829.96	(574.35)	1,334.82
<b>Profit for the year after tax</b>	<b>829.96</b>	<b>(574.35)</b>	<b>1,334.82</b>
<b>Other Comprehensive Income</b>			
a) Items that will not be reclassified to profit or loss:			
benefit plans	-	-	(0.74)
ii) Income tax related to such items	-	-	0.19
<b>Total comprehensive income (i - ii)</b>	<b>-</b>	<b>-</b>	<b>(0.56)</b>
<b>Total comprehensive income for the period</b>	<b>829.96</b>	<b>(574.35)</b>	<b>1,334.27</b>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

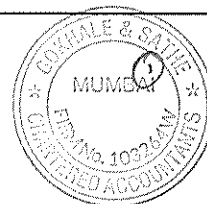
### Reconciliation of total comprehensive income for the year ended 31st March, 2021

Particulars	₹ in lacs	
	Amount	
Profit as per previous GAAP*	829.96	
Adjustments :		
i) Fair valuation on Long term investment	566.21	
ii) Fair valuation of current investment	(1.97)	
iii) Acturial Gain on Gratuity to be taken to Other Comprehensive Income	0.74	
iv) (Provision) / Write back for expected credit loss	9.36	
v) Recognition of deferred taxes as per Ind AS	(69.48)	
<b>Total effect of transition to Ind AS</b>	<b>504.86</b>	
Profit for the year as per Ind AS	1,334.82	
Other comprehensive income for the year (net of tax)	(0.56)	
<b>Total comprehensive income for the period as per Ind AS</b>	<b>1,334.26</b>	

\* Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

### Effect of Ind AS adoption on the statement of cash flows for the year ended 31st March, 2021

	Year ended 31.3.2021		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	1,030.50	28.41	1,002.09
Net cash flows from investing activities	160.46	-	160.46
Net cash flows from financing activities	(7.05)	(28.41)	21.36
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,183.91</b>	<b>(0.00)</b>	<b>1,183.91</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>755.67</b>	<b>-</b>	<b>755.67</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,939.59</b>	<b>-</b>	<b>1,939.59</b>



# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31st March, 2022

### 36.3 Notes to the reconciliations

#### 1 Fair valuation of investments

Under previous GAAP, long term investments were measured at cost less diminution in the value which is other than temporary. Under Ind AS, these assets are classified as financial assets measured at fair value through profit or loss (FVTPL). On the date of transition to Ind AS, these financial assets have been measured at their fair value which is lower than the cost as per previous GAAP, resulting in an decrease in the carrying amount by ₹ 217.50 lacs as at 1st April, 2020 and increase in carrying amount by ₹ 348.72 lacs as at 31st March, 2021. The corresponding deferred taxes have also been recognised as at 1st April, 2020 and as at 31st March 2021. The result of these changes is decrease in total equity as at 1st April, 2020 by ₹ 217.50 lacs, increase in profit before tax by ₹ 566.21 lacs for the year ended 31st March, 2021.

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these assets are classified as financial assets measured at FVTPL. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount by ₹ 1.97 lacs as at 1st April, 2020. The corresponding deferred taxes have also been recognised as at 1st April, 2020. The result of these changes is an increase in total equity as at 1st April, 2020 by ₹ 1.97 lacs, reversal of profit before tax by ₹ 1.97 lacs for the year ended 31st March, 2021 due to sale of investment.

#### 2 Trade receivables

Under Indian GAAP, the Company has created provision for impairment of receivables only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on expected credit loss (ECL) model. Due to ECL model, the Company impaired its trade receivable by ₹ 13.28 lacs on 1st April, 2020 which has been eliminated against retained earnings. The reduction in ECL of ₹ 9.36 lacs for year ended on 31st March, 2021 has been recognized in the statement of profit and loss. Moreover, all trade receivables are now classified as current financial assets as per Ind AS.

#### 3 Other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in other comprehensive income.

#### 4 Employee benefits

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements are to be recognised under other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. On the date of transition, this change does not affect total equity. For the year ended 31st March, 2021, the employee benefit expenses are reduced by ₹ 0.56 lacs and are recognised under other comprehensive income (net of deferred tax).

#### 5 Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax assets is of ₹ 23.39 lacs with corresponding impact on retained earning. For the year ended 31st March, 2021, deferred tax expenses are increased by ₹ 69.48 lacs.

6 As per Ind AS, cash and cash equivalents are shown as a separate item and other bank balances are shown separately.

7 As per Ind AS, certain assets and liabilities are reclassified as financial assets or liabilities based on the recognition criteria for financial asset or financial liability.





# Savita Polymers Limited

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

37 The Company's operations at Mahad Manufacturing facility were adversely impacted in July, 2021 due to flood causing damage to certain fixed assets and some of the inventory. Necessary actions were taken to restore normal operations within 45 days thereafter. The Company's fixed assets and inventory are fully insured and the Company is in the process of filing and claiming loss from the insurance company.

### 38 Details of Working Capital Loan

In case of borrowings from banks, quarterly stock statements are submitted to the banks and there are no material discrepancies with books of account.

### 39 Financial Ratios

Particular	Numerator	Denominator	2021-2022	2020-2021	% Variance	Reason
a) Current Ratio	Current Assets	Current Liabilities	3.74	4.04	(7.46)	
b) Return on equity ratio (%)	Net Profit after taxes	Average shareholder's Equity	9.09	14.84	(38.76)	Net profit for FY 20-21 was higher compare to current year due to gain on fair valuation of Investment.
c) Inventory turnover ratio	COGS	Average Inventory	2.05	1.84	11.27	
d) Trade receivables turnover ratio	Net credit sales	Average account	6.75	5.61	20.35	
e) Trade payables turnover ratio	Net credit purchases	Average trade payables	5.62	4.98	12.77	
f) Net capital turnover ratio	Net sales	Working capital	1.70	1.54	10.26	
g) Net profit ratio (%)	Net Profit	Net Sales	7.37	13.06	(43.55)	Net profit for FY 20-21 was higher compare to current year due to gain on fair valuation of Investment.
h) Return on capital employed (%)	EBIT	Capital Employed	11.72	17.90	(34.51)	Net profit for FY 20-21 was higher compare to current year due to gain on fair valuation of Investment.
i) Return on investment						

During the financial year 2021-22, increase in the cost of major inputs, mainly base oils, resulted in enhanced cost of raw and packing materials consumption and enhanced net realization of finished products. As a consequence, ratios based on the sales, purchases, inventories and receivables have witnessed substantial variance compared to last financials

### 40 Additional regulatory information

- To the best of the Company's knowledge and information, there are no transactions which are not recorded in the books of account or have been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.
- To the best of the Company's knowledge and information, the company does not deal with the struct off companies.
- The Company has registered charges with Registrar of Companies (RoC) wherever applicable.
- The company is not declared as willful defaulter by any bank or Financial Institution or any lender.
- The funds borrowed for short term purposes have not been utilized for any other purpose / long term purposes
- The Company does not hold any benami property and no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- The Company does not trade or invest in crypto currency.
- During the year, Shares of the Company were acquired by Savita Oil Technologies Limited (SOTL) making it a wholly owned subsidiary of SOTL. The company intends to merge with SOTL and the necessary steps have been taken / will be taken for the approval of the scheme of merger of the Company with SOTL.

### 41 Basic and diluted earnings per share:

	2021-2022	2020-2021
Profit after tax for basic earnings per share (₹ in Laacs)	916.32	1,334.81
Weighted average number of equity shares outstanding (Nos)	6,10,000	6,10,000
Nominal value of the share (₹)	10	10
Basic and diluted earnings per equity share (₹)	150.22	218.82

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

43 The Company continues to assess the possible impact of Covid-19 on its financial results based on the internal and external information available up to the date of approval of these financial results and concluded that no adjustment is required in these results. Based on assessment of business and economic conditions, the Company expects to recover the carrying amounts of its assets.

As per our report of the even date

For Gokhale & Sathe  
Chartered Accountants  
Firm Registration Number 103264W

Tejas J. Parikh  
Partner  
Membership No. 123215

Mumbai  
30<sup>th</sup> May, 2022



Director  
(RP)

Director  
(SOM)

For and on behalf of the Board

Director  
(GNM)

Director  
(SOM)

# SAVITA POLYMERS LIMITED

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 1. Corporate Information

Savita Polymers Limited ("the Company") is a Public Limited Company incorporated under the Companies Act, 1956 and domiciled in India.

The Company is engaged mainly in the business of manufacture and sale of petroleum speciality products like Transformer Oils, Liquid Paraffin, Cable Filling and Flooding compounds, Petroleum Jellies and Waxes.

#### Authorization of financial statements

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on 30<sup>th</sup> May, 2022.

### 2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation and presentation of these financial statements.

#### A. Basis of preparation of financial statements

##### i. Compliance with Ind AS

The financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April, 2020. Refer Note 36 for an explanation of how the transition from previous Generally Accepted Accounting Principles (GAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows.

##### ii. Classification of assets and liabilities

All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

For the above purposes, the Company has determined the operating cycle as twelve months based on the nature of products and the time between the acquisition of inputs for manufacturing and their realisation in cash and cash equivalents.

##### iii. Historical cost convention

The financial statements have been prepared on going concern basis under the historical cost convention except:

- (a) certain financial instruments and
- (b) defined benefit plans



# SAVITA POLYMERS LIMITED

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

### iv. Functional and presentation currency

The Company's functional and presentation currency is Indian Rupee (INR). All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs (₹ lacs ), except otherwise indicated.

### v. Fair value measurement

The Company measures certain financial assets and financial liabilities and defined benefit plans at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- in the principal market for the asset or liability or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### B. Property, plant and equipment

- (i) All property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and, accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any costs



# SAVITA POLYMERS LIMITED

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.

- (ii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.
- (iii) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- (iv) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognised.
- (v) In line with the provisions of Schedule II to the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.
- (vi) Depreciation on property, plant and equipment is provided as per straight line method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

Depreciation on stores and spares specific to an item of property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the stores and spares are depreciated over their estimated useful life based on the internal technical inputs.

- (vii) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

### C. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated



# SAVITA POLYMERS LIMITED

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Licences and application softwares are classified as Intangible Assets collectively termed as Computer Softwares in the financial statements.

Estimated lives of Computer Software is 5 to 7 years.

### D. Borrowing costs

Borrowing costs are charged to Statement of Profit and Loss except to the extent attributable to acquisition / construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### E. Impairment of non-financial assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

### F. Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

# SAVITA POLYMERS LIMITED

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

### G. Inventories

Raw and packing materials, fuels, stores and spares are valued at lower of weighted average cost and net realisable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares which do not meet the recognition criteria under property, plant and equipment is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of weighted average cost and net realisable value. Cost includes direct materials, labour, other direct cost and manufacturing overheads based on

normal operating capacity.

Traded Goods are valued at lower of weighted average cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### H. Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

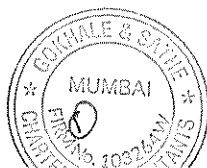
#### a) Revenue from contracts with customer

Sales are accounted on passing of significant risks, rewards and control of ownership attached to the goods to customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, applicable discounts and allowances and is inclusive of excise duty wherever applicable.

Revenue from contracts with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services (assets) to the customers. Performance obligations are satisfied when the customer obtains control of the goods. Any amount of income accrued but not billed to customers in respect of any contracts is recorded as a contract asset. Such contract assets are transferred to trade receivables on actual billing to customers. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or an amount of consideration is due from the customer. Such contract liabilities are recognised as revenue when the Company performs under the contract.

Revenue is measured based on transaction price which is the fair value of the consideration received or receivable, stated net of discounts, returns and taxes. Transaction price is recognised based on the price specified in the contract. Accumulated experience is used to estimate and provide for the discounts / right of return, using the expected value method.

#### b) Processing income



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## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

Revenue from services is recognized as and when the services are rendered on proportionate completion method.

c) Rental income

Rental income arising from operating leases of investment properties is accounted for on a straight-line basis over the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in other income in the Statement of Profit and Loss.

d) Interest income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

e) Dividend income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

f) Others

Income in respect of export incentives, insurance / other claims, etc. is recognised when it is reasonably certain that the ultimate collection will be made.

I. Foreign currency transactions

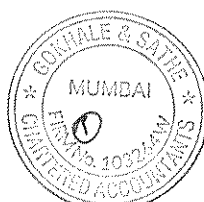
Foreign currency transactions are translated into the functional currency using exchange rate prevailing on the date of transaction. Monetary assets and liabilities are translated at rate of exchange prevailing at the reporting date. The difference arising on settlement or translation on account of fluctuation in the rate of exchange is dealt within the Statement of Profit and Loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, as finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

J. Employee benefits

**Short-term obligations**



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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 an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

### Post-employment obligations

The Company operates the following post-employment schemes

- defined benefit plan – gratuity, and
- defined contribution plan- provident fund.

#### Defined benefit plan – Gratuity obligation

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 carried out at each reporting date.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less fair value of plan assets.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

The net interest expense or income is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

#### Defined contribution plan

Contributions to Provident Fund are made in accordance with the statute and are recognised as an employee benefit expense when employees have rendered service entitling them to the contributions.

### Other long-term employee benefit obligations

The eligible employees can accumulate unavailed 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 unavailed leave is measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating





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to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### K. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset(s) or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

#### a) As a lessee

The Company, as a lessee, recognises a right-of-use asset and a corresponding lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

#### b) As a Lessor

Rental income from operating leases is generally recognised on a straight-line basis over the period of the lease unless the rentals are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases and is included in revenue in the Statement of Profit or Loss due to its operating nature.

### L. Taxation

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit or



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## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

### (a) Current Tax

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

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the time of reporting.

### (b) Deferred Tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are off set if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### M. Segment reporting

The Director of the Company is the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of its business segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of nature of products / service.

- a) Segment revenue includes sales and other income directly attributable / allocable to segments including inter-segment revenue.



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## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

- b) Expenses directly identifiable with / allocable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- c) Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.
- d) Segment results include margins on inter-segment sales which are reduced in arriving at the profit before tax of the company.
- e) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

### N. 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 outstanding 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.

### O. Provisions and Contingent Assets / Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) 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.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed in the case of:

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.



# SAVITA POLYMERS LIMITED

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

### P. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### I. **Financial assets**

##### A. Initial recognition and measurement :

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of the financial asset [other than financial assets at fair value through profit or loss (FVTPL)] are added to the fair value of the financial assets. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Transaction costs of financial assets carried at FVTPL are expensed in the Statement of Profit and Loss.

##### B. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in the following categories:

###### (i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

- (ii) Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.



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## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### (iii) Equity instruments

All equity instruments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are classified as held for trading are measured at FVTPL. For all other equity instruments, the Company decides to measure the same either at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such selection on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments measured at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss on sale of such instruments.

- iv) Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

### C. Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- (i) the Company has transferred substantially all the risks and rewards of the asset, or
- (ii) the Company has neither transferred nor retained substantially all the risks and

rewards of the asset, but has transferred control of the asset.

### D. Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The Company follows 'simplified approach' for recognition of impairment loss on these financial assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

## II. Financial liabilities

### A. Initial recognition and measurement:

Financial liabilities are classified at initial recognition as :

- (i) financial liabilities at fair value through profit or loss,
- (ii) loans and borrowings, payables, net of directly attributable transaction costs or
- (iii) derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Company's financial liabilities include trade and other payables, loans and



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## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

borrowings.

### B. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### (i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in the Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### (ii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### C. De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another, from the same lender, on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The

# SAVITA POLYMERS LIMITED

## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### III. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### First-time adoption-mandatory exceptions, optional exemptions

#### Overall principle

The Company has prepared the opening Balance Sheet as per Ind AS as of the transition date which is 1<sup>st</sup> April, 2020, by

- (a) recognising all assets and liabilities whose recognition is required by Ind AS;
- (b) not recognising items of assets or liabilities which are not permitted by Ind AS;
- (c) reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- (d) applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below :

#### 1. **Derecognition of financial assets and liabilities**

The Company has applied the derecognition requirements of financial assets and liabilities prospectively for transactions occurring on or after 1st April, 2020 (date of transition).

#### 2. **Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transaction date.

#### 3. **Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### 4. **Deemed cost for property, plant and equipment, investment property and intangible assets**

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of 1st April, 2020 measured as per the previous GAAP.



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## Notes to Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 5. Equity investments at FVTPL

The Company has designated investment in equity shares as at FVTPL on the basis of facts and circumstances that existed at the transition date.

### 6. Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 determining whether an arrangement contains a lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

### Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- (a) Operating lease commitments – Company as lessor;
- (b) Assessment of functional currency;
- (c) Evaluation of recoverability of deferred tax assets

#### Estimates and assumptions

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year :

- a) Useful lives of property, plant and equipment, investment property and intangible assets;
- b) Fair value measurements of financial instruments ;
- c) Impairment of non-financial assets;
- d) Taxes;
- e) Defined benefit plans (gratuity benefits);
- f) Provisions;
- g) Revenue recognition
- h) Valuation of inventories;
- i) Contingencies

