

SAVITA OIL TECHNOLOGIES LIMITED

(Formerly 'Savita Chemicals Limited')

Forty-Ninth Annual Report 2009 - 2010

BOARD OF DIRECTORS

Mr. G. N. Mehra - Chairman and Managing Director
Mr. C. V. Alexander - Executive Director
Mr. N. B. Karpe
Mrs. S. N. Mehra (Resigned w.e.f. 8.12.2009)
Mr. S. R. Pandit
Mr. H. A. Nagpal

CHIEF FINANCIAL OFFICER

Mr. S. M. Dixit

COMPANY SECRETARY & VP – LEGAL

Mr. U. C. Rege

BANKERS

State Bank of India
Union Bank of India
Corporation Bank
Standard Chartered Bank

AUDITORS

G. M. Kapadia & Co.
Chartered Accountants
Mumbai

REGISTERED OFFICE

66/67, Nariman Bhavan,
Nariman Point,
Mumbai - 400 021
Tel. No.: 022-6624 6200 / 6624 6228
Fax No.: 022-2202 9364

FACTORIES

17/17A, Thane Belapur Road,
Turbhe,
Navi Mumbai - 400 703

Survey No. 10/2, Kharadpada,
Post Naroli, Silvassa,
Dadra and Nagar Haveli - 396 230

SHARE TRANSFER AGENT

Sharepro Services (India) Pvt. Ltd.
13 AB, Samhita Warehousing Complex,
Near Sakinaka Telephone Exchange, Andheri-Kurla Road,
Sakinaka, Andheri (East), Mumbai – 400 072
Tel. No. : 022-2851 1872/6772 0300/6772 0400
Fax No. : 022-2859 1568/2850 8927
E-mail: sharepro@shareproservices.com

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NOTICE

NOTICE is hereby given that the Forty-Ninth Annual General Meeting of the Members of **SAVITA OIL TECHNOLOGIES LIMITED** will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on **Thursday, 22nd July 2010 at 3.30 P.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Audited Balance Sheet as at 31st March 2010, Profit and Loss Account and Cash Flow Statement for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. S. R. Pandit, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. N. B. Karpe, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Act, the re-appointment of Mr. C. V. Alexander as the Whole-time Director of the Company from 1st October 2010 up to 30th September 2011 on remuneration and perquisites and other terms and conditions as set out in the Agreement executed by the Company with Mr. C. V. Alexander be and is hereby approved and ratified."

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

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

"RESOLVED THAT in supersession of the earlier resolutions and pursuant to and under Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow a sum not exceeding **Rs.300,00,00,000** (Rupees Three Hundred Crores only) notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the Paid-up Capital of the Company and its free reserves not set apart for any specific purpose."

By Order of the Board

Mumbai
29th May 2010

U. C. Rege
Company Secretary & VP - Legal

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **16.7.2010 to 22.7.2010** (both days inclusive).
4. The payment of dividend, if approved, will be made to the shareholders whose names stand on the Register of Members on 22.7.2010. For shares held in the electronic form, dividend will be paid on the basis of beneficial ownership as per details received from the Depositories.
5. The shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and names, but more than one folio to enable the Company to consolidate the said folios into one folio, and (b) notify immediately any change in their recorded address, along with pin code numbers, to the Company.

6. The shareholders are requested to forward shares for transfer and related communication to the Share Transfer Agent or to the Registered Office of the Company.
7. The shareholders seeking information on Accounts published herein are requested to kindly furnish their queries to the Company at least seven days before the date of the Meeting to facilitate satisfactory replies.
8. The shareholders who attend the Meeting are requested to fill in the attendance slip and deliver the same at the entrance of the Meeting hall. The shareholders holding shares in dematerialised form should indicate the DP ID and Client ID numbers in the attendance slip.
9. The shareholders are requested to bring their copy of the Annual Report to the Meeting.

By Order of the Board

Mumbai
29th May 2010

U. C. Rege
Company Secretary & VP - Legal

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 6

The Board of Directors in its meeting held on 29th May 2010 re-appointed Mr. C. V. Alexander, as the Whole-time Director of the Company from 1st October 2010 up to 30th September 2011, subject to the approval of the Members by Special Resolution at the ensuing Annual General Meeting. An Agreement in this regard has been executed between the Company and Mr. Alexander on 29th May 2010.

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

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

Remuneration:

- (i) Salary: Rs.82,000 (Rupees Eighty Two Thousand only) per month.
- (ii) Perquisites: As classified into three categories A, B & C as follows:

CATEGORY A

- (a) House Rent Allowance at the rate of 25% of the salary.
- (b) Education Allowance and Special Allowance of Rs.100 and Rs.3,500 per month respectively.
- (c) Medical Expenses Reimbursement:
Reimbursement of medical expenses incurred on himself and his family subject to a ceiling of 5% of the salary.
- (d) Leave Travel Allowance:
For himself and his family once in a year in accordance with the Rules of the Company for the time being in force.
- (e) Bonus as per the Rules of the Company.
- (f) Performance Linked Incentive as per the Policy of the Company.
- (g) Medical/Accident Insurance:
For himself and his spouse in accordance with the Rules of the Company.

CATEGORY B

- (a) Provident Fund:
Contribution to Provident Fund as per the Company's Rules applicable from time to time to the extent that this is not taxable under the Income Tax Act.
- (b) Gratuity:
Gratuity shall be as per the Company Rules.
- (c) Leave Entitlement & Encashment:
Leave entitlement shall be as per the Company Rules. He shall be permitted to encash unavailed leave.

CATEGORY C

(a) Conveyance:

Provision of car for Company's business and personal use. Provision of reimbursement for expenses of a driver as per the Company Policy.

(b) Telephone:

Provision of telephone facility subject to he being billed for personal long distance calls.

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

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

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

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

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

Your Directors recommend this Special Resolution for your approval.

Item No. 7

Section 293 (1) (d) of the Companies Act, 1956 provides that the Company can borrow in excess of the paid up capital and free reserves only if the proposal is approved at the meeting of the Members of the Company.

The Board considered it expedient to have the limit of Rs,300,00,00,000 (Rupees Three Hundred Crores only) consequent to the increase in the net worth of the Company. None of the Directors of the Company is, in any way, concerned or interested in the resolution.

Your Directors recommend this Resolution for your approval.

By Order of the Board

Mumbai
29th May 2010

U. C. Rege
Company Secretary & VP - Legal

REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors have pleasure in presenting the Forty-Ninth Annual Report, together with the Audited Accounts for the year ended 31st March 2010.

1. FINANCIAL RESULTS

Rupees in lacs

	Year ended 31.3.2010	Year ended 31.3.2009
Total Income	118,693	116,079
Profit before Depreciation & Tax	14,881	4,494
Depreciation	2,031	1,894
Profit before Tax	12,850	2,600
Provision for Taxation:		
Current	3,740	290
Deferred	480	825
Fringe benefit	-	52
Minimum Alternate Tax credit entitlement	-	(290)
Provision for taxation no longer required	(9)	-
Profit for the year after Tax	8,639	1,723
Balance brought forward from previous year	13,864	13,170
Profit available for appropriation	22,503	14,893
Appropriations:		
Proposed Dividend	2,190	730
Tax on Dividend	364	124
General Reserve	900	175
Balance carried to Balance Sheet	19,049	13,864

2. DIVIDEND

Your Directors are pleased to recommend a dividend of 150% (Rs.15 per Equity Share of Rs.10 each) for the year ended 31st March 2010 as against 50% (Rs.5 per Equity Share of Rs.10 each) for the previous year on the paid up Equity Share Capital of Rs.1,460 lacs. This would result in an outgo of Rs.2,190 lacs as dividend in addition to a tax outgo of Rs.364 lacs.

3. OPERATIONS

Your Company's sales turnover touched a new high of Rs. 131,200 lacs during the year under review against Rs.126,733 lacs in the year 2008-09. The sales in volume terms during the year 2009-10 also touched a new high of 254,767 KLS/MTs, showing an increase of about 33%. The net profit of the Company jumped to Rs.8,639 lacs as against Rs.1,723 lacs for the previous year.

During the year under review, the Crude Oil prices crept up steadily, however the volatility was not as intense as in the previous year. As a consequence, Base Oil price movement also showed a reduced volatility. This coupled with the general improvement in the economy and the increased demand for your Company's products resulted in your Company clocking record profits during the year.

The Indian Rupee which had jumped to 52 to a US Dollar in early March 2009 slowly and steadily appreciated to about 46 to a US Dollar during the year under review. This resulted in net gains on foreign exchange in the financial year 2009-10 against losses for the last year for your Company.

Last year, the global economies faced one of the worst recessionary periods in many decades. The remedial measures adopted by the Governments world over since then have resulted in stabilising various economies. In fact, some of the economies have started showing positive signs of growth and India seems to be one of the first economies to recover from the recessionary trends.

Your Company added 9.05 MW wind power projects in its portfolio, the highest ever capacity addition in a year. Of these, 3 of 1500 KW each were commissioned in the state of Tamil Nadu and 3 of 1250 KW each and 1 of 800 KW were commissioned in the state of Maharashtra. With this, the total installed capacity of Wind Power generation of your Company stands at 43.15 MW as against 34.10 MW in the previous year.

4. FIXED DEPOSITS

The Company has no overdue / unpaid fixed deposits.

5. RESEARCH AND DEVELOPMENT

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

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

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

7. DIRECTORS

Mr. S. R. Pandit and Mr. N. B. Karpe retire by rotation u/s 256 of the Companies Act, 1956 and being eligible, offer themselves for re-appointment.

Mr. C. V. Alexander has been re-appointed as the Whole-time Director of the Company by the Board in its Meeting held on 29th May 2010. His re-appointment as the Director of the Company is subject to the approval of the members at the ensuing Annual General Meeting. Item No.6 of the Notice along with the Explanatory Statement be treated as an Abstract of the terms and conditions under Section 302 of the Companies Act, 1956 of his appointment.

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

Mrs. S. N. Mehra has resigned as a Director of the Company w.e.f. 8th December 2009 due to health reasons. Mrs. Mehra was associated with the Company for more than 34 years and has contributed significantly to the overall growth and development of the Company. Your Directors are grateful to Mrs. Mehra for her valuable work and contributions to the Company over the last three decades.

8. CORPORATE GOVERNANCE

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

9. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company has transferred a sum of Rs.4.12 lacs to the Investor Education and Protection Fund, which was the dividend amount due and payable for the year 2001-02 and remained unclaimed and unpaid for a period of 7 years, as provided in Section 205A(5) of the Companies Act, 1956.

10. RISK ASSESSMENT AND MANAGEMENT

Your Company is aware of the various operational and business risks in its functioning. The procedures for handling these risks are reviewed and streamlined by the Company on a continuous basis. The Company's manpower is being trained from time to time to handle and minimise these risks.

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and profit for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the Annual Accounts on a 'going concern' basis.

12. AUDITORS

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

13. PARTICULARS OF EMPLOYEES

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

14. LISTING

Your Company's shares continue to be listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing Fees to these two Stock Exchanges for the year 2010-11 have been paid by your Company on time.

15. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Mumbai
29th May 2010

Gautam N. Mehra
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY:

a) ENERGY CONSERVATION MEASURES TAKEN

- i) Electrical unit consumption reduced by -
 - Providing metal halide lamps in the plant godown.
 - Replacing old Motors with energy efficient motors.
 - Installing wind turbine ventilators in the plants.
 - Replacing Reciprocating type Air Compressor with Screw type Air Compressor.
 - Maintaining Power Factor at unity resulting in cash incentive from MSEB.
- ii) Reduced the consumption of Furnace Oil & LDO by 5% by addition of Fuel Additives.

b) IMPACT OF THE ABOVE MEASURES

The overall energy consumption and fuel usage for the Company has been reduced as a result of the above measures.

c) ADDITIONAL INVESTMENTS AND PROPOSAL FOR REDUCTION IN CONSUMPTION OF ENERGY

Your Company proposes to add more Screw type Air Compressors in the Instrumentation area.

d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION

Form 'A' enclosed.

B. TECHNOLOGY ABSORPTION

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

C. ACTIVITIES RELATING TO EXPORTS

The export turnover (FOB value) for your Company in the year 2009-10 stood at Rs.16,763 lacs as against Rs.16,882 lacs in the year 2008-09. Although the turnover in value terms was more or less stagnant, the volumes in the year under review jumped 34% over the previous year. Your Company has been consolidating its position in its existing markets and has succeeded in adding new customers to its international business portfolio.

D. TOTAL FOREIGN EXCHANGE USED AND EARNED

	Rupees in lacs
(i) CIF Value of Imports	73,562
(ii) Expenditure in Foreign Currency	492
(iii) Foreign Exchange earned	17,383

E. PARTICULARS OF EMPLOYEES

Statement of particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2010:

	Name of Employee	Age	Designation	Gross Remuneration (Rupees)	Qualification	Exp. (in years)	Date of joining	Previous Employment/ Position held
1.	Mr. G. N. Mehra	48	Chairman and Managing Director	7,069,170	B.E. (Chem), M.B.A., Univ. of California (Berkeley)	27	1.12.1983	Marketing Executive, Mehra Trading & Investment Company Pvt. Ltd.
2.	Mr. M. K. Wazir	60	President - Marketing	4,137,677	B. Sc. Chief Engineer (Marine)	37	1.6.1994	Senior Manager (Marketing), Pennzoil India Ltd.
3.	Mr. J. R. Khona	67	President – Business Development	3,488,110	B.Sc. (Hons), D. M. M.	46	13.6.1994	General Manager (Marketing Services), Castrol India Ltd.
4.	Mr. R. K. Bhatia	64	Vice President – Marketing	2,479,965	B.E. (Chem)	40	1.3.1971	Works Superintendent
5.	Mr. S. M. Dixit	51	Chief Financial Officer	3,622,123	B.Com., A.C.A., A.I.C.W.A.	27	9.6.1994	Deputy General Manager, Precision Fasteners Ltd.
6.	Mr. V. K. Rishi	48	Vice President – International Business Division	2,518,963	B.E. (Chem)	27	11.8.2003	Chief Operating Officer, IOL Technologies Pvt. Ltd.
7.	Mr. U. C. Rege	44	Company Secretary & Vice President - Legal	3,004,418	B. Pharm., M.M.S., A.C.S.	19	1.1.2008	Company Secretary & Corporate Legal Head, Savita Polymers Ltd.

Notes:

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

FORM - A
DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

PARTICULARS	2009-2010	2008-2009
A. POWER & FUEL CONSUMPTION		
1. Electricity		
a. Purchased Units (million)	2.052	1.674
Total amount (Rs. in lacs)	107.87	79.69
Average rate/unit (Rs.)	5.26	4.76
b. Own Generation		
i) Through Diesel Generation	106,081	168,776
Units per litre of diesel oil	3.42	2.99
Average cost/unit (Rs.)	10.46	12.19
ii) Through Steam Turbine Generators	-	-
iii) Through Wind Turbines		
Units (Million)	-	-
Total Amount (Rs. in lacs)	-	-
Average rate/unit (Rs.)	-	-
2. Coal	-	-
3. Furnace Oil		
Quantity (KL)	84	230
Total Amount (Rs. in lacs)	26.05	71.76
Average rate/KL (Rs.)	31,124	31,178
4. Others	-	-

B. CONSUMPTION PER UNIT OF PRODUCTION

Particulars	Year	Transformer Oil	Liquid Paraffins	Lubricating Oils	Others
Electricity (KWH)	2009-10	5	14	7	5
	2008-09	5	15	8	5
Furnace Oil (in litres)	2009-10	-	1	-	-
	2008-09	1	2	1	1

FORM - B**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT****1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT**

There has been a continuous thrust in R & D for developing new and improved formulations for new and more demanding applications for Transformer Oils and White Oils. New formulations were also developed for Industrial and Process Oils.

2. BENEFITS DERIVED

The R & D work has resulted in terms of new business opportunities in the category of Transformer Oils, White Oils and Industrial Oils.

3. FUTURE PLAN OF ACTION

More and more focus would be exercised by your Company on R & D work in developing new formulations for Transformer Oils and White Oils.

4. EXPENDITURE ON RESEARCH AND DEVELOPMENT

	Rupees in lacs
a) Capital	3.12
b) Recurring	98.02
Total	<u>101.14</u>
Total R & D expenditure as % of turnover	0.08

5. TECHNOLOGY ABSORPTION

The R & D efforts of your Company have been successfully absorbed in the manufacture of new grades of Transformer Oils and White Oils.

For and on behalf of the Board

Mumbai
29th May 2010

Gautam N. Mehra
Chairman & Managing Director

CORPORATE GOVERNANCE

Report on Corporate Governance for the year 2009-10 is as under:

1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance. It has discharged its duties and obligations in a fair and transparent manner on various issues concerning its business and financial performance with the object of maximising the values of the stakeholders namely shareholders, employees, financial institutions, suppliers and business partners.

2. BOARD OF DIRECTORS

The Company Board in the FY 2009-10 initially had 6 members with a Managing Director heading the business and one promoter non-executive Director, one non-promoter executive Director and three non-promoter non-executive independent Directors being the other members on the Board. Mrs. S. N. Mehra however resigned on 8th December 2009 due to ill health. Mrs. Mehra was appointed as a Director in 1976 on the Board of the Company. Before resigning as a Director of the Company, she had put in over three decades of valuable contribution to the overall growth and development of the Company.

The current members on the Board possess adequate experience, expertise and skills necessary to manage the affairs of the Company in the most efficient manner.

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

Director	Category	No. of outside Directorships	No. of outside Committee Memberships
Mr. G. N. Mehra	Executive-CMD/Promoter	9	–
Mrs. S. N. Mehra*	Non-Executive-Promoter	8	–
Mr. C. V. Alexander	Non-Promoter-Executive	2	–
Mr. N. B. Karpe	Non-Promoter Non-Executive-Independent	3	–
Mr. S. R. Pandit	Non-Promoter Non-Executive-Independent	1	1
Mr. H. A. Nagpal	Non-Promoter Non-Executive-Independent	11	–

*Resigned on 8th December 2009

Particulars of Directors seeking re-appointment are given below-

Director	Mr. S. R. Pandit	Mr. N. B. Karpe	Mr. C. V. Alexander
Date of Birth	7.9.1957	4.3.1961	29.5.1935
Qualification	B. Com., F. C. A.	B. Com., LL.B. (Gen.), F. C. A.	M.A., LL.B.
Experience	Over 29 years in profession	Over 14 years in profession, over 12 years in employment	Over 46 years in service
Other Directorships	1. IndusInd Media & Communication Ltd.	1. Aptech Ventures Ltd., Mauritius 2. Aptech Investment Enhancers Ltd., Mauritius 3. Aptech Global Investments, Mauritius	1. Savita Polymers Ltd. 2. Kurla Investment & Trading Co. Pvt. Ltd.

Number of Board Meetings with dates

During the period 1st April 2009 to 31st March 2010, the Board met 4 times with a maximum gap of three months between two meetings. The Board Meetings were held on 30th May 2009, 29th July 2009, 30th October 2009 and 30th January 2010.

Attendance of Directors at the Board Meetings held during 2009-10 and the last Annual General Meeting

Name of the Director	Attendance		Last AGM attended
	No. of meetings held during the tenure of Directors		
	Held	Attended	
Mr. G. N. Mehra	4	4	Yes
Mrs. S. N. Mehra*	4	2	No
Mr. N. B. Karpe	4	4	Yes
Mr. S. R. Pandit	4	4	Yes
Mr. C. V. Alexander	4	3	Yes
Mr. H. A. Nagpal	4	2	No

*Resigned on 8th December 2009

Details of remuneration paid/to be paid (Rupees in lacs) to the Directors for the year 2009-10

Director	All elements of remuneration package taken together	Sitting fees	Commission*
Managing Director			
Mr. G. N. Mehra			
Salary	24.00		
Perquisites	17.08		
Contribution to PF	2.88	-	128.80
Executive Director			
Mr. C. V. Alexander			
Salary	8.85		
Perquisites	7.20		
Contribution to PF	0.96	-	-
Non-Executive Directors			
Mrs. S. N. Mehra	-	0.40	2.00
Mr. N. B. Karpe	-	0.80	2.00
Mr. S. R. Pandit	-	0.80	2.00
Mr. H. A. Nagpal	-	0.40	2.00

* Subject to approval of shareholders

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

The Board of Directors at its meeting held on 29th May 2010 re-appointed Mr. C. V. Alexander as the Whole-time Director of the Company for a period from 1st October 2010 to 30th September 2011, subject to the approval of the shareholders at the ensuing Annual General Meeting. The terms and conditions and the remuneration payable to Mr. C. V. Alexander have been detailed in the Notice and Explanatory Statements thereto.

Information placed before the Board

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

3. COMMITTEES OF THE BOARD

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

Audit Committee

The Audit Committee consists of the following Directors –

Mr. S. R. Pandit	-	Chairman
Mr. N. B. Karpe	-	Member
Mrs. S. N. Mehra*	-	Member
Mr. H. A. Nagpal**	-	Member

*Resigned on 8th December 2009

**Subsequent to the resignation of Mrs. S. N. Mehra, Member of the Audit Committee of the Company, Mr. H. A. Nagpal was appointed as the Member of the Audit Committee in the Board Meeting of 30th January 2010.

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

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment/re-appointment of external/internal auditors, tax auditors, fixation of audit fees, etc.
- Review of annual financial statements.
- Review of quarterly/half yearly un-audited financial results.
- Review of adequacy of internal control system and the internal audit programme.
- Reviewing the Company's financial and risk management policies.

The Audit Committee met four times (on 30th May 2009, 29th July 2009, 30th October 2009 and 30th January 2010) during the year 2009-10.

Attendance of Director Members at the Audit Committee Meetings

Names of Director Members	Attended
Mr. S. R. Pandit	4
Mr. N. B. Karpe	4
Mrs. S. N. Mehra	2

Shareholders' Grievances Committee

The following are the members of this Committee:

- Mr. N. B. Karpe - Chairman (Non-Executive Independent Director)
 Mr. S. R. Pandit - Member (Non-Executive Independent Director)
 Mr. G. N. Mehra - Member (Managing Director)

The Committee met four times (on 30th May 2009, 29th July 2009, 30th October 2009 and 30th January 2010) during the year 2009-10.

Attendance of Director Members at the Meetings

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

Details of Shareholders' Grievances and their redressal

Sr. No.	Type	Received	Cleared
1	Transfers/Transmissions/Name Correction	32	32
2	Non-receipt of Dividend Warrants	18	18
3	De-materialisation	0	0
4	Others	95	95

The Company has resolved most of the Shareholders' grievances/correspondences within a period of 15/30 days from the date of receipt of the same during the year 2009-10 except in cases which are constrained by disputes and legal impediments.

4. General Body Meetings

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

Year	AGM/EGM	Location	Date	Time
2008-09	AGM	M. C. Ghia Hall, Mumbai	5.9.2009	11.00 AM
2007-08	AGM	M. C. Ghia Hall, Mumbai	9.9.2008	11.00 AM
2006-07	AGM	M. C. Ghia Hall, Mumbai	12.9.2007	11.00 AM

5. DISCLOSURE ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS (WITH PROMOTERS, DIRECTORS, MANAGEMENT, THEIR SUBSIDIARIES OR RELATIVES, ETC.) WHICH MAY HAVE POTENTIAL CONFLICT WITH THE INTEREST OF THE COMPANY AT LARGE

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

6. NON-COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES/SEBI IN THE LAST THREE YEARS

None.

7. MEANS OF COMMUNICATIONS

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

The financial results are also displayed on the Company's Website www.savita.com and as per SEBI guidelines, the financial data is displayed on the EDIFAR system from time to time.

8. GENERAL SHAREHOLDER INFORMATION

- A. Date of Book closure : 16.7.2010 to 22.7.2010
- B. Date and venue of AGM : 22.7.2010 at 3.30 p.m. at M. C. Ghia Hall,
Bhogilal Hargovindas Building, 2nd Floor, 18/20,
Kaikhushru Dubhash Marg, Mumbai – 400 001
- C. Dividend Payment (Equity) : 150% on Equity Shares. Warrants for final dividend will be dispatched before 21.8.2010
if the Final Dividend is approved at the Annual General Meeting.
- D. Listing on Stock Exchanges
in India : Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal street,
Mumbai – 400 001
Stock Code: 524667
- National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051
Stock Code: SOTL – EQ
- E. Status of Listing Fees : Paid to Bombay Stock Exchange Limited and
National Stock Exchange of India Limited for 2010-11
- F. Registered Office : 66/67, Nariman Bhavan, Nariman Point,
Mumbai – 400 021
Tel. No.: 022-6624 6200 / 6624 6228
Fax: 022-2202 9364
- G. Works : 17/17A, Thane Belapur Road,
Turbhe, Navi Mumbai – 400 703
Tel. No.: 022-2768 1521 / 22
Fax: 022-2768 2024
- Survey No.10/2, Kharadpada,
Post Naroli, Silvassa,
Dadra and Nagar Haveli – 396 230
Tel. No.: 0260-265 0183
Fax: 0260-265 0182
- H. Depositories : National Securities Depository Ltd.
4th Floor, Trade World,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel, Mumbai-400 013
- Central Depository Services (India) Ltd.
Phiroze Jeejeebhoy Towers,
20th Floor, Dalal Street,
Mumbai-400 001

9. SHARE TRANSFER IN PHYSICAL FORM AND OTHER COMMUNICATION REGARDING SHARE CERTIFICATES, DIVIDENDS AND CHANGE OF ADDRESS, ETC. TO BE SENT EITHER TO -

Savita Oil Technologies Limited
 66/67, Nariman Bhavan,
 Nariman Point,
 Mumbai – 400 021
 Tel. No.: 022-6624 6200 / 6624 6228
 Fax: 022-2202 9364
 E-mail: legal@savita.com

OR

Sharepro Services (India) Pvt. Ltd.
 13 AB, Samhita Warehousing Complex,
 Near Sakinaka Telephone Exchange,
 Andheri-Kurla Road,
 Sakinaka, Andheri (East),
 Mumbai – 400 072
 Tel. No.: 022-2851 1872/6772 0300/6772 0400
 Fax: 022-2859 1568/2850 8927
 E-mail: sharepro@shareproservices.com

10. SHARE TRANSFER SYSTEM

Transfer of Shares in physical form is generally registered and certificates are returned within a period of 30 days from the date of receipt of the documents clear in all respects. Similarly the dematerialisation requests are also processed within a period of 15 days. The Shareholders' Grievances Committee meets as often as required. The total number of shares transferred in physical and dematerialised form during the year 2009-10 are as follows:

Category	No. of requests	No. of shares	Requests attended
Physical	30	4,159	30
Dematerialised	97	1,33,212	97

11. DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH 2010

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
Up to 500	9,048	92.810	11,58,698	7.935
501-1,000	370	3.795	2,76,338	1.893
1,001-2,000	173	1.774	2,54,138	1.740
2,001-3,000	38	0.390	94,072	0.644
3,001-4,000	33	0.338	1,16,891	0.801
4,001-5,000	11	0.113	51,207	0.351
5,001-10,000	37	0.380	2,69,605	1.846
10,001-Above	39	0.400	1,23,81,134	84.790
Total	9,749	100.000	1,46,02,083	100.000

12. CATEGORIES OF SHAREHOLDINGS AS ON 31ST MARCH 2010

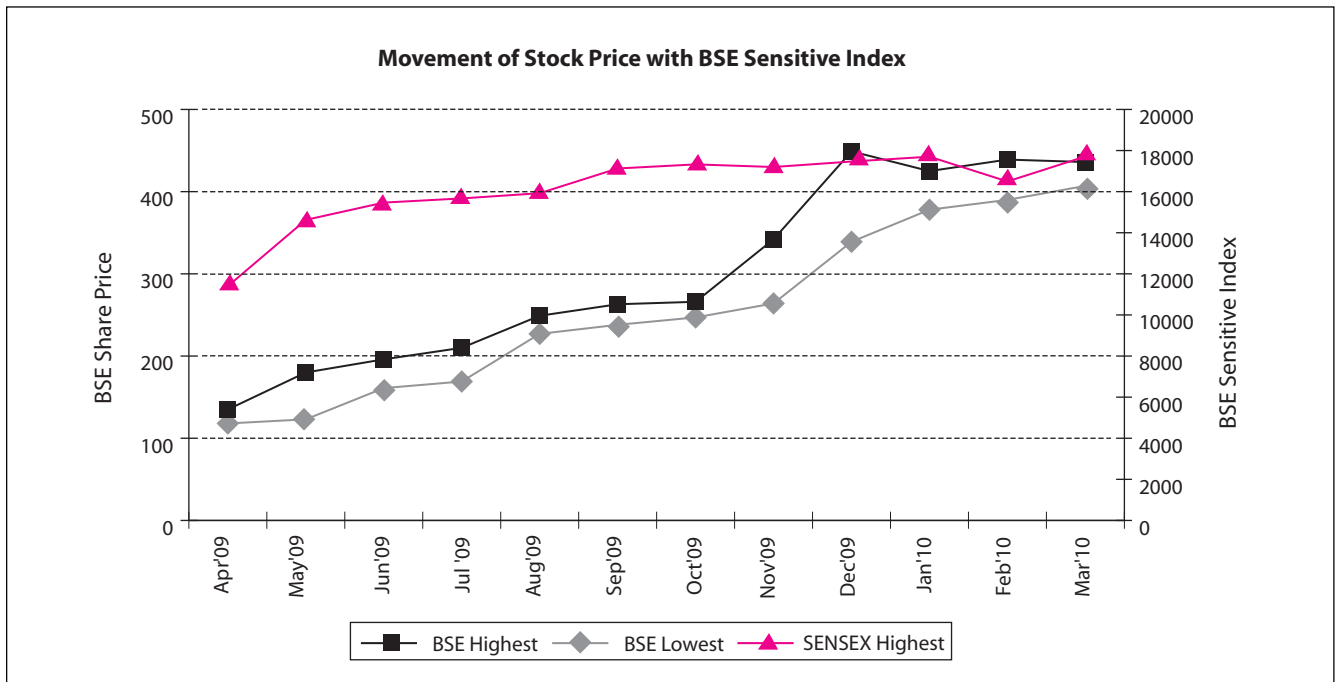
Category	No. of Share Holders	Voting Strength %	No. of Shares held
Overseas Corporate Bodies	–	–	–
Non-resident Individuals			
On non-repatriable basis	19	0.092	13,445
On repatriable basis	108	0.623	91,012
FII's	4	2.188	3,19,543
Promoters, Directors	36	71.528	1,04,44,556
Banks/Mutual Funds/Public			
Financial Institutions/Trusts/ Other Bodies Corporate	411	10.748	15,69,476
Resident Individuals	9,171	14.820	21,64,051
Total	9,749	100.000	1,46,02,083

13. DEMATERIALISATION OF SHARES

The Company's shares are compulsorily traded in dematerialised form as per SEBI guidelines. As on 31st March 2010, 51,44,236 shares aggregating to 35.23% of equity shares of the Company have been dematerialised. The Company's ISIN is **INE035D01012**.

14. STOCK MARKET PRICES

Month	BSE		NSE		BSE SENSEX	
	Highest (Rs.)	Lowest (Rs.)	Highest (Rs.)	Lowest (Rs.)	Highest	Lowest
April 2009	135	118	137	115	11403	9902
May 2009	180	123	188	120	14625	11403
June 2009	196	161	215	139	15467	14266
July 2009	210	169	214	166	15670	13400
August 2009	249	227	263	210	15924	14785
September 2009	263	238	273	233	17127	15398
October 2009	266	247	268	240	17326	15896
November 2009	342	264	342	245	17199	15405
December 2009	449	339	487	332	17465	16601
January 2010	425	378	450	395	17701	16290
February 2010	439	390	461	380	16496	15791
March 2010	436	407	441	362	17711	16430



15. FINANCIAL CALENDER 2010-2011

Financial Reporting for the first quarter ending June 30, 2010 - last week of July, 2010.

Financial Reporting for the second quarter and half year ending September 30, 2010 - last week of October, 2010.

Financial Reporting for the third quarter ending December 31, 2010 - last week of January, 2011.

Financial Reporting for the fourth quarter ending March 31, 2011 - last week of April, 2011.

Audited Accounts for the year ending March 31, 2011 - last week of May, 2011.

Annual General Meeting for the year ending March 31, 2011 - first/second week of September, 2011.

The website of the Company is www.savita.com

For and on behalf of the Board

Mumbai
29th May 2010

Gautam N. Mehra
Chairman & Managing Director

CERTIFICATION BY THE CHAIRMAN & MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER

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

1. We have reviewed the Balance Sheet and Profit and Loss Account along with all its Schedules and Notes on Accounts, Cash Flow Statements and the Directors' Report;
2. These statements do not contain any untrue statement of a material fact or any omission to state a material fact on the statements made;
3. The financial statements and other financial information contained thereon in this Report present a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the period ending 31st March 2010. These statements and other information presented in the Report are in compliance with the existing accounting standards and applicable laws and regulations as on the closing date;
4. No transactions entered into by the Company during the year are in contravention with the applicable laws and regulations, fraudulent, or in breach of the Company's Code of Conduct;
5. We are responsible for establishing and maintaining controls and procedures on disclosure as well as internal control over financial reporting for the Company, and we have:
 - a) designed such controls and procedures so as to ensure the material information relating to the Company is made available to us by others during the period in which this Report is being prepared;
 - b) designed such internal control over financial reporting with a view to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Company's disclosure, controls and procedures;
6. That all Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the current year.

Mumbai
29th May 2010

S. M. Dixit
Chief Financial Officer

Gautam N. Mehra
Chairman & Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of Savita Oil Technologies Limited,

We have examined the compliance of conditions of Corporate Governance by Savita Oil Technologies Limited (Formerly known as 'Savita Chemicals Limited') ("the Company") for the year ended 31st March 2010 as stipulated in Revised Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of Conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we state that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned clause of the Listing Agreement.

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For G. M. KAPADIA & CO.
Chartered Accountants
Firm Registration No. 104767W

Rajen Asher
Partner
Membership No. 48243

Mumbai
29th May 2010

MANAGEMENT DISCUSSION AND ANALYSIS

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

A. INDUSTRY STRUCTURE AND DEVELOPMENT

I. Petroleum Products

Transformer Oils, White Oils/Liquid Paraffins and Lubricating Oils are the constituents of this Sector for your Company. Base Oils which are a refined fraction derived from Crude Oil are the main raw materials for all these products. Your Company procures these Base Oils predominantly from the international markets and to some extent from the domestic market.

The development and growth of the power generation and transmission infrastructure within the country mainly decides the demand for Transformer Oils in India. The demand for Liquid Paraffins and White Oils is determined by the market for cosmetics, pharmaceuticals and personal care products.

The Indian lubricant industry comprises primarily of the Automotive, Industrial and Marine Sectors. The lubricant products' demand in these three sectors is determined by the general industrial and economic conditions.

Both domestic and multinational companies fiercely compete for a share of the Petroleum Products market.

After the widespread recession of 2008-09 faced by the global economies, the year 2009-10 witnessed a definite recovery in demand particularly in the Asian economies. In India, most sectors of the economy including industrial production, automotive and industrial sales, etc. showed resurgence in demand.

The Crude Oil prices which had shown extreme volatility in 2008-09 showed signs of moderation in 2009-10, though there was still a steady increase in prices. The Indian Rupee also recovered significantly against the loss it had suffered *vis-a-vis* USD in the previous year.

II. Wind Power

Power is a critical infrastructural component for multidimensional growth and basic human needs. Globally most of the power is produced by using fossil fuels presently. However, due to the global warming potential of the fossil fuels, every country in the world is making efforts to promote use of green power. Wind power is gaining wider acceptance due to technological improvements, low gestation period and well established network for implementation and is therefore, the fastest growing renewable energy source in the world. It has achieved 26% annual growth during the last decade globally. India's rapidly growing economy and population leads to relentlessly increasing electricity demand and as a result, electricity consumption in India is set to double by next decade. Renewable energy in general and wind energy in particular is hence poised for rapid growth.

During the FY 2009-10, India added wind power installed capacity of 1565 MW taking the cumulative installed capacity to 11,807 MW.

B. OPPORTUNITIES AND THREATS

I. Petroleum Products

The GDP forecasts are revised to indicate a growth of 7-8 % per annum in the FY 2010-11. With the consumption drivers in almost all sectors of the economy gathering momentum, the overall market is expected to grow steadily. Moreover, the fall and the subsequent moderation of the commodity prices, including Crude and Base Oils, and the co-ordinated fiscal and monetary stimuli have begun to revive the growth from the second half of the year 2009-10 and is expected to continue in the future.

This revival in the general economy has resulted in growing demand in all sectors of the economy. It appears that this would restore earlier planned investments in power generation, transmission and distribution infrastructure. This augurs well for the demand for Transformer Oil which would show good growth. The growth in the automotive, industrial, and the marine and engineering sectors would decide the growth momentum for the Lubricant Products. With the recession getting out of the mindsets of the general masses, the spending capacity would grow and this augurs well for the market for Liquid Paraffins and White Oils, being essential ingredients of personal care products.

II. Wind Power

In India the Ministry of New and Renewable Energy (MNRE) estimates that there is a potential of around 90,000 MW for power generation from different renewable energy sources in the country, including 48,561 MW of wind power. The World Institute for Sustainable Energy, India (WISE) considers that with larger turbines, greater land availability and expanded resource exploration, the potential could be as big as 100,000 MW.

The challenges related to availability of the project infrastructure, availability of windy sites, land availability concerns, local issues and applications of outdated turbine technology are also key restraints to growth of wind energy sector. However, it is assumed that significant repowering (replacing of smaller old turbines by modern and more powerful machines) will take place in near future.

C. SEGMENT WISE PERFORMANCE

I. Petroleum Products

The Petroleum Products sector witnessed a sales volume of 249,105 KLS/MTs during the financial year 2009-10 against 187,400 KLS/MTs in the previous year, resulting in revenue of Rs.127,051 lacs in the financial year 2009-10 against Rs.123,249 lacs in the previous year.

II. Wind Power

Your Company added 9.05 MW wind power projects in its portfolio, the highest ever capacity addition in a year. Of these, 3 of 1500 KW each were commissioned in the state of Tamil Nadu and 3 of 1250 KW each and 1 of 800 KW were commissioned in the state of Maharashtra. With this, the total installed capacity in Wind Power Sector of your Company now stands at 43.15 MW.

During the Financial Year 2009-10, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamilnadu generated 64.0 MU against 55.4 MU generated in the previous year.

United Nations Framework Convention on Climate Change (UNFCCC) issued 27,272 CERs (Certified Emission Reduction Units) to your Company during the financial year 2009-10.

D. FUTURE OUTLOOK

I. Petroleum Products

The market seems to have seen the back of the recession which raised its ugly head in the year 2008-09. Though some or the other bad news for the markets have been trickling in from some European and US markets and some political fronts, still the global economies and especially the Indian economy in particular seem to be well prepared to absorb and digest these hiccups.

Though India cannot operate in isolation from the global economy, growth in India largely depends on the domestic spending and consumption. The present high inflation though could be a bit of a dampener in the India growth story. The various monetary and fiscal policy supports to the economy combined with the continuous measures taken have stabilised the financial system and have had a significant positive impact on the course of the economic events in our country. Though it is difficult to predict the future, the road ahead seems to be much smoother than before.

The speedy revival of the Indian economy has, as was expected last year, brought back the consumer demand in almost all sectors. The price of Crude Oil and in turn that of Base Oil seems to have stabilised since the last 6 months or so and this augurs well for the industries in this sector, including your Company.

As Base Oils are the major raw material for your Company's products, the prices of Base Oils coupled with the demand for your Company's products will play a significant role in determining the profitability of your Company.

II. Wind Power

India's peak power capacity deficit is expected to widen in 2010 to 12.6% of total capacity, up from 11.9% last year. This deficit is also enhanced by the inefficiencies in the transmission and distribution systems and electricity theft. Wind power is set to witness large scale technological advantage in turbine design through extensive research and development with new players coming in the market. Wind Industry is set to move from Tax driven to Generation driven industry. In order to achieve energy independence and energy security, Government of India is giving more emphasis on use of renewable power and has set the target to reduce fossil fuel dependence and increase share of renewable energy from present 10% to 27% by 2030. With this objective in mind, two new generation linked schemes have been introduced to give boost to the sector.

The Generation Based Incentive (GBI) Scheme is introduced to be applicable to the projects commissioned after December 17, 2009 till March 31, 2012. Up to 4000 MW Wind Power Projects will be entitled for Generation Based Incentive of Rs. 0.50 per unit apart from preferential tariff offered by various State utilities.

Central Electricity Regulatory Commission (CERC) has also introduced Renewable Energy Certificates (RECs) from April 1, 2010 in order to make Renewable Purchase Obligations (RPO) mandatory throughout the country. RECs will be traded on CERC approved Power Exchanges which will give additional revenue to Wind Power generators apart from revenue generated from sale of power.

Since there are no limits to FDI in the RE sector, many corporates and the foreign investors are expected to set up Renewable Energy projects in India in Independent Power Producer mode (IPP).

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has deployed internal procedures commensurate with the size and nature of its business. The aim of these procedures is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance with statutes and Company procedures. Your Company has an in-house Internal Audit Department. In addition, your Company has an external audit firm conducting internal audit on a concurrent basis and reporting to your Company's Audit Committee. Well-defined individual roles and responsibilities, as well as an effective feedback flow facilitate effective monitoring and a responsible internal audit. Regular Audit Committee Meetings are held where also the Internal Auditors and Statutory Auditors participate and the internal audit reports are thoroughly discussed and reviewed.

F. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Your Company has quality professionals with adequate experience and functional competencies across the operations, research and marketing functions. Your Company provides growth opportunities for the performing employees at all levels. Your Company gives significant importance to employee growth and development through education and training and accordingly encourages employees to attend training and development programmes on a continuing basis.

Relations with the employees of your Company at all levels remained cordial and peaceful during the year under review.

For and on behalf of the Board

Mumbai
29th May 2010

Gautam N. Mehra
Chairman & Managing Director

AUDITORS' REPORT

To the members of **SAVITA OIL TECHNOLOGIES LIMITED** (Formerly 'SAVITA CHEMICALS LIMITED')

1. We have audited the attached Balance Sheet of **SAVITA OIL TECHNOLOGIES LIMITED** (Formerly 'SAVITA CHEMICALS LIMITED') as at 31st March 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act 1956 (the Act), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books;
 - iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - v) On the basis of the written representations received from the Directors as on 31st March 2010, we report that none of the Directors of the Company, i.e. SAVITA OIL TECHNOLOGIES LIMITED (Formerly 'Savita Chemicals Limited') are disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - (ii) in the case of the Profit and Loss Account, of the profits of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Rajen Ashar
Partner
Membership No. 48243

Mumbai
29th May 2010

ANNEXURE TO THE AUDITORS' REPORT

Re: SAVITA OIL TECHNOLOGIES LIMITED (Formerly 'SAVITA CHEMICALS LIMITED')

Referred to in Paragraph 3 of our report of even date,

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, the fixed assets have been physically verified by the management during the year according to a phased programme. In our opinion, such programme is reasonable having regard to the size of the Company and the nature of its assets. We have been further informed that no material discrepancies were noticed on such verification by the management between the book records and physical verification.
- (c) During the year the Company has not disposed off a substantial part of fixed assets.
- (ii) (a) The inventory have been physically verified at reasonable intervals by the management during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of such inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventory. No material discrepancies were noticed on physical verification between the physical stocks and the book records.
- (iii) (a) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) The Company has not taken any secured loans from companies, firms and other parties covered under register maintained under Section 301 of the Act. The company has not accepted any fresh fixed deposits in the nature of unsecured loan during the year. The Company had accepted deposits from three entities covered in the register maintained under Section 301 of the Act in earlier years. During the year the Company has repaid the said deposits. The maximum amount involved during the year is Rs. 10.25 lacs.
- (c) In our opinion, the rate of interest and other terms and conditions of such fixed deposits are not prima facie prejudicial to the interest of the Company.
- (d) In respect of the aforesaid fixed deposits, the Company is regular in repaying the principal amounts as stipulated and also regular in payment of interest.
- (iv) In our opinion, the Company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transactions (excluding fixed deposits reported under paragraph (iii) above) made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of Rupees Five lacs in respect of each party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and Rules framed thereunder and the directives issued by the Reserve Bank of India, where applicable, with regard to the deposits accepted from the public.
- (vii) The Company has an adequate internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.

- (ix) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, wherever applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March 2010 for a period of more than 6 months from the date they became payable except

Nature of Dues	Period to which the amount relates	Amount (Rupees in Lacs)	Remarks
Central Sales Tax	2003-2004	1.61	Deposited on 18 th May 2010
	2004-2005	0.75	Deposited on 18 th May 2010

- (b) The particulars of statutory dues that have not been deposited on account of disputes are given in Annexure A.
- (x) The Company does not have any accumulated losses as at 31st March 2010. The Company has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) We have been informed that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not raised any funds through debentures.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a *nidhi* / mutual benefit fund / society. Therefore, the provisions of this clause are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has given a corporate guarantee for a banking facility by companies under the same management. In our opinion the terms and conditions of the guarantee are not prima facie prejudicial to the interest of the Company. The Company has not given any other guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us and on the basis of the records examined by us, we have to state that the Company has prima facie applied the term loan for the purpose for which it was obtained.
- (xvii) According to the Cash Flow Statement and other records examined by us and the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been utilized for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any monies by way of public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud (i.e. intentional material misstatements resulting from fraudulent financial reporting and misappropriation of assets) on or by the Company has been noticed or reported during the year.

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

Mumbai
29th May 2010

Rajen Ashar
Partner
Membership No. 48243

Annexure A
Re : Savita Oil Technologies Limited (Formerly 'Savita Chemicals Limited')

Sr. No.	Name of the Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rupees in Lacs)
1.	Cental Excise Act,1944	Excise Duty	Commissioner of Central Excise	2004-2008	98.17
			Deputy And Assistant Commissioner of Central Excise	2002-2004	20.11
				April 1999 to April 2003	7.24
				May 2002 to April 2003	13.85
			Commissioner (Appeals) of Central Excise	April 2003 to December 2003	0.05
				April 2005 to March 2006	0.25
				April 2006 to December 2006	0.50
				October 2004 to March 2005	0.20
				April 2005 to March 2006	0.08
			Additional and Joint Commissioner of Central Excise	April 2006 to September 2006	17.19
				July 2008 to March 2009	46.47
				November 2004 to August 2005	22.60
				October 2006 to August 2007	30.01
				September 2005 to March 2006	17.76
Appellate Tribunal	September 2007 to June 2008	47.37			
	1999-2002	9.19			
	April 1998 to March 2003	2.50			
	August 2002	42.72			
	July 2000 to March 2002	4.99			
	July 2005 to March 2006	12.89			
	July 2000 to March 2001	106.82			
	July 1999 to March 2002	0.49			
	April 2002 to March 2003	2.26			
	April 2003 to March 2004	1.56			
	July 2004 to March 2005	0.10			
April 1999 to March 2002	23.47				
April 2004 to March 2005	260.53				
2.	Finance Act ,1994	Service Tax	Commissioner of Central Excise	December 2002 to January 2005	13.19
				July 1997 to March 2002	65.22

SAVITA OIL TECHNOLOGIES LIMITED

(Formerly 'Savita Chemicals Limited')

Sr. No.	Name of the Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rupees in Lacs)
3.	Central Sales Tax Act and Sales Tax Act of Various States	Sales Tax	Deputy Commissioner and Assistant Commissioner	2001-2002 2003-2004	5.25 0.09
			Joint Commissioner (VAT)	2004-2005	207.02
			Deputy Commissioner (VAT)	2002-2003 2003-2004	184.61 202.53
			Additional Deputy Commissioner- Commercial Tax, Bangalore	2000-2001	0.12
			Joint Commissioner- Commercial Tax, Kanpur	2006-2007	0.68
			Joint Commissioner- Commercial Tax, Bangalore	2002-2003	0.59
			Commercial Tax Officer (AA) Ernakulam	2005-2006	5.54
			Appellate Tribunal	1998-1999	0.50
4.	Customs Act, 1962	Custom Duty	Commissioner of Customs (Imports) Mumbai	April 1992 June 2006	3.58 399.05
5.	Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2002-2003	6.25
				2003-2004	18.10
6.	Gram Panchayat-Satara	Gram Panchayat Tax	Sarpanch, Gram Panchayat	2008-2009	51.94
Total					1,953.63

Financial Statements & Notes

BALANCE SHEET AS AT 31st MARCH 2010

	Schedule	As at 31.3.2010		As at 31.3.2009	
		Rupees in lacs	Rupees in lacs	Rupees in lacs	Rupees in lacs
SOURCES OF FUNDS					
1. Shareholders' Funds					
Share Capital	1	1,460.56		1,460.56	
Reserves and Surplus	2	30,516.21	31,976.77	24,431.94	25,892.50
2. Loan Funds					
Secured Loans	3	4,959.33		3,619.59	
Unsecured Loans	4	1,624.45	6,583.78	1,634.70	5,254.29
3. Deferred Tax (Schedule 17, Note No.4)			3,467.15		2,987.15
TOTAL			42,027.70		34,133.94
APPLICATION OF FUNDS					
1. Fixed Assets	5				
Gross Block		29,760.94		23,626.27	
Less: Depreciation		11,147.89		9,150.42	
Net Block		18,613.05		14,475.85	
Capital Work-in-Progress		291.72		453.95	
Net Fixed Assets			18,904.77		14,929.80
2. Investments	6		4,614.23		6,406.11
3. Current Assets, Loans and Advances					
Inventories	7	22,934.34		17,749.65	
Sundry Debtors	8	27,974.88		24,721.84	
Cash and Bank Balances	9	2,031.28		2,632.41	
Loans and Advances	10	5,329.42		4,277.31	
		58,269.92		49,381.21	
Less: Current Liabilities and Provisions	11				
Current Liabilities		36,642.75		35,720.79	
Provisions		3,118.47		862.39	
		39,761.22		36,583.18	
Net Current Assets			18,508.70		12,798.03
TOTAL			42,027.70		34,133.94

Significant accounting policies and

Notes to the accounts

17

The schedules referred to herein form part of the Balance Sheet

As per our report of the even date.

For and on behalf of the Board

For G M Kapadia & Co.
Chartered Accountants

G. N. Mehra
Chairman and
Managing Director

N. B. Karpe
S. R. Pandit
Director
Director

Rajen Ashar
Partner

U. C. Rege
Company Secretary and
Vice President-Legal

S. M. Dixit
Chief Financial Officer

C. V. Alexander
Director

Mumbai,
29th May 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

	Schedule	Year ended 31.3.2010 Rupees in lacs	Year ended 31.3.2009 Rupees in lacs
INCOME			
Income from Operations	12	117,801.39	115,075.83
Other Income	13	891.81	1,003.58
TOTAL		118,693.20	116,079.41
EXPENDITURE			
Materials	14	87,131.05	99,010.85
Personnel	15	1,853.83	1,275.43
Others	16	14,360.46	10,811.73
Depreciation		2,030.88	1,894.07
Interest		467.38	486.94
TOTAL		105,843.60	113,479.02
Profit for the year before tax		12,849.60	2,600.39
Provision for taxation - current		3,740.00	290.00
- deferred		480.00	825.00
- fringe benefit		-	52.00
Minimum alternate tax credit entitlement		-	(290.00)
Provision for taxation no longer required		(8.76)	-
Profit for the year after tax		8,638.36	1,723.39
Balance as per last Balance Sheet		13,864.47	13,170.26
		22,502.83	14,893.65
APPROPRIATIONS			
Proposed Dividend		2,190.31	730.10
Tax on Dividend		363.78	124.08
General Reserve		900.00	175.00
Balance carried to Balance Sheet		19,048.74	13,864.47
Basic and Diluted earnings per share (Rupees)		59.16	11.80

Significant accounting policies and

Notes to the accounts

17

The schedules referred to herein form part of the Profit and Loss Account

As per our report of the even date.

For and on behalf of the Board

For G M Kapadia & Co.
Chartered Accountants

G. N. Mehra Chairman and
Managing Director

N. B. Karpe Director

S. R. Pandit Director

C. V. Alexander Director

Rajen Ashar
Partner

U. C. Rege
Company Secretary and
Vice President-Legal

S. M. Dixit
Chief Financial Officer

Mumbai,
29th May 2010

SCHEDULES 1 TO 17 ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

	As at 31.3.2010	As at 31.3.2009
	Rupees in lacs	Rupees in lacs
1. SHARE CAPITAL		
Authorised		
30,000,000 (Previous Year 15,000,000) Equity Shares of Rs.10 each	3,000.00	1,500.00
Issued and Subscribed		
14,602,083 (Previous Year 14,602,083) Equity Shares of Rs.10 each fully paid-up.	1,460.21	1,460.21
Add : 7,100 (Previous Year 7,100) Forfeited Shares	0.35	0.35
	1,460.56	1,460.56
Of the above :		
(i) 2,500 (Previous Year 2,500) Equity Shares were allotted as fully paid-up pursuant to a scheme of amalgamation without payment being received in cash.		
(ii) 11,570,833 (Previous Year 11,570,833) Equity Shares were allotted as fully paid-up Bonus Shares by capitalisation of Share Premium, Revaluation Reserve, General Reserve and Profits.		
2. RESERVES AND SURPLUS		
Capital Reserve		
As per last Balance Sheet	118.87	118.87
Share Premium		
As per last Balance Sheet	1,723.60	1,723.60
General Reserve		
As per last Balance Sheet	8,725.00	8,550.00
Add: Transfer from Profit and Loss Account	900.00	175.00
	9,625.00	8,725.00
Profit and Loss Account	19,048.74	13,864.47
	30,516.21	24,431.94
3. SECURED LOANS		
From Banks		
i) Cash Credits *	482.89	11.09
ii) Foreign Currency Loans ** [Repayable within a year Rs. 302.06 lacs, (Previous Year Rs. 341.06 lacs)]	4,123.94	3,021.00
iii) Term Loan*** [Repayable within a year Rs. 235 lacs, (Previous Year Rs. 235 lacs)]	352.50	587.50
	4,959.33	3,619.59

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

	As at 31.3.2010 Rupees in lacs	As at 31.3.2009 Rupees in lacs
SECURED LOANS (Contd.)		
* Secured by charge on fixed assets (except fixed assets of Wind Power Segment) and hypothecation of inventories and receivables.		
** Foreign Currency Loan amounting to Rs. 576.67 lacs is secured by exclusive hypothecation of Wind Power Plants at i) Gudhe Panchagani, District Sangli, Maharashtra and ii) Panchapatta, District Ahmednagar, Maharashtra.		
Foreign Currency Loan amounting to Rs. 1,804.58 lacs is secured by exclusive hypothecation of Wind Power Plants at i) Rangapura Kavalu, ii) Aidahalli Kavalu and iii) Narayanakera Kavalu village, District Hassan, Karnataka.		
Foreign Currency Loan amounting to Rs. 1,742.68 lacs is secured by exclusive hypothecation of Wind Power Plants at i) Thadichery village and ii) Koduvilarpatti village, District Theni, Tamilnadu. Creation of charge is pending.		
*** Secured by exclusive hypothecation of Wind Power Plants at Bhirenwadi, District Sangli, Maharashtra.		
4. UNSECURED LOANS		
Fixed Deposits	–	10.25
[Repayable within a year Rs. Nil (Previous Year Rs.10.25 lacs)]		
Sales Tax Deferment Loan	1,624.45	1,624.45
	1,624.45	1,634.70

5. FIXED ASSETS

Rupees in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.4.2009	Additions during the year	Deductions during the year	As at 31.3.2010	As at 1.4.2009	For the year	Deductions during the year	As at 31.3.2010	As at 31.3.2010	As at 31.3.2009
Freehold Land	189.50	7.50	–	197.00	–	–	–	–	197.00	189.50
Leasehold Land	356.42	45.00	–	401.42	43.99	7.93	–	51.92	349.50	312.43
Buildings	1,353.41	1,001.97	–	2,355.38	604.82	56.25	–	661.07	1,694.31	748.59
Wind Power Plants	17,513.69	4,764.23	–	22,277.92	5,883.32	1,683.22	–	7,566.54	14,711.38	11,630.37
Plant & Machinery	3,544.35	274.29	4.31	3,814.33	2,216.29	203.99	2.63	2,417.65	1,396.68	1,328.06
Furniture, Fixtures and Office Equipments	478.02	18.76	8.18	488.60	305.60	48.57	7.19	346.98	141.62	172.42
Vehicles	116.77	64.71	29.30	152.18	73.59	18.15	23.59	68.15	84.03	43.18
Software Licences	74.11	–	–	74.11	22.81	12.77	–	35.58	38.53	51.30
TOTAL	23,626.27	6,176.46	41.79	29,760.94	9,150.42	2,030.88	33.41	11,147.89	18,613.05	14,475.85
Previous Year	18,435.27	5,203.76	12.76	23,626.27	7,264.39	1,894.07	8.04	9,150.42		
Capital Work-in-Progress									291.72	453.95
									18,904.77	14,929.80
								TOTAL		

NOTES

- 1) Lease deeds in respect of Leasehold Land amounting to Rs.120 lacs (Previous Year Rs.75 lacs) have not yet been executed.
- 2) Buildings include cost of shares amounting to Rs. 0.04 lac (Previous Year Rs. 0.02 lac) in a co-operative housing society.
- 3) Additions to Plant and Machinery during the year include Capital Expenditure amounting to Rs.3.12 lacs (Previous Year Rs.2.40 lacs) towards Research and Development.

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

	Face Value Rupees	As at 31.3.2010 Quantity Nos.	As at 31.3.2009 Quantity Nos.	As at 31.3.2010 Rupees in lacs	As at 31.3.2009 Rupees in lacs
6. INVESTMENTS					
(At cost, unless otherwise stated)					
Long Term, Non-Trade					
A. Government Securities (unquoted)					
National Savings Certificates (Deposited with Government departments as security)	1,000	7	7	0.07	0.07
B. Equity Shares (fully paid up)					
Quoted					
Central Bank of India	10	6,095	6,095	6.22	6.22
Edelweiss Capital Limited	5	385	385	3.18	3.18
Mundra Port & SEZ Limited	10	1,486	1,486	6.54	6.54
NHPC Limited	10	25,369	-	9.13	-
Power Grid Corporation of India Limited	10	4,897	4,897	2.55	2.55
Tanla Solutions Limited	1	1,842	1,842	2.44	2.44
Tata Consultancy Services Limited	1	1,228	614	2.61	2.61
Unquoted					
Companies under the same management :					
Savita Petro-Additives Limited	10	40	40	0.01	0.01
Savita Polymers Limited	10	10,000	10,000	1.00	1.00
Subsidiary Company:					
Solaris International FZE *Face Value in UAE Dirhams	*150,000	-	2	-	35.75
C. Units - Mutual Funds (Unquoted)					
Axis Equity Fund - Dividend Option	10	500,000	-	50.00	-
Birla Sun Life Midcap Fund - Plan A - Dividend - Payout	10	184,706	-	50.00	-
Canara Robeco Force Retail Dividend Fund	10	150,000	-	15.00	-
DSP BlackRock India T.I.G.E.R. Fund - Regular Plan - Dividend	10	604,289	-	110.93	-
DSP BlackRock Opportunities Fund - Regular Plan - Dividend	10	417,937	-	110.93	-
DWS Alpha Equity Fund - Dividend Plan - Payout	10	768,095	768,095	80.65	80.65
Franklin India Opportunities Fund - Dividend Payout	10	507,810	507,810	83.59	83.59
FT India Dynamic PE Ratio Fund Of Funds - Growth	10	408,945	-	145.00	-
HDFC Index Fund - Sensex Plan	10	-	169,779	-	200.00
HDFC Prudence Fund - Dividend Option: Payout	10	1,037,625	1,037,625	295.10	295.10
IDFC Premier Equity Fund - Plan A Dividend	10	137,984	137,984	25.00	25.00
IDFC Small & Midcap Equity (SME) Fund - Dividend	10	351,222	-	50.00	-
ING Global Real Estate Fund - Retail Growth	10	1,000,000	1,000,000	100.00	100.00
Kotak Balance	10	645,343	645,343	125.00	125.00
L&T Midcap Fund Dividend	10	250,000	250,000	25.00	25.00
Mirae Asset China Advantage Fund - Regular Plan Growth	10	500,000	-	50.00	-
Mirae Asset Global Commodity Stocks Fund - Regular Growth Plan	10	880,786	488,998	100.00	50.00
Morgan Stanley A.C.E. Fund - Dividend Plan	10	562,328	-	75.98	-
Morgan Stanley Growth Fund - Growth plan	10	86,163	113,876	35.65	47.20
Principal Index Fund - Dividend Payout Annually	10	-	561,568	-	125.00
Reliance Growth Fund - Retail Plan - Dividend Plan	10	55,987	-	30.00	-
Reliance Regular Savings Fund - Equity Plan - Dividend Plan	10	230,364	-	50.00	-
Reliance Vision Fund - Retail Plan - Dividend Plan	10	200,405	200,405	59.66	59.66
Sunderam BNP Paribas SMILE - Dividend	10	203,227	-	30.00	-

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010
INVESTMENTS (Contd.)

		As at 31.3.2010	As at 31.3.2009	As at 31.3.2010	As at 31.3.2009
	Face Value Rupees	Quantity Nos.	Quantity Nos.	Rupees in lacs	Rupees in lacs
Current Investments, Non-Trade					
Units - Mutual Funds					
Unquoted (at lower of cost or net realisable value)					
Birla Sun Life Income Plus - Growth	10	548,821	548,821	220.61	217.38
Canara Robeco Income Growth Fund	10	1,669,228	1,669,228	290.76	290.76
Canara Robeco Short Term Retail - Growth Fund	10	-	750,000	-	75.00
DSP Black Rock Govt. Sec. Fund - Plan A - Growth	10	-	477,298	-	145.72
DWS Premier Bond Fund - Regular Growth Plan	10	740,023	740,023	100.00	100.00
HDFC High Interest Fund - Growth	10	893,583	893,583	270.04	261.05
ICICI Prudential Income Plan - Growth	10	2,625,757	-	775.08	-
IDFC Cash Fund - Growth	10	-	3,313	-	0.52
IDFC Dynamic Bond Fund - Plan A - Growth	10	679,146	5,389,943	117.98	940.77
JP Morgan India Active Bond Fund - Retail - Growth Plan	10	1,991,581	1,991,581	200.00	200.00
Kotak Bond (Regular) - Growth	10	1,376,950	3,032,790	350.03	745.20
Kotak Liquid (Regular) - Growth	10	-	1,749,344	-	300.23
L&T FMP - Series 9 (13 Months Plan) - Retail - Cumulative	10	-	1,000,000	-	100.00
Mirae Asset Gilt Fund - Investment Plan - Institutional Growth	10	-	1,000,000	-	99.42
Reliance Income Fund - Retail Plan - Growth Plan - Growth Option	10	2,100,924	2,100,924	558.49	558.49
Templeton Floating Rate Income Fund - Long Term Plan Retail Option - Growth	10	-	6,882,892	-	1,095.00
				4,614.23	6,406.11
Aggregate Value of Unquoted Investments				4,581.56	6,382.57
Aggregate Value of Quoted Investments				32.67	23.54
Aggregate Market Value of Quoted Investments				45.78	16.46

Details of Investments purchased and sold during the year:

1. AIG India Liquid Fund Retail Growth - 21,626 units Rs.250 lacs.
2. AIG Short Term Fund Retail Growth - 22,225 units Rs.250.02 lacs.
3. Axis Short Term Fund - Institutional Growth - 1,000,000 units Rs.100 lacs.
4. Axis Treasury Advantage Fund - Institutional Growth - 5,000 units Rs.50 lacs.
5. Bharti AXA Liquid Fund - Regular Plan - Growth - 140,606 units Rs.1,500 lacs.
6. Birla Sun Life Cash Plus - Retail - Growth - 8,241,782 units Rs.2,000 lacs.
7. Birla Sun Life Medium Term Plan - Retail - Growth - 11,013,586 units Rs.1,145.12 lacs.
8. Birla Sun Life Savings Fund - Retail - Growth - 1,764,508 units Rs.300.02 lacs.
9. Birla Sun Life Short Term Fund - Retail - Growth - 591,407 units Rs.95 lacs.
10. Canara Robeco Dynamic Bond Retail Growth Fund - 5,018,980 units Rs.501.90 lacs.
11. Canara Robeco Floating Rate Short Term Growth Fund - 2,563,073 units Rs.350 lacs.
12. Canara Robeco Liquid Fund - Growth - 3,100,391 units Rs.500 lacs.
13. Canara Robeco Short Term Retail Growth Fund - 4,930,478 units Rs.500.06 lacs.
14. DSP BlackRock Equity Fund - Regular Plan - Dividend - 477,337 units Rs.248.10 lacs.
15. DSP BlackRock Floating Rate Fund - Regular Plan - Growth - 3,523,097 units Rs.500.05 lacs.
16. DSP BlackRock Liquidity Fund - Regular Plan - Growth - 13,230,968 units Rs.2,804.88 lacs.
17. DSP BlackRock Money Manager Fund - Regular Plan - Growth - 30,587 units Rs.375.03 lacs.
18. DSP BlackRock World Energy Fund - Regular Plan - Growth - 954,909 units Rs.100 lacs.
19. Fortis Money Plus Regular Growth - 1,424,166 units Rs.190 lacs.
20. HDFC Cash Management Fund - Savings Plan - Growth - 2,006,771 units Rs.374.80 lacs.

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

INVESTMENTS (Contd.)

21. HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Growth - 1,508,264 units Rs.293.08 lacs.
22. HDFC Index Fund - Sensex Plan - 151,497 units Rs.175 lacs.
23. HSBC Floating Rate Fund - Long term - Regular Option - Growth - 12,010,909 units Rs.1,700 lacs.
24. ICICI Prudential Flexible Income Plan Premium - Growth - 995,230 units Rs.165 lacs.
25. ICICI Prudential Liquid Plan - 10,906,946 units Rs.2,365 lacs.
26. IDFC Cash Fund - Growth - 4,428,514 units Rs.700 lacs.
27. ING Income Fund - Regular - Growth Option - 522,254 units Rs.125.02 lacs.
28. ING Liquid Fund - Growth Option - 37,472,218 units Rs.7,075 lacs.
29. ING Short Term Income Fund - Growth - 4,380,995 units Rs.725.08 lacs.
30. Kotak Bond (Short Term) - Growth - 2,962,999 units Rs.500.12 lacs.
31. Kotak Floater Long Term - Growth - 30,528,871 units Rs.4,395.12 lacs.
32. Kotak Liquid (Regular) - Growth - 25,512,439 units Rs.4,450 lacs.
33. L&T Freedom Income - STP - Regular - Cum - Original - 1,453,969 units Rs.206.23 lacs.
34. Mirae Asset Short Term Bond Fund - Regular Growth Plan - 250,000 units Rs.25 lacs.
35. Morgan Stanley Short Term Bond Fund-Regular Growth - 250,000 units Rs.25 lacs.
36. Shinsei Liquid Fund - Retail Plan - Growth Option - 2,500 units Rs.25 lacs.
37. Tata Floater Fund - Growth - 14,701,027 units Rs.2,000.41 lacs.
38. Tata Liquid Fund - Appreciation - 319,039 units Rs.6,650 lacs.
39. Tata Short Term Bond Fund - Growth - 3,164,939 units Rs.525 lacs.
40. Tata Treasury Manager Retail Investment Fund - Growth - 45,832 units Rs.545.20 lacs.
41. Templeton Floating Rate Income Fund Long Term Plan Retail Option - Growth - 3,759,556 units Rs.600 lacs.
42. Templeton Floating Rate Income Fund Short Term Plan Retail Option - Growth - 4,434,622 units Rs.715.07 lacs.
43. Templeton India Treasury Management Account Regular Plan - Growth - 32,592 units Rs.715 lacs.

7. INVENTORIES

- Raw and Packing Materials
- Work-in-Process
- Finished Goods
- Stores and Spares

8. SUNDRY DEBTORS

Over six months:

- Unsecured - considered good
- Unsecured - considered doubtful

Less: Provision for doubtful debts

Other debts:

- Unsecured - considered good

	As at 31.3.2010	As at 31.3.2009
	Rupees in lacs	Rupees in lacs
	16,021.97	11,698.15
	717.80	749.65
	6,133.09	5,246.32
	61.48	55.53
	22,934.34	17,749.65
	1,656.14	1,884.09
	1,322.88	981.62
	2,979.02	2,865.71
	1,322.88	981.62
	1,656.14	1,884.09
	26,318.74	22,837.75
	27,974.88	24,721.84

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

	As at 31.3.2010		As at 31.3.2009
	Rupees in lacs	Rupees in lacs	Rupees in lacs
9. CASH AND BANK BALANCES			
Cash on hand		14.27	14.65
Cheques on hand and remittances in transit		–	37.79
With Scheduled Banks on :			
Current accounts		1,934.09	2,466.30
Deposit accounts [includes Rs. 0.71 lac (Previous Year Rs. 0.71 lac) with Government department as security]		28.55	59.90
Unclaimed dividend accounts		54.37	53.77
		<u>2,031.28</u>	<u>2,632.41</u>
10. LOANS AND ADVANCES			
Advances recoverable in cash or in kind or for value to be received (Unsecured, considered good)			
Advances		4,407.19	3,283.08
Loans to others			
Considered good		–	–
Considered doubtful	99.47		99.47
	<u>99.47</u>		<u>99.47</u>
Less: Provision for doubtful loans	<u>99.47</u>		<u>99.47</u>
		–	–
Balance with Central Excise Department		4.12	31.48
Deposits			
Considered good	454.46		472.04
Considered doubtful	59.58		59.58
	<u>514.04</u>		<u>531.62</u>
Less: Provision for doubtful deposits	<u>59.58</u>		<u>59.58</u>
		454.46	472.04
Income tax (net of provisions)		463.65	490.71
		<u>5,329.42</u>	<u>4,277.31</u>
11. CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities			
Sundry Creditors			
Micro Enterprises and Small Enterprises (Schedule 17, Note No.18)		–	–
Others	33,423.53		33,344.77
		<u>33,423.53</u>	<u>33,344.77</u>
Other Liabilities		2,834.89	2,067.58
Amount due to a subsidiary		–	24.39
Deposits		329.96	230.28
Unclaimed dividends		54.37	53.77
		<u>36,642.75</u>	<u>35,720.79</u>
Provisions			
Provision for taxation (net of income tax paid)		564.15	–
Provision for fringe benefit tax		0.23	8.21
Proposed Dividend		2,190.31	730.10
Tax on Dividend		363.78	124.08
		<u>3,118.47</u>	<u>862.39</u>
		<u>39,761.22</u>	<u>36,583.18</u>

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

	2009-2010 Rupees in lacs		2008-2009 Rupees in lacs	
12. INCOME FROM OPERATIONS				
Gross Sales		131,200.01		126,733.31
Less: Excise Duty		14,525.83		12,951.40
Net Sales		116,674.18		113,781.91
Processing Income		180.65		66.98
[Tax deducted at source Rs. 1.48 lacs (Previous Year Rs. 0.67 lac)]				
Export Incentives		744.88		993.04
Carbon Credit/Compensation for Wind Power Generation Loss		201.68		233.90
		117,801.39		115,075.83
13. OTHER INCOME				
Interest (gross)		39.32		72.11
[Tax deducted at source Rs. 0.39 lac (Previous Year Rs. 2.24 lacs)]				
Dividend (gross, Non-Trade) from current investments		-		0.02
Dividend (gross, Non-Trade) from long term investments		140.61		51.59
Profit on sale of current investments		180.04		343.02
Profit on sale of long term investments		-		102.52
Reversal of Provision for diminution in value of current investments		12.21		-
Profit on Sale of fixed assets (net)		0.18		2.87
Gain on foreign exchange fluctuation (net)		276.28		-
Miscellaneous income		243.17		431.45
		891.81		1,003.58
14. MATERIALS				
Consumption of Raw and Packing materials		84,562.29		96,945.71
Trading Purchases		3,423.68		2,912.09
(Increase)/Decrease in stock				
Opening Stock:				
Work-in-Process		749.65		698.92
Finished Goods		5,246.32		4,450.10
		5,995.97		5,149.02
Closing Stock:				
Work-in-Process		717.80		749.65
Finished Goods		6,133.09		5,246.32
		6,850.89		5,995.97
		(854.92)		(846.95)
		87,131.05		99,010.85
15. PERSONNEL				
Salaries, Wages and Bonus		1,577.00		1,163.47
Contribution to Employees' Provident and other funds		214.32		59.89
Employees' welfare expenses		62.51		52.07
		1,853.83		1,275.43

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

	2009-2010		2008-2009	
	Rupees in lacs	Rupees in lacs	Rupees in lacs	Rupees in lacs
16. OTHERS				
Stores and spares consumed		90.87		79.30
Fuel and power		169.61		175.06
Rent		675.43		439.92
Freight		2,323.98		1,842.82
Rates, taxes and octroi		42.56		31.41
Insurance		168.50		186.60
Brokerage and commission		901.39		780.72
Donations		52.50		6.00
Repairs and maintenance:				
Buildings	25.62		19.11	
Plant and Machinery	361.04		246.60	
Others	52.83		31.00	
		439.49		296.71
Discounts		1,247.23		1,175.77
Royalty		4,635.08		2,670.74
Advertisement and sales promotion		1,092.99		687.20
Loss on sale of current investments		–		377.41
Loss on sale of long term investments		33.18		–
Loss on foreign exchange fluctuation (net)		–		357.03
Bad debts		99.91		28.48
Provision for diminution in value of current investments		–		58.05
Provision for doubtful debts, loans and deposits		341.26		–
Excise duty		118.81		60.49
Miscellaneous expenses		1,927.67		1,558.02
		14,360.46		10,811.73

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010**17. SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS**

1. Significant Accounting Policies:

(a) Basis of Accounting:

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

(b) Use of Estimates:

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

(c) Fixed Assets and Depreciation:

i) Fixed Assets are shown at cost (net of Cenvat and Value Added Tax set off) or at revalued amount less accumulated depreciation.

ii) a) Leasehold land is amortised over the residual lease period from the financial year 2000-2001.

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

c) Depreciation on assets other than stated at a) and b) above, is provided as per written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

(d) Borrowing Costs:

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

(e) Impairment of Assets:

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

(f) Investments:

Long term Investments are stated at cost less provision for permanent diminution, if any, in value. Current investments are stated at lower of cost or net realisable value. Investments in foreign currency are reported using the exchange rate at the date of transaction.

(g) Inventories:

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

(h) Recognition of Income and Expenditure:

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

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

iii) Carbon Credit i.e. Certified Carbon Emission Reductions (CERs) is recognised as entitlement upon certification and issue

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

of CERs by the ultimate certifying authority viz. United Nations Framework Convention on Climate Change (UNFCCC) and recognised as income on delivery and sale of CERs.

iv) Purchases are net of Value Added Tax set off and cenvat wherever applicable, but include inward freight and exchange differences arising out of purchase transactions. Import purchases are accounted on the basis of date of bill of lading.

(i) Expenditure on Research and Development:

Revenue expenditure on Research and Development is charged to revenue under the respective heads of expenses. Capital expenditure is accounted as fixed assets.

(j) Foreign Currency Transactions:

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

ii) The difference between the rate at which the transactions are accounted as stated above and the contracted rate is spread over the life of the contract. The difference on account of fluctuation in the rate of exchange is dealt with in the Profit and Loss Account.

iii) Year end monetary assets and liabilities are translated at year end rate of exchange.

(k) Employee benefits:

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

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

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

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

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

(l) Leases:

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

(m) Taxation:

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

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

(n) Provisions:

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

2. Contingent Liabilities not provided for :

	As at 31.3.2010 Rupees in lacs	As at 31.3.2009 Rupees in lacs
a) Letters of Credit	2,611.92	773.54
b) Guarantees/Bonds	1,486.04	1,261.26
c) Corporate guarantee	2,400.00	2,400.00
d) Bills discounted with bank	-	62.50
e) Disputed demands		
i) Excise and Customs	1,270.41	1,302.16
ii) Sales Tax	606.93	610.85
iii) Income Tax	24.35	-
iv) Others	51.94	-

3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs.1,220.70 lacs (Previous Year Rs. 861.42 lacs).

4. Deferred tax liability and asset arising out of timing differences are:

a) Deferred tax liability:		
i) Depreciation	4,099.46	3,663.54
ii) Others	-	44.78
	<u>4,099.46</u>	<u>3,708.32</u>
b) Deferred tax asset:		
i) Provision for doubtful debts, loans and advances	492.26	412.92
ii) Provision for diminution in the value of investments	-	19.73
iii) Unabsorbed depreciation	-	207.34
iv) Others	140.05	81.18
	<u>632.31</u>	<u>721.17</u>
Net deferred tax (liability) / asset	<u>(3,467.15)</u>	<u>(2,987.15)</u>

5. Managerial Remuneration:

a) Directors' Remuneration:

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
i) Salary	32.85	27.87
ii) Perquisites	24.28	21.36
iii) Contribution to Provident Fund	3.84	3.34
iv) Commission [refer note 5 (d)]	128.80	26.67
	<u>189.77</u>	<u>79.24</u>

As the employee-wise break-up of contribution to Gratuity Fund and provision for leave encashment is not available, the same is not included.

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
b) Commission to other Directors [refer note 5 (e)]	8.00	8.00
Sitting Fees	2.40	3.45
	10.40	11.45
c) Computation of Net Profit under Sections 198 and 349 of the Companies Act, 1956:		
Net Profit as per Profit and Loss Account	12,849.60	2,600.39
Add:		
Depreciation as per Profit and Loss Account	2,030.88	1,894.07
Directors' remuneration	189.77	79.24
Diminution in the value of current investments	–	58.05
Loss on sale of investments	33.18	377.41
	15,103.43	5,009.16
Less:		
Reversal of loss in net asset value of investments	12.21	–
Profit on sale of assets (net)	0.18	2.87
Profit on sale of investments	180.04	445.54
Depreciation under Section 350 of the Companies Act, 1956	2,030.88	1,894.07
Net Profit as computed under Sections 198 and 349 of the Companies Act, 1956	12,880.12	2,666.68
d) Commission payable to Managing Director		
1% of Net Profit	128.80	26.67
e) Commission payable to other Directors		
1% of Net Profit restricted to Rs. 2.00 lacs each per annum	8.00	8.00
6. Other expenses include :		
Auditors' remuneration		
a) Audit fees	9.00	7.00
b) Tax Audit Fees	2.00	1.50
c) VAT Audit Fees	2.00	1.00
d) For Certification	0.34	0.07
e) Out of pocket expenses	0.14	0.02
7. Interest includes interest on fixed period loans Rs. 232.16 lacs (Previous Year Rs. 150.24 lacs) and to the Managing Director on fixed deposit Rs. Nil (Previous Year Rs. 1.56 lacs)		

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

8. Particulars of goods manufactured:

Particulars	Unit	Licenced Capacity per annum**		Installed Capacity per annum*		Actual Production	
		2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
Transformer Oils/Liquid Paraffins and White Oils/ Lubricating Oils/Greases and Other Specialities	KL/MT	NA	NA	285,000	265,000	250,547	186,322
Others	MT	NA	NA	5,600	5,600	-	-
Wind Power (Electricity)***	MW	NA	NA	43.15	34.10	6.40	5.54

* Installed capacity is as certified by the Management of the Company on which the Auditors have relied.

**Licensing not applicable.

***Installed Wind Power capacity indicates rated capacity. Actual Wind Power generation (Plant load factor) in India is in the range of 17% to 25% of the rated capacity.

Production excludes processing for outside parties: Transformer Oil 4,800 KLs (Previous Year 3,445 KLs)

9. Consumption of raw and packing materials:

Class of goods	Unit	2009-2010		2008-2009	
		Quantity	Value Rupees in lacs	Quantity	Value Rupees in lacs
Base Oils	KL	246,703	71,697.56	183,471	86,893.02
Process Chemicals /Solvents			5,898.19		4,591.83
Packing Materials			6,912.35		5,265.49
Others			54.19		195.37
			<u>84,562.29</u>		<u>96,945.71</u>

10. Trading Purchases:

Class of goods	Unit	2009-2010		2008-2009	
		Quantity	Value Rupees in lacs	Quantity	Value Rupees in lacs
Base Oils	KL	5,662	1,576.54	3,687	1,357.24
Lubricating Oils / Greases	KL/MT	1,685	1,739.65	1,375	1,340.62
Others			107.49		214.23
			<u>3,423.68</u>		<u>2,912.09</u>

11. Gross Sales:

Class of goods	Unit	2009-2010		2008-2009	
		Quantity	Value Rupees in lacs	Quantity	Value Rupees in lacs
Transformer Oils/Liquid Paraffins and White Oils/ Lubricating Oils/Greases and Other Specialities	KL/MT	249,105	127,050.62	187,400	123,249.19
Base Oils	KL	5,662	1,652.74	3,687	1,361.83
Electricity (Wind Power)	KWH	63,232,481	2,237.00	54,851,839	1,910.09
Others			259.65		212.20
			<u>131,200.01</u>		<u>126,733.31</u>

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

12. Stock of finished goods:

Class of goods	Unit	Opening Stock		Closing Stock	
		Quantity	Value Rupees in lacs	Quantity	Value Rupees in lacs
Transformer Oils/Liquid Paraffins and White Oils/ Lubricating Oils/Greases and Other Specialities	KL/MT	7,952	5,244.33	10,616	6,131.23
		(8,021)	(4,448.11)	(7,952)	(5,244.33)
Others	MT	3	1.99	3	1.86
		(3)	(1.99)	(3)	(1.99)
			5,246.32		6,133.09
			(4,450.10)		(5,246.32)

13. Raw and Packing Materials consumed:

	2009-2010		2008-2009	
	Value Rupees in lacs	(%)	Value Rupees in lacs	(%)
a) Raw Materials:				
Imported	70,657.66	91	79,646.32	87
Indigenous	6,992.28	9	12,033.90	13
	77,649.94	100	91,680.22	100
b) Packing Materials:				
Indigenous	6,912.35	100	5,265.49	100
14. Spare parts and components consumed:				
Indigenous	90.87	100	79.30	100

15. Value of imports on CIF basis:

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
Raw materials	73,561.74	68,156.57
Capital goods	–	20.03
	73,561.74	68,176.60

16. Earnings and expenditure in foreign currency:

a) Earnings:		
Export sales (FOB value)	16,762.98	16,881.87
Freight and Insurance	619.85	598.96
	17,382.83	17,480.83
b) Expenditure:		
Travelling	8.15	2.84
Brokerage and commission	99.79	129.43
Interest	190.62	88.62
Bank charges	181.06	239.46
Others	12.22	4.83
	491.84	465.18

Above figures are on accrual basis.

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

17. Gross Sales include exchange fluctuation net gain / (loss) (Rs.294.63) lacs (Previous Year Rs.344.08 lacs) and Purchases include exchange fluctuation net gain / (loss) Rs. 2,521.51 lacs (Previous Year (Rs.7,178.07 lacs)).

18. Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company):

Sr.No.	Particulars	As at 31.3.2010 Rupees in lacs	As at 31.3.2009 Rupees in lacs
a)	Principal amount due and outstanding	-	-
b)	Interest due on (1) above and unpaid	-	-
c)	Interest paid to the supplier	-	-
d)	Payments made to the supplier beyond the appointed day during the year	-	-
e)	Interest due and payable for the period of delay	-	-
f)	Interest accrued and remaining unpaid	-	-
g)	Amount of further interest remaining due and payable in succeeding year	-	-

19. Employee benefits:

i) Defined Contribution Plan:

Company's contribution to Provident Fund Rs. 86.12 lacs (Previous Year Rs. 70.50 lacs)

ii) Defined benefit plan:

The following table sets out the funded status of the Gratuity Plan and the amounts recognised in the Company's financial statements as at 31st March 2010.

	As at 31.3.2010 Rupees in lacs	As at 31.3.2009 Rupees in lacs
a) Change in the obligation benefits		
Projected benefit obligation, beginning of the year	371.59	380.28
Service cost	28.52	29.76
Interest cost	30.25	32.63
Actuarial (gain)/loss	100.74	(66.82)
Benefits paid	(19.64)	(4.26)
Projected benefit obligation, end of the year	511.46	371.59
b) Change in the plan assets		
Fair value of the plan assets, beginning of the year	392.39	380.28
Expected return on plan assets	31.00	30.25
Employer's contribution	5.00	-
Benefits paid	(19.63)	(4.26)
Actuarial gain/(loss) on plan assets	(14.41)	(13.88)
Fair value of the plan assets at the end of the year	394.35	392.39
Excess of (obligation over plan assets)/plan assets over obligation	(117.11)	20.80

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

	As at 31.3.2010 Rupees in lacs	As at 31.3.2009 Rupees in lacs
c) Net Gratuity and other cost		
Service cost	28.52	29.76
Interest on defined benefit obligation	30.25	32.63
Expected return on plan assets	(31.00)	(30.25)
Net actuarial (gain)/loss recognised in the year	115.12	52.94
Net Gratuity and other cost	142.89	85.08
Actual Return on plan assets	16.61	16.38
d) Category of Assets		
Corporate Bonds	0.91	1.47
Special Deposits Scheme	43.66	43.66
Others	349.78	347.26
Total	394.35	392.39
e) Assumptions used in accounting for the Gratuity Plan	%	%
Discount rate	8.25	7.75
Expected rate of return on plan assets	8.00	8.00

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

20. Details of related party transactions in accordance with the Accounting Standard AS-18 'Related Party Disclosures':

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

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

Siddharth Investments

Subsidiary:

Solaris International FZE (Sharjah, UAE)

Key Management Personnel:

Mr. G.N.Mehra

Relatives of key management personnel and relationship with Mr. G.N.Mehra

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

SAVITA OIL TECHNOLOGIES LIMITED

(Formerly 'Savita Chemicals Limited')

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

Details of transactions during the year:

		2009-2010	2008-2009
		Rupees in lacs	Rupees in lacs
Enterprises:			
Sale of goods	– Savita Polymers Ltd.	790.54	379.39
Sale of fixed assets	– Savita Polymers Ltd.	–	2.03
Purchase of goods	– Savita Polymers Ltd.	172.30	139.63
Purchase of fixed assets	– Savita Polymers Ltd.	0.14	5.23
Interest	– Chemi Pharmex Pvt. Ltd.	–	0.21
	Devichand & Co Proprietor NKM Grand Children's Trust	0.17	0.56
Dividend received	– Savita Polymers Ltd.	0.25	0.25
	Savita Petro-Additives Ltd.	0.01	–
Dividend paid	– Basant Lok Trading Co.	0.31	0.71
	Chemi Pharmex Pvt. Ltd.	0.05	0.12
	Devichand & Co Proprietor NKM Grand Children's Trust	0.06	0.13
	Khatri Investments Pvt. Ltd.	21.38	48.24
	Kurla Investment & Trading Co. Pvt. Ltd.	0.68	1.57
	Mansukhmal Investment Pvt. Ltd.	20.50	47.15
	Mehra Syndicate	459.80	1,057.53
	Naved Investment & Trading Co. Pvt. Ltd.	0.43	0.98
Rent	– Chemi Pharmex Pvt. Ltd.	45.13	45.91
	Madhu Trust	23.82	24.23
	Savita Polymers Ltd.	67.21	54.68
Others	– Savita Polymers Ltd - Reimbursement of expenses	1.11	3.57
	Basant Lok Trading Co. - Car parking charges	0.15	0.15
	Chemi Pharmex Pvt. Ltd. - Car parking charges	0.14	0.14
Donations	– D.C.Mehra Public Charitable Trust	20.00	3.00
	N.K.Mehra Trust	20.00	3.00
Corporate Guarantee	– Savita Polymers Ltd.	2,400.00	2,400.00
Repayment of Fixed Deposits	– Chemi Pharmex Pvt. Ltd.	–	3.85
	Devichand & Co Proprietor NKM Grand Children's Trust	5.00	0.25
Security Deposit paid	– Savita Polymers Ltd.	–	14.25
Subsidiary Company:			
	Realisation of investment on closure	53.65	–
	Brokerage & Commission	–	24.39
Key management personnel:			
	Dividend	8.44	19.41
	Interest	–	1.56
	Remuneration	172.77	65.63
	Repayment of Fixed Deposit	–	29.00
Relatives of key management personnel:			
Dividend paid	– Mrs. S.N.Mehra	8.34	19.19
	Mrs. R.G.Mehra	1.67	3.83
	Mr. S.G.Mehra	0.03	0.06
Interest	– Mrs. S.N.Mehra	–	0.76
	Mr. S.G.Mehra	–	0.11
	Mrs.R.G.Mehra	0.01	0.03
Commission and Sitting fees	– Mrs. S.N.Mehra	2.40	2.75
Repayment of Fixed Deposits	– Mrs. S.N.Mehra	–	14.25
	Mr. S.G.Mehra	–	2.50
	Mrs. R.G.Mehra	0.25	–

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

Balance outstanding:

	As at 31.3.2010 Rupees in lacs		As at 31.3.2009 Rupees in lacs	
	Debit	Credit	Debit	Credit
Enterprises:				
Basant Lok Trading Co.	3.50	–	3.50	–
Chemi Pharmex Pvt. Ltd	1.00	–	1.00	–
Madhu Trust	1.00	–	1.00	–
Savita Polymers Ltd.	14.25	–	14.25	–
Devichand & Co Proprietor NKM Grand Children's Trust	–	–	–	5.00
Key management personnel:				
Mr.G.N.Mehra	–	128.80	–	26.67
Relatives of key management personnel:				
Mrs.R.G.Mehra	–	–	–	0.25
Mrs.S.N.Mehra	–	2.00	–	2.00

21. Operating leases are agreements for residential, office, factory premises, plant and machinery and land taken/given on lease. All these leases are cancellable.

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

Expenditure	Rs. 658.56 lacs (Previous Year Rs. 428.55 lacs)
Income	Rs. 24.77 lacs (Previous Year Rs. 23.59 lacs)

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

c) Agreements for residential, office premises and land have restriction on further leasing.

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

22. The Company is exposed to various financial risks which relate to changes in exchange rates and interest rates. The Company hedges risks of the aforesaid nature using forward contracts. The outstanding position and exposure is as under:

i) As at 31st March 2010, the outstanding position in respect of the derivatives / forward contracts in US \$ is Rs.11,086.25 lacs. (Previous Year Rs. 8,730.43 lacs)

ii) As at 31st March 2010, un-hedged foreign currency exposure in US \$ is Rs.15,733.00 lacs (Previous Year Rs.19,938.31 lacs), in Euro Rs.51.34 lacs (Previous Year Rs. 3.95 lacs), net payable.

23. Details of Segment Reporting:

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
a) Segment Revenue:		
Petroleum Products	115,591.73	113,452.74
Wind Power	2,768.60	2,187.57
Other unallocated revenue	332.87	439.10
Net Income from Operations	<u>118,693.20</u>	<u>116,079.41</u>
b) Segment Results:		
Profit / (loss) before taxation and interest for each segment		
Petroleum Products	12,909.17	3,584.48
Wind Power	748.92	78.52
Total	<u>13,658.09</u>	<u>3,663.00</u>
Less: i) Interest	467.38	486.94
ii) Other unallocated expenditure	341.11	575.67
Total profit before tax	<u>12,849.60</u>	<u>2,600.39</u>

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
c) Capital Employed:		
Segment Assets - Segment Liabilities		
Petroleum Products	25,893.00	17,506.04
Wind Power	8,438.25	7,071.14
Unallocated capital employed	(2,354.48)	1,315.32
Total	<u>31,976.77</u>	<u>25,892.50</u>
d) Secondary Business Segment:		
Revenue by Geographical Segment		
Domestic	101,145.76	97,677.31
Exports	17,547.44	18,402.10
	<u>118,693.20</u>	<u>116,079.41</u>
i) The Primary Segments are determined based on the type of business / products.		
ii) Secondary Segments are determined based on geographical markets.		
iii) Inter Segment Revenue has been accounted for based on the market led transaction prices.		
24. Basic and diluted earnings per share:		
Profit for the year after tax (Rupees in lacs)	8,638.36	1,723.39
Number of Ordinary Shares outstanding (Nos.)	14,602,083	14,602,083
Nominal value of the share (Rupees)	10	10
Basic and Diluted earnings per share (Rupees)	59.16	11.80

25. Previous year's figures have been regrouped / rearranged wherever necessary to confirm to those of current year.

26. Figures in bracket indicate those for previous year.

As per our report of the even date.

For G M Kapadia & Co.
Chartered Accountants

Rajen Ashar
Partner

Mumbai,
29th May 2010

U. C. Rege
Company Secretary and
Vice President-Legal

S. M. Dixit
Chief Financial Officer

For and on behalf of the Board

G. N. Mehra
Chairman and
Managing Director

N. B. Karpe
Director

S. R. Pandit
Director

C. V. Alexander
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	2009-2010 Rupees in lacs	2008-2009 Rupees in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items:	12,849.60	2,600.39
Adjustments for —		
Depreciation	2,030.88	1,894.07
Interest	467.38	486.93
Profit on sale of fixed assets (net)	(0.18)	(2.86)
Profit on sale of investments (net)	(146.86)	(68.12)
Diminution in the value of investments	—	58.05
Reversal of diminution in the value of investments	(12.21)	—
Interest income	(39.32)	(72.62)
Dividend received	(140.61)	(51.61)
Operating profit before working capital changes	15,008.68	4,844.23
Adjustments for —		
Trade and other receivables	(4,616.50)	(3,814.26)
Inventories	(5,184.69)	222.78
Trade payables	920.77	6,115.13
Cash generated from operations	6,128.26	7,367.88
Interest received	31.96	60.06
Income tax paid	(2,982.11)	(1,596.99)
Net cash from operating activities	3,178.11	5,830.95
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Additions to fixed assets	(6,014.22)	(4,415.04)
Sale of fixed assets	8.55	7.58
Purchase of investments	(48,792.53)	(87,921.70)
Sale of investments-Subsidiary	53.65	—
Sale of investments-Others	50,689.83	87,033.47
Interest received	7.36	12.56
Dividend received	134.90	73.41
Net cash used in investing activities	(3,912.46)	(5,209.72)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings (net)	1,329.49	1,675.43
Interest paid	(466.75)	(462.08)
Dividend paid	(729.52)	(1,672.00)
Net cash used in financing activities	133.22	(458.65)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(601.13)	162.58
CASH AND CASH EQUIVALENTS		
— Opening balance (Refer to Schedule 9)	2,632.41	2,469.83
— Closing balance (Refer to Schedule 9)	2,031.28	2,632.41
NET CASH AND CASH EQUIVALENTS	601.13	(162.58)

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

As per our report of the even date.

For G M Kapadia & Co.
Chartered Accountants

For and on behalf of the Board

Rajen Ashar
Partner

U. C. Rege
Company Secretary and
Vice President-Legal

S. M. Dixit
Chief Financial Officer

G. N. Mehra
Chairman and
Managing Director

Mumbai,
29th May 2010

Notes

Notes



Savita Oil Technologies Limited

(Formerly 'Savita Chemicals Limited')

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

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Members are requested to bring their copy of the Annual Report to the Meeting.

Name of the Attending Member	Mr. / Ms. _____ (Surname) (First Name) (Middle Name)
Name of the proxy (To be filled in if the Proxy attends instead of the Member)	Mr. / Ms. _____ (Surname) (First Name) (Middle Name)
Folio No. _____	
DP Id* _____	No. of Shares held _____
Client Id* _____	

I/We hereby record my/our presence at the 49th Annual General Meeting of the Company on Thursday, 22nd July 2010 at 3.30 pm at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

*Applicable if shares are held in dematerialised form

Signature of the Member/Proxy



Savita Oil Technologies Limited

(Formerly 'Savita Chemicals Limited')

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

PROXY

I/We
ofbeing a Member / Members of Savita Oil Technologies Limited
hereby appoint
of or failing him/her
ofor failing him/her
ofon my/our behalf at the 49th Annual General Meeting of the
Company to be held on Thursday, 22nd July 2010 at 3.30 pm at M. C Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru
Dubash Marg, Mumbai 400 001 and at any adjournments thereof.

Signed thisday of 2010.

Signature

FOR OFFICE USE ONLY	
Proxy No.	
Folio No.	
DP Id*	
Client Id*	
No. of shares	

Affix
1 Rupee
Revenue
Stamp

*Applicable if shares are held in dematerialised form

Notes :

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

FIVE YEAR PERFORMANCE AT A GLANCE

Rupees in lacs

PARTICULARS	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
A. REVENUE AND APPROPRIATIONS					
SALES AND OTHER INCOME	118,693	116,079	93,088	82,855	61,449
PROFIT BEFORE TAX	12,850	2,600	8,500	6,047	5,144
PROFIT AFTER TAX	8,639	1,723	6,196	4,726	3,749
DIVIDEND %	150	50	115	90	125
B. ASSETS EMPLOYED					
NET FIXED ASSETS	18,905	14,930	12,414	10,456	6,906
INVESTMENTS	4,614	6,406	5,508	1,203	1,436
NET CURRENT ASSETS	18,509	12,798	12,843	16,658	13,075
TOTAL	42,028	34,134	30,765	28,317	21,417
C. FINANCED BY					
EQUITY SHARES	1,461	1,461	1,461	1,461	876
RESERVES	30,516	24,432	23,563	19,357	16,751
LOAN FUNDS	6,584	5,254	3,579	5,814	2,652
DEFERRED TAX	3,467	2,987	2,162	1,685	1,138
TOTAL	42,028	34,134	30,765	28,317	21,417