

Savita Oil Technologies Limited

50th Annual Report 2010-2011



Marching Ahead

Towards Cleaner, Greener & Sustainable

Energy Resources



Your company is part of the global movement to
preserve our fragile eco system

Savita Oil Technologies Limited

Fiftieth Annual Report 2010 - 2011

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mr. S. M. Dixit

COMPANY SECRETARY & VP – LEGAL

Mr. U. C. Rege

BANKERS

State Bank of India
Corporation Bank
DBS Bank Limited
ICICI Bank Limited
IDBI Bank Limited
Standard Chartered Bank
Union Bank of India

AUDITORS

G. M. Kapadia & Co.
Chartered Accountants
Mumbai

REGISTERED OFFICE

66/67, Nariman Bhavan,
Nariman Point,
Mumbai - 400 021
Tel. No.: 91-22-6624 6200 / 6624 6228
Fax No.: 91-22-2202 9364

FACTORIES

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

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

SHARE TRANSFER AGENT

Sharepro Services (India) Pvt. Ltd.
13 AB, Samhita Warehousing Complex,
Near Sakinaka Telephone Exchange,
Andheri-Kurla Road, Sakinaka,
Andheri (East), Mumbai – 400 072
Tel: 91-22-6772 0300/6772 0400
Fax: 91-22-2859 1568/2850 8927
E-mail: sharepro@shareproservices.com

CONTENTS

| | |
|---|----|
| Notice | 4 |
| Directors' Report | 7 |
| Corporate Governance | 14 |
| Management Discussion and Analysis | 22 |
| Auditors' Report..... | 25 |
| Balance Sheet | 30 |
| Profit and Loss Account..... | 31 |
| Schedules forming part of Accounts | 32 |
| Notes forming part of Accounts..... | 39 |
| Balance Sheet Abstract and Company's General Business Profile | 50 |
| Cash Flow Statement..... | 51 |

Dear Shareholder,

Sub: Green Initiative in Corporate Governance – Electronic Mode for service of documents

The Ministry of Corporate Affairs (“MCA”) has taken “**Green Initiative in the Corporate Governance**” by allowing paperless compliances by companies pursuant to its circular No.18/2011 dated April 29, 2011.

As per the aforesaid circular, Company is required to obtain email addresses of its members for sending the Notice with Balance Sheet, Profit & Loss Account, Auditors’ Report, Directors’ Report and Explanatory Statement, etc. through email by giving an advance opportunity to every shareholder to register his email address and changes therein, if any, from time to time with the Company.

In view of the aforesaid circular of MCA, we would earnestly request you to provide/update with us your email address so that all future communication including Notices calling General Meetings, Annual Reports, etc. from the Company’s side can be sent to you in electronic form.

The “Green Initiative” taken by MCA is appreciated and we trust you will actively participate in this initiative and contribute to the global efforts being made for protection of the environment.

Thanking you and assuring you of our best services at all times.

For Savita Oil Technologies Limited

U. C. Rege
Company Secretary & VP - Legal

Mumbai
30th July 2011

NOTICE

NOTICE is hereby given that the **Fiftieth Annual General Meeting** of the Members of **SAVITA OIL TECHNOLOGIES LIMITED** will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on **Saturday, 17th September 2011 at 11.00 A.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt the Audited Balance Sheet as at 31st March 2011, 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. H. A. Nagpal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Act, the re-appointment of Mr. C. V. Alexander as the Whole-time Director of the Company from 1st October 2011 up to 30th September 2012 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."

By Order of the Board

U. C. Rege

Company Secretary & VP - Legal

Mumbai
30th July 2011

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 **12.9.2011 to 17.9.2011** (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 **17.9.2011**. 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

U. C. Rege
Company Secretary & VP - Legal

Mumbai
30th July 2011

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

Item No. 5

The Board of Directors in its meeting held on 15th May 2011 re-appointed Mr. C. V. Alexander, as a Whole-time Director of the Company from 1st October 2011 up to 30th September 2012, subject to the approval of the Members by Special Resolution at the ensuing Annual General Meeting. Separate Agreement in this regard has been executed between the Company and Mr. C. V. Alexander on 30th July 2011.

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: ` 94,500/- (Rupees Ninety Four Thousand Five Hundred 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 ` 100/- and ` 4,000/- per month respectively.
- (c) Medical Expenses Reimbursement:

Reimbursement of medical expenses incurred on himself and his family subject to a ceiling of 5% of the salary.

- (d) Leave Travel Allowance:

For himself and his family once in a year in accordance with the Rules of the Company for the time being in force.

- (e) Bonus as per the Rules of the Company.
- (f) Performance linked incentive as per the Policy of the Company.
- (g) Medical/Accident Insurance:

For himself and his spouse in accordance with the Rules of the Company.

CATEGORY B

(a) Provident Fund:

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

(b) Gratuity:

Gratuity shall be as per the Company Rules.

(c) Leave Entitlement & Encashment:

Leave entitlement shall be as per Company Rules. He shall be permitted to encash unavailed leave.

CATEGORY C

(a) Conveyance:

Provision of car with driver 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 this resolution is placed before the Members of the Company.

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

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

Your Directors recommend this Special Resolution for your approval.

By Order of the Board

U. C. Rege
Company Secretary & VP - Legal

Mumbai
30th July 2011

REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors have pleasure in presenting the **Fiftieth Annual Report**, together with the Audited Accounts for the year ended 31st March 2011.

1. FINANCIAL RESULTS

₹ in lacs

| | Year ended 31.3.2011 | Year ended 31.3.2010 |
|--|-------------------------|-------------------------|
| Total Income | 1,55,877 | 1,18,693 |
| Profit before Depreciation & Tax | 18,568 | 14,881 |
| Depreciation | 2,530 | 2,031 |
| Profit before Tax | 16,038 | 12,850 |
| Provision for Taxation: | | |
| Current | 5,075 | 3,740 |
| Deferred | 30 | 480 |
| Provision for taxation no longer required | — | (9) |
| Profit for the year after Tax | 10,933 | 8,639 |
| Balance brought forward from previous year | 19,049 | 13,864 |
| Profit available for appropriation | 29,982 | 22,503 |
| Appropriations: | | |
| Proposed Dividend | 2,920 | 2,190 |
| Tax on Dividend | 474 | 364 |
| General Reserve | 1,100 | 900 |
| Balance carried to Balance Sheet | 25,488 | 19,049 |

2. COMPLETION OF GOLDEN JUBILEE

On 19th July 2011 your Company will be completing 50 glorious years since its formation. Your Company was incorporated as a Private Limited Company by late Shri D. C. Mehra and his son late Shri N. K. Mehra on 19th July 1961. The journey of the last 50 years has been both, challenging and rewarding. It is with a sense of great pride that we can reflect on the progress made by your Company over the last five decades. From being a small manufacturer of White Oils in the 1960s, your Company has now grown to become the leading manufacturer of Specialty Oils (White Oils and Transformer Oils) not only in India but across the Asian continent. Your Company went Public in 1994 and over the years has created multiple drivers for growth by adding new businesses to its portfolio like the Lubricating Oils Division in 1994 and the Renewable Energy Division in 1999.

Your Directors acknowledge the invaluable contribution of the employees; both past and present, in bringing your Company to its current position of strength and success. Your Directors also recognize and appreciate the important role played by all its business associates, in this mutually beneficial journey. Your Directors are confident that they shall continue to receive the same co-operation from all its stakeholders in the future as well.

3. DIVIDEND

Your Directors are pleased to recommend a dividend of 200% for the year ended 31st March 2011 as against 150% for the previous year on the paid up Equity Share Capital of ₹ 1,460 lacs. The aforesaid Dividend is inclusive of special dividend at the rate of 50% on the occasion of completion of Golden Jubilee year of your Company.

4. OPERATIONS

Your Company's sales turnover touched a new high of ` 1,71,993 lacs against ` 1,31,200 lacs in the year 2009-10 resulting in a growth of 31%. However, the sales volume marginally increased to 2,56,837 KLs/MTs during 2010-11 from 2,54,767 KLs/MTs achieved in 2009-10. The net profit of the Company increased to ` 10,933 lacs as against ` 8,639 lacs for the previous year, recording an increase of 27%.

During the year under review, the Crude Oil prices kept increasing steadily albeit with a reduced degree of volatility. As could be expected, Base Oil prices also moved up in tandem with global Crude Oil prices. However, the consistent demand for your Company's products enabled your Company to post record turnover and profits in the year under review.

Your Company did not add any Wind Power capacity during the financial year 2010-11 due to lack of sites with good wind regimes. Hence, the total installed capacity in Wind Power sector of your Company remained at 43.15 MW as in the previous financial year.

During the financial year 2010-11, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated 71.22 million units during the year under review against 63.95 million units generated in the previous year.

Your Company has also got 9.45 MW of its Wind Energy Plants approved by UNFCCC in its CDM regime. Your Company has so far received a total of 52,193 Carbon Emission Reductions from the above project.

5. FIXED DEPOSITS

The Company has no overdue / unpaid fixed deposits.

6. RESEARCH AND DEVELOPMENT

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

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

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

8. DIRECTORS

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

Mr. C. V. Alexander has been re-appointed as the Whole-time Director of your Company by the Board of Directors in its Meeting held on 15th May 2011. His re-appointment as the Director of your Company is subject to the approval of the members at the ensuing Annual General Meeting. Relevant Item of the Notice along with the Explanatory Statement to be sent to the Shareholders be treated as an Abstract of the terms and conditions u/s 302 of the Companies Act, 1956 of his appointment.

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

9. CORPORATE GOVERNANCE

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

10. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, your Company has transferred a sum of ` 4.87 lacs to the Investor Education and Protection Fund, which was the dividend amount due and payable for the year 2002-03 and remained unclaimed and unpaid for a period of 7 years, as provided in Section 205A (5) of the Companies Act, 1956.

11. RISK ASSESSMENT AND MANAGEMENT

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

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and profit for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the Annual Accounts on a 'going concern' basis.

13. AUDITORS

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

14. PARTICULARS OF EMPLOYEES

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

15. LISTING

Your Company's shares continue to be listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing Fees to these two Stock Exchanges for the year 2011-12 have been paid by your Company on time.

16. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Mumbai
15th May 2011

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 -

- Replacing the old motors with energy efficient motors.
- Replacing lights in the plant compound and in tank farms with metal halide lamps.
- Maintaining Power Factor all the time at unity resulting in cash incentive from MSEB.
- Reducing the consumption of Furnace Oil & LDO by 5% by addition of fuel additives.
- Screw Type Air Compressor added along with 8 M³ Air Receiver for uninterrupted air supply resulting in power saving.
- Simplifying dewatering pumping system to reduce additional pumping cost.
- Adding Oil Skimmer to recover waste oil from storm water drain.

b) Impact of the above Measures

The above energy conservation measures have reduced the overall energy consumption and fuel usage for your Company.

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

Your Company proposes to replace HPSV Lamps with Metal Halide Lamps for street lighting within the plant premises. Additional Wind Ventilators and Transparent Roofing Sheets for LLP Godown in the plant premises are under installation.

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

Your Company has achieved an export turnover (FOB value) of ` 21,030 lacs in the year 2010-11 as against ` 16,763 lacs in the year 2009-10, showing a growth of 25%. This was mainly achieved through renewed efforts on the marketing front by your Company in the existing markets and exploring newer ones.

D. TOTAL FOREIGN EXCHANGE USED AND EARNED

| | ` in lacs |
|--------------------------------------|-----------|
| (i) CIF Value of Imports | 90,705 |
| (ii) Expenditure in Foreign Currency | 711 |
| (iii) Foreign Exchange earned | 21,903 |

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 2011:

| | Name of Employee | Age | Designation | Gross Remuneration (`) | Qualification | Exp. (in years) | Date of joining | Previous Employment/ Position held |
|----|---------------------|-----|--------------------------------|--------------------------|---|-----------------|-----------------|--|
| 1. | Mr. Gautam N. Mehra | 49 | Chairman and Managing Director | 1,89,71,507 | B.E. (Chem), M.B.A., Univ. of California (Berkeley) | 28 | 1.12.1983 | Marketing Executive – Mehra Trading & Investment Company Pvt. Ltd. |

Notes:

1. Remuneration includes basic salary, allowances, commission paid, Company's contribution to Provident Fund and other perquisites valued in accordance with the Income Tax Rules, 1961.
2. The Company has contributed an appropriate amount to the Gratuity Fund on actuarial valuation. As the employee-wise break-up of contribution is not available, the same is not included above.
3. Experience includes number of years' service elsewhere.
4. The nature of employment is contractual and is governed by the rules and regulations of the Company in force from time to time.

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

| PARTICULARS | 2010-2011 | 2009-2010 |
|--|-----------|-----------|
| A. POWER & FUEL CONSUMPTION | | |
| 1. Electricity | | |
| a. Purchased units (million) | 2.357 | 2.052 |
| Total amount (₹ in lacs) | 119.89 | 107.87 |
| Average rate/unit (₹) | 5.09 | 5.26 |
| b. Own Generation | | |
| i) Through Diesel Generation | 37,628 | 1,06,081 |
| Units per litre of diesel oil | 3.38 | 3.42 |
| Average cost/unit (₹) | 12.05 | 10.46 |
| ii) Through Steam Turbine Generators | - | - |
| iii) Through Wind Turbines | | |
| Units (million) | - | - |
| Total amount (₹ in lacs) | - | - |
| Average rate/unit (₹) | - | - |
| 2. Coal | - | - |
| 3. Furnace Oil | | |
| Quantity (KL) | 39 | 84 |
| Total amount (₹ in lacs) | 14.30 | 26.05 |
| Average rate (₹ per KL) | 36,519 | 31,124 |
| 4. Others | - | - |
| B. CONSUMPTION PER UNIT OF PRODUCTION | | |

| Particulars | Year | Transformer Oil | Liquid Paraffins | Lubricating Oils | Others |
|-------------------------|---------|-----------------|------------------|------------------|--------|
| Electricity (KWH) | 2010-11 | 5 | 16 | 8 | 5 |
| | 2009-10 | 5 | 14 | 7 | 5 |
| Furnace Oil (in litres) | 2010-11 | - | - | - | - |
| | 2009-10 | - | 1 | - | - |

FORM - B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT

1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT

Research & Development has been carried out extensively on improved formulations for Transformer Oils used in EHV and UHV applications.

Development on new formulations for White Oils and Process Oils is undertaken on a continuous basis.

2. BENEFITS DERIVED

The Research & Development work resulted in improved products and created more business opportunities.

3. FUTURE PLAN OF ACTION

Research & Development will continue to focus on developing new formulations for Transformer Oils and White Mineral Oils.

4. EXPENDITURE ON RESEARCH AND DEVELOPMENT

| | ` in lacs |
|--|---------------|
| a) Capital | 38.67 |
| b) Recurring | 147.10 |
| Total | <u>185.77</u> |
| Total R & D expenditure as % of turnover | 0.11 |

5. TECHNOLOGY ABSORPTION

Research & Development efforts have led to successful commercialisation of new formulations in the area of Transformer Oils and White Oils.

For and on behalf of the Board

Mumbai
15th May 2011

Gautam N. Mehra
Chairman & Managing Director

CORPORATE GOVERNANCE

Report on Corporate Governance for the year 2010-11 is as under:

1. PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of systems and procedures ensuring commitment to values, ethical business conduct, accountability, transparency and compliance of laws and acceptance by the Management of the inalienable rights of all the stakeholders of the Company. The Board of Directors, the senior Management and the employees of the Company follow these principles of Corporate Governance to its core by adhering to its ethical standards and disclosures mentioned in Clause 49 of the Listing Agreements with the Stock Exchanges.

2. BOARD OF DIRECTORS

The Company has experienced professionals as Directors on its Board with a Managing Director heading the business, one non-promoter Executive Director and three non-promoter non-executive independent Directors.

The 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 | - |
| Mr. C. V. Alexander | Non-Promoter-Executive | 2 | - |
| Mr. N. B. Karpe | Non-Promoter Non-Executive-Independent | 10 | 4 |
| Mr. S. R. Pandit | Non-Promoter Non-Executive-Independent | - | - |
| Mr. H. A. Nagpal | Non-Promoter Non-Executive-Independent | 1 | - |

Particulars of Directors seeking re-appointment are given below-

| Director | Mr. H. A. Nagpal | Mr. C. V. Alexander |
|---------------------|--------------------------|--|
| Date of Birth | 2.11.1961 | 29.5.1935 |
| Qualification | B.E., M.B.A. | M.A., LL.B. |
| Experience | Over 26 years in service | Over 47 years in service |
| Other Directorships | 1. Tata Sky Limited | 1. Savita Polymers Ltd. 2. Kurla Investment & Trading Co. Pvt. Ltd. |

Number of Board Meetings with dates

During the period 1st April 2010 to 31st March 2011, the Board met 4 times with a maximum gap of three months between two meetings. The Board Meetings were held on 29th May 2010, 31st July 2010, 30th October 2010 and 29th January 2011.

Attendance of Directors at the Board Meetings held during 2010-11 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 |
| Mr. N. B. Karpe | 4 | 3 | Yes |
| Mr. S. R. Pandit | 4 | 4 | Yes |
| Mr. C. V. Alexander | 4 | 4 | Yes |
| Mr. H. A. Nagpal | 4 | 2 | No |

Details of remuneration paid/to be paid (` in lacs) to the Directors for the year 2010-11

| Director | All elements of remuneration package taken together | Sitting fees | Commission* |
|--------------------------------|---|--------------|-------------|
| Managing Director | | | |
| Mr. G. N. Mehra | | | |
| Salary | 38.36 | | |
| Perquisites | 19.35 | | |
| Contribution to PF | 3.20 | | |
| | | | 159.04 |
| Executive Director | | | |
| Mr. C. V. Alexander | | | |
| Salary | 9.24 | | |
| Perquisites | 9.29 | | |
| Contribution to PF | 1.11 | | |
| Non-Executive Directors | | | |
| Mr. N. B. Karpe | - | 0.60 | 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 15th May 2011 re-appointed Mr. C. V. Alexander as the Whole-time Director of the Company for a period from 1st October 2011 to 30th September 2012, subject to the approval of the shareholders at the ensuing Annual General Meeting. The terms and conditions and the remuneration payable to Mr. C. V. Alexander shall be detailed in the Notice and Explanatory Statements thereto.

Information placed before the Board

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

3. COMMITTEES OF THE BOARD

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

Audit Committee

The Audit Committee consists of the following Directors –

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

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

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

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

The Audit Committee met four times (on 29th May 2010, 31st July 2010, 30th October 2010 and 29th January 2011) during the year 2010-11.

Attendance of Director Members at the Audit Committee Meetings

| Names of Director Members | Attended |
|---------------------------|----------|
| Mr. S. R. Pandit | 4 |
| Mr. N. B. Karpe | 3 |
| Mr. H. A. Nagpal | 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 29th May 2010, 31st July 2010, 30th October 2010 and 29th January 2011) during the year 2010-11.

Attendance of Director Members at the Meetings

| Names of Director Members | Attended |
|---------------------------|----------|
| Mr. N. B. Karpe | 3 |
| 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 | 43 | 43 |
| 2. | Non-receipt of Dividend Warrants | 25 | 25 |
| 3. | De-materialisation | 6 | 6 |
| 4. | Others | 122 | 122 |

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 2010-11 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 |
|---------|---------|-------------------------|-----------|----------|
| 2009-10 | AGM | M. C. Ghia Hall, Mumbai | 22.7.2010 | 03.30 PM |
| 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 |

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 as per SEBI guidelines.

8. GENERAL SHAREHOLDER INFORMATION

- A. Date of Book closure : 12.9.2011 to 17.9.2011
- B. Date and venue of AGM : 17.9.2011 at 11.00 a.m. at M. C. Ghia Hall,
Bhogilal Hargovindas Building, 4th Floor, 18/20,
Kaikhushru Dubhash Marg, Mumbai – 400 001
- C. Dividend Payment (Equity) : 200% on Equity Shares. Warrants for final dividend will be dispatched before 16.10.2011
if the Dividend is approved at the Annual General Meeting.
- D. Listing on Stock Exchanges : Bombay Stock Exchange Limited
in India 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 2011-12
- F. Registered office : 66/67, Nariman Bhavan,
Nariman Point, Mumbai – 400 021
Tel. No.: 91-22-6624 6200 / 6624 6228
Fax: 91-22-2202 9364
- G. Works : 17/17A, Thane Belapur Road,
Turbhe, Navi Mumbai – 400 705
Tel: 91-22-2768 1521 / 22
Fax: 91-22-2768 2024
- Survey No.10/2 Kharadpada,
Post Naroli, Silvassa,
Dadra and Nagar Haveli – 396 230
Tel: 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.: 91-22-6624 6200 / 6624 6228
Fax: 91-22-2202 9364
E-mail: legal@savita.com

OR Sharepro Services (India) Pvt. Ltd.
13 AB, Samhita Warehousing Complex,
Near Sakinaka Telephone Exchange,
Andheri-Kurla Road,
Sakinaka, Andheri (East),
Mumbai – 400 072
Tel: 91-22-6772 0300/6772 0400
Fax: 91-22-2859 1568/2850 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 2010-11 is as follows:

| Category | Requests received | Requests attended | Shares received | Shares processed and settled |
|----------------|-------------------|-------------------|-----------------|------------------------------|
| Physical | 97 | 45 | 12959 | 6074 |
| Dematerialised | 164 | 142 | 50246 | 37591 |

11. DISTRIBUTION OF SHAREHOLDINGS AS ON 31st MARCH 2011

| No. of Equity Shares held | No. of Share Holders | % of Share Holders | No. of Shares | % of Share Holding |
|---------------------------|----------------------|--------------------|--------------------|--------------------|
| Up to 500 | 8,627 | 92.753 | 10,90,845 | 7.470 |
| 501-1,000 | 372 | 4.000 | 2,81,596 | 1.928 |
| 1,001-2,000 | 157 | 1.688 | 2,31,030 | 1.582 |
| 2,001-3,000 | 30 | 0.323 | 72,822 | 0.499 |
| 3,001-4,000 | 37 | 0.398 | 1,29,375 | 0.886 |
| 4,001-5,000 | 06 | 0.065 | 26,624 | 0.182 |
| 5,001-10,000 | 34 | 0.366 | 2,35,511 | 1.613 |
| 10,001-Above | 38 | 0.409 | 1,25,34,280 | 85.840 |
| Total | 9,301 | 100.000 | 1,46,02,083 | 100.000 |

12. CATEGORIES OF SHAREHOLDINGS AS ON 31st MARCH 2011

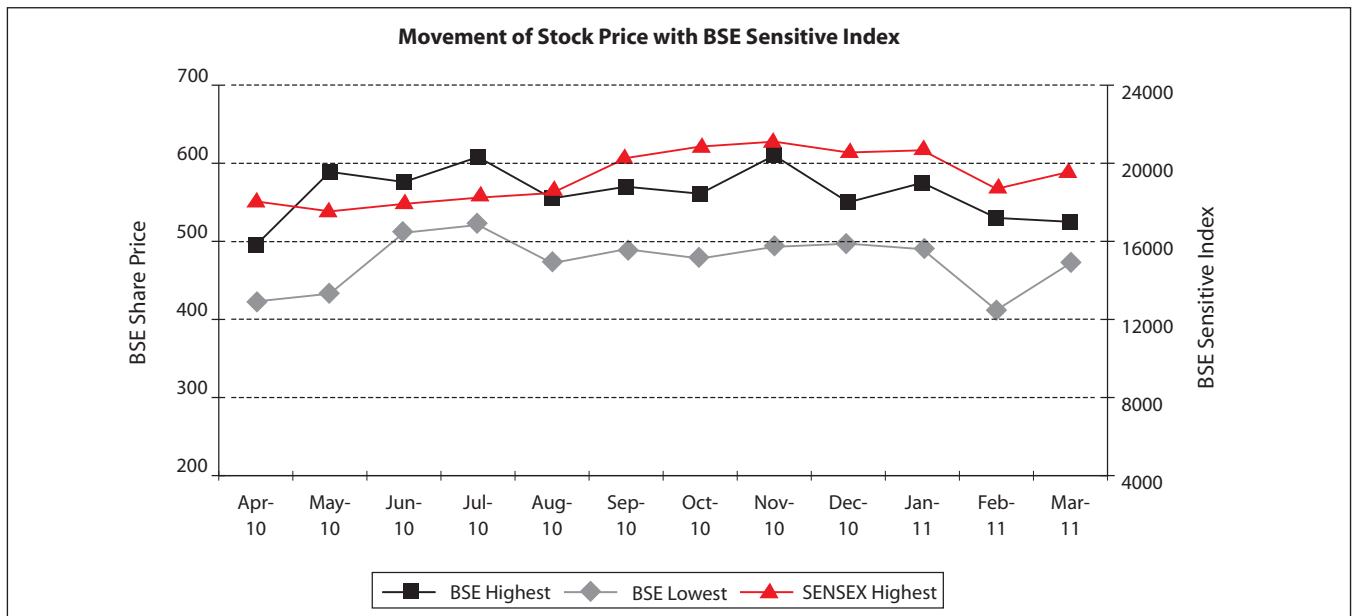
| Category | No. of Share Holders | Voting Strength % | No. of Shares held |
|--|----------------------|-------------------|--------------------|
| Overseas Corporate Bodies | — | — | — |
| Non-resident Individuals | | | |
| On non-repatriable basis | 38 | 0.191 | 27,793 |
| On repatriable basis | 107 | 0.402 | 58,640 |
| FII's | 4 | 2.592 | 3,78,618 |
| Promoters, Directors | 37 | 71.566 | 1,04,50,161 |
| Banks/Mutual Funds/Public Financial Institutions/Trusts/Other Bodies Corporate | 347 | 11.073 | 16,16,863 |
| Resident Individuals | 8,768 | 14.176 | 20,70,008 |
| Total | 9,301 | 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 2011, 5182626 shares aggregating to 35.49% of equity shares of the Company have been dematerialised. The Company's ISIN is INE035D01012.

14. STOCK MARKET PRICES

| Month | BSE | | NSE | | BSE SENSEX | |
|----------------|----------------|---------------|----------------|---------------|------------|--------|
| | Highest (₹) | Lowest (₹) | Highest (₹) | Lowest (₹) | Highest | Lowest |
| April-2010 | 495 | 423 | 495 | 423 | 18047 | 17276 |
| May-2010 | 589 | 433 | 584 | 426 | 17536 | 15960 |
| June-2010 | 576 | 511 | 640 | 505 | 17919 | 16318 |
| July-2010 | 608 | 521 | 609 | 515 | 18237 | 17395 |
| August-2010 | 555 | 472 | 566 | 493 | 18475 | 17819 |
| September-2010 | 570 | 490 | 570 | 490 | 20267 | 18027 |
| October-2010 | 561 | 478 | 565 | 481 | 20854 | 19768 |
| November-2010 | 610 | 493 | 615 | 498 | 21108 | 18954 |
| December-2010 | 550 | 497 | 545 | 495 | 20552 | 19074 |
| January-2011 | 575 | 490 | 575 | 455 | 20664 | 18038 |
| February-2011 | 530 | 412 | 545 | 475 | 18690 | 17295 |
| March-2011 | 525 | 472 | 540 | 470 | 19575 | 17792 |



15. FINANCIAL CALENDER 2011-12

Financial Reporting for the first quarter ending June 30, 2011 - last week of July, 2011.

Financial Reporting for the second quarter and half year ending September 30, 2011 - last week of October, 2011.

Financial Reporting for the third quarter ending December 31, 2011 - last week of January, 2012.

Financial Reporting for the fourth quarter ending March 31, 2012 - last week of April, 2012.

Audited Accounts for the year ending March 31, 2012 - last week of May, 2012.

Annual General Meeting for the year ending March, 2012 – first/second week of September, 2012.

The website of the Company is www.savita.com

For and on behalf of the Board

Mumbai
15th May 2011

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 for the FY 2010-11;
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 2011. 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
15th May 2011

S. M. Dixit
Chief Financial Officer

Gautam N. Mehra
Chairman & Managing Director

CORPORATE GOVERNANCE CERTIFICATE

To the Members of Savita Oil Technologies Limited,

We have examined the compliance of conditions of Corporate Governance by Savita Oil Technologies Limited (“the Company”) for the year ended 31st March 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

For G. M. KAPADIA & CO.
Chartered Accountants

Rajen Asher
Partner

Membership No. 48243

Mumbai
15th May 2011

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

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

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

The Automotive, Industrial and Marine Sectors primarily constitute the Indian lubricant industry. The general industrial and economic conditions determine the demand for the lubricant products in these Sectors.

The Petroleum Products market is fiercely competitive because of the presence of many domestic and multinational companies.

The world economic recovery which started in the year 2009-10 continued in the year 2010-11 and was more prominent in the Indian context. In India most sectors of the economy including industrial production, automotive and industrial sales etc. showed robust growth in demand, though high inflation has been a dampner.

II. Wind Power

The major source of power generation in India has always been coal with some share from gas and hydro based power generation. Power sector is the core area that developing countries like India need to concentrate on for their economic growth. India is, therefore, focusing on sustainable power supply from renewable energy sources which are set to play a critical role in addressing the growing energy security and climate challenges. Apart from addressing India's issue of climate change and global warming, renewable energy sources also offer a hedge against future fossil fuel price hike and volatility. Of all the renewable sources of energy, wind energy has had an exponential growth in India. Technological maturity, a proven installed base, lower set-up and running costs are the key factors for the dominance of wind technology in the renewable energy mix.

In 2010-11, the Indian wind sector experienced its strongest annual growth ever. During this year, India added wind power installed capacity of more than 2,350 MW taking the cumulative installed capacity to 14,157 MW.

B. OPPORTUNITIES AND THREATS

I. Petroleum Products

The higher than expected growth, observed in both developed and emerging economies during last year, has raised hopes for a sustained global recovery. However, the fear of emerging high Crude Oil prices is the biggest threat to this recovery. Some of other risks to global growth remain in the form of weak sovereign balance sheets, frail real estate markets in the Euro area and geopolitical uncertainties in advanced economies.

Indian economy continued on the recovery path with a broad based growth spread across various sectors. GDP growth was higher at 8.5% in the year 2010-11 as compared to 8% in the year 2009-10. However, continuing high inflation is a real cause of concern for the Indian economy. Nonetheless, the Indian economy has good growth potential on a sustainable basis moving forward.

II. Wind Power

Potential for wind power in India has been increased to 48.5 GW by Ministry of New and Renewable Energy (MNRE). The World Institute for Sustainable Energy, India (WISE) considers that with improvement in technology, larger capacity turbines, increase in the hub height of the wind turbines, greater land availability and expanded resource exploitation,

current generation of wind turbines could yield a potential onshore wind power capacity of 65 GW–100 GW. Possibility of third party sale under open access policy will give a substantial upside from the combination of power sale and Renewable Energy Certificates (RECs) which can be traded through power exchanges pan-India.

New entrants have forayed into the wind turbine manufacturing segment. This is set to change the market dynamics and will lead to higher efficiencies, new technologies and lower prices; all this taken together will aid the market development.

The challenges related to power evacuation and grid connectivity, accurate wind potential assessment, non-availability of windy sites, infrastructure issues affecting large wind turbine transportation and local issues are hampering the growth of wind energy sector.

C. SEGMENT WISE PERFORMANCE

I. Petroleum Products

The sales volume in the Petroleum Products segment was at 2,55,035 KLS/MTs during the financial year 2010-11 against 2,49,105 KLS/MTs in the previous year, resulting in revenue of ₹ 1,68,531 lacs in the financial year 2010-11 against ₹ 1,27,051 lacs in the previous year.

II. Wind Power

Your Company did not find it advisable to add any new wind power capacity during the financial year 2010-11 due to lack of good investment opportunities. Hence, the total installed capacity in Wind Power Sector of your Company remains at 43.15 MW.

During the financial year 2010-11, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated 71.22 million units in the year under review against 63.95 million units generated in the previous year.

During the financial year 2010-11, United Nations Framework Convention on Climate Change (UNFCCC) issued 3,304 Certified Emission Reduction units (CERs) to your Company's 3 MW Wind Power Project at Satara, Maharashtra.

Also APX VCS Registry issued 81,520 Voluntary Carbon Units (VCUs) to your Company's 24.4 MW Wind Power Projects under Voluntary Carbon Standard (VCS) program during the financial year 2010-11.

D. FUTURE OUTLOOK

I. Petroleum Products

Having successfully withstood the global economic crisis, the emerging trends give rise to the optimism that the Indian economy will continue to show steady performance despite increasing inflationary pressures.

The increasing demand in the power sector augurs well for the demand for Transformer Oil which should continue to show good growth in the year 2011-12. The growth in the automotive, industrial, and the marine and engineering sectors would decide the growth momentum for the Lubricant Products. With the disposable income increasing in the hands of the general masses, there would be increase in the spending capacity and this is good sign for the market for Liquid Paraffins and White Oils, being essential ingredients of personal care products.

II. Wind Power

The National Action Plan on Climate Change (NAPCC) announced by the Government of India proposes increasing the share of renewable energy in the total energy mix to 15% by 2020. In order to achieve this target, contribution of wind energy to the total energy mix would need to transcend even greater heights, requiring an additional installed capacity of almost 50 GW by 2020, over and above the present level.

Government is actively considering increasing Generation Based Incentive (GBI) for Independent Power Producers' (IPP) projects due to poor response for the earlier scheme and pressures from investor associations. In addition, the REC mechanism launched during November 2010 is expected to be a key driver for the future growth of the sector. REC essentially seeks to address the mismatch between availability of RE sources and the requirement of the obligated entities to meet their Renewable Purchase Obligation (RPO) across the states. Being the most mature renewable energy technology, wind energy will be the key growth driver to meet the target set by NAPCC.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has external and internal audit systems which are effective and commensurate with the size of its operations. Adequate records and documents are maintained as required by law from time to time. Internal audits and checks are regularly conducted and internal auditor's recommendations are seriously considered for improving systems and procedures. Your Company's Audit Committee reviews the internal control system and looks into the observations of the statutory and internal auditors on a continuous basis.

F. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

Your Company has a dedicated team of employees who have been contributing to the progress and growth of the Company. The manpower requirements of your Company are assessed on regular basis and recruitments are conducted accordingly.

Improvement in personal skills and knowledge of the employees is brought about by your Company by providing them with internal and external training keeping in view the market requirements from time to time.

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
15th May 2011

Gautam N. Mehra
Chairman & Managing Director

AUDITORS' REPORT

To the members of **SAVITA OIL TECHNOLOGIES LIMITED**

1. We have audited the attached Balance Sheet of **SAVITA OIL TECHNOLOGIES LIMITED** as at 31st March 2011 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. Those 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 2011, we report that none of the Directors of the Company, i.e. **SAVITA OIL TECHNOLOGIES LIMITED** are disqualified as on 31st March 2011 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 2011;
 - (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 Regn. No: 104767W

Mumbai
15th May 2011

Rajen Ashar
Partner
Membership No. 48243

ANNEXURE TO THE AUDITOR'S REPORT

Re: SAVITA OIL TECHNOLOGIES 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.
- (iii) The Company has not taken or granted loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence the question of reporting under sub clauses (a) to (g) of the clause 4(iii) of the Order does not arise.
- iv) In our opinion and according to the information and explanations given to us, the Company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of Rupees Five lakhs in respect of each party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and accordingly the provisions contained in sections 58A and 58AA of the Act and Rules there under are not applicable to the Company in this regards.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.
- (ix) (a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, wherever applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March 2011 for a period of more than 6 months from the date they became payable.
- (b) The particulars of statutory dues that have not been deposited on account of disputes are given in Annexure A.

- (x) The Company does not have any accumulated losses as at 31st March 2011. 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 facilities by a company 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 during the year. Hence the question of reporting under clause 4(xviii) of the Order regarding whether the price at which shares have been issued is prejudicial to the interest of the company does not arise.
- (xix) The Company has not issued any debentures hence the question of reporting under clause 4(xix) of the Order regarding creation of securities or charge does not arise.
- (xx) The Company has not raised any monies by way of public issues during the year.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no fraud (i.e. intentional material misstatements resulting from fraudulent financial reporting and misappropriation of assets) on or by the company has been noticed or reported during the year by the Company.

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

Mumbai
15th May 2011

Rajen Ashar
Partner
Membership No. 48243

Annexure A

Re : Savita Oil Technologies Limited

| Sr. No. | Name of the Statute | Nature of the dues | Forum where dispute is pending | Period to which the amount relates | Amount (₹ in lacs) | |
|---|------------------------------|--------------------|--------------------------------|---|--------------------------|-------|
| 1 | Central Excise Act, 1944 | Excise Duty | Commissioner of Central Excise | 2004 - 2009 | 153.99 | |
| | | | | April 2001 to December 2001 | 4.60 | |
| | | | | April 2009 to January 2010 | 21.05 | |
| | | | | April 2000 to March 2001 | 4.39 | |
| | | | | August 2005 to July 2007 | 23.75 | |
| | | | | February 2010 to April 2010 | 9.75 | |
| | | | | January 2002 to June 2002 | 3.51 | |
| | | | | January 2000 to March 2000 | 4.38 | |
| | | | | July 2002 to May 2003 | 12.37 | |
| | | | | July 1999 to September 1999 | 0.74 | |
| | | | | June 2003 to December 2003 | 8.55 | |
| | | | | April 2006 to December 2006 | 46.70 | |
| | | | | April 2006 to December 2010 | 45.09 | |
| | | | | April 2006 to July 2009 | 56.95 | |
| | | | | November 2001 to May 2004 | 1.08 | |
| | | | | Deputy and Assistant Commissioner of Central Excise | April 1999 to April 2003 | 7.24 |
| | | | | | May 2002 to April 2003 | 13.85 |
| April 2006 to March 2007 | 0.06 | | | | | |
| January 2004 to August 2004 | 12.28 | | | | | |
| January 2008 to Nov 2008 | 0.02 | | | | | |
| 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 | | | | |
| | September 2007 to June 2008 | 47.37 | | | | |
| Appellate Tribunal | 1999 - 2002 | 9.19 | | | | |
| | 2008 - 2009 | 37.34 | | | | |
| | April 1998 to March 2003 | 2.50 | | | | |
| | August 2002 | 42.72 | | | | |
| | July 2000 to March 2002 | 4.99 | | | | |
| | July 2005 to March 2006 | 6.44 | | | | |
| | 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 | |
| | | | | October 2002 to January 2004 | 0.26 | |

| Sr. No. | Name of the Statute | Nature of the dues | Forum where dispute is pending | Period to which the amount relates | Amount (₹ in lacs) |
|---------|--|--------------------|--|------------------------------------|--------------------|
| 3 | Central Sales Tax Act and Sales Tax Acts of Various States | Sales Tax | Deputy Commissioner and Assistant Commissioner | 2003 - 2004 | 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 |
| | | | Commercial Tax Officer (AA) Ernakulam | 2005 - 2006 | 5.54 |
| | | | Appellate Tribunal Ernakulam | 1998 - 1999 | 0.50 |
| 4 | Customs Act, 1962 | Custom Duty | Commissioner (Imports) of Income Tax | April 1992 June 2006 | 3.58 399.05 |
| 5 | Income Tax Act, 1961 | Income Tax | Commissioner (Appeals) of Income Tax | 2008 - 2009 | 637.11 |
| 6 | Gram Panchayat - Satara | Gram Panchayat Tax | Sarpanch, Gram Panchayat | 2008 - 2009 | 51.94 |
| Total | | | | | 2882.00 |

BALANCE SHEET AS AT 31st MARCH 2011

| | Schedule | As at 31.3.2011 | | As at 31.3.2010 | |
|---|----------|--------------------|------------------|--------------------|------------------|
| | | in lacs | in lacs | in lacs | in lacs |
| SOURCES OF FUNDS | | | | | |
| 1. Shareholders' Funds | | | | | |
| Share Capital | 1 | 1,460.56 | | 1,460.56 | |
| Reserves and Surplus | 2 | 38,055.34 | 39,515.90 | 30,516.17 | 31,976.73 |
| 2. Loan Funds | | | | | |
| Secured Loans | 3 | 5,290.82 | | 4,959.33 | |
| Unsecured Loans | 4 | 1,624.45 | 6,915.27 | 1,624.45 | 6,583.78 |
| 3. Deferred Tax (Schedule 17, Note No.4) | | | 3,497.16 | | 3,467.15 |
| TOTAL | | | 49,928.33 | | 42,027.66 |
| APPLICATION OF FUNDS | | | | | |
| 1. Fixed Assets | 5 | | | | |
| Gross Block | | 33,354.91 | | 29,760.94 | |
| Less: Depreciation | | 13,632.70 | | 11,147.89 | |
| Net Block | | 19,722.21 | | 18,613.05 | |
| Capital Work-in-Progress | | 506.08 | | 291.72 | |
| Net Fixed Assets | | | 20,228.29 | | 18,904.77 |
| 2. Investments | 6 | | 4,907.12 | | 4,614.23 |
| 3. Current Assets, Loans and Advances | | | | | |
| Inventories | 7 | 29,915.23 | | 22,934.34 | |
| Sundry Debtors | 8 | 35,318.96 | | 27,974.88 | |
| Cash and Bank Balances | 9 | 3,154.34 | | 2,031.28 | |
| Loans and Advances | 10 | 4,124.84 | | 5,329.42 | |
| | | 72,513.37 | | 58,269.92 | |
| Less: Current Liabilities and Provisions | 11 | | | | |
| Current Liabilities | | 43,706.68 | | 36,643.02 | |
| Provisions | | 4,013.77 | | 3,118.24 | |
| | | 47,720.45 | | 39,761.26 | |
| Net Current Assets | | | 24,792.92 | | 18,508.66 |
| TOTAL | | | 49,928.33 | | 42,027.66 |

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 G M Kapadia & Co.
Chartered Accountants

Rajen Ashar
Partner

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

C. V. Alexander
Director

H. A. Nagpal
Director

S. R. Pandit
Director

Mumbai,
15th May 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

| | Schedule | Year ended 31.3.2011 in lacs | Year ended 31.3.2010 in lacs |
|--|-----------|--|--|
| INCOME | | | |
| Income from Operations | 12 | 1,54,750.76 | 1,17,801.39 |
| Other Income | 13 | 1,126.72 | 891.81 |
| TOTAL | | <u><u>1,55,877.48</u></u> | <u><u>1,18,693.20</u></u> |
| EXPENDITURE | | | |
| Materials | 14 | 1,16,727.13 | 87,131.05 |
| Personnel | 15 | 2,296.06 | 1,892.71 |
| Others | 16 | 17,597.03 | 14,321.58 |
| Depreciation | | 2,529.58 | 2,030.88 |
| Interest | | 689.32 | 467.38 |
| TOTAL | | <u><u>1,39,839.12</u></u> | <u><u>1,05,843.60</u></u> |
| Profit for the year before tax | | 16,038.36 | 12,849.60 |
| Provision for taxation - current | | 5,075.00 | 3,740.00 |
| - deferred | | 30.01 | 480.00 |
| Provision for taxation no longer required | | - | (8.76) |
| Profit for the year after tax | | 10,933.35 | 8,638.36 |
| Balance as per last Balance Sheet | | 19,048.70 | 13,864.44 |
| | | <u><u>29,982.05</u></u> | <u><u>22,502.80</u></u> |
| APPROPRIATIONS | | | |
| Proposed Dividend | | 2,920.42 | 2,190.31 |
| Tax on Dividend | | 473.76 | 363.79 |
| General Reserve | | 1,100.00 | 900.00 |
| Balance carried to Balance Sheet | | <u><u>25,487.87</u></u> | <u><u>19,048.70</u></u> |
| Basic and Diluted earnings per share (₹) | | 74.88 | 59.16 |
| 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 G M Kapadia & Co.
Chartered Accountants

Rajen Ashar
Partner

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

C. V. Alexander Director

H. A. Nagpal Director

S. R. Pandit Director

Mumbai,
15th May 2011

SCHEDULES 1 TO 17 ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

| | As at 31.3.2011 | As at 31.3.2010 |
|--|-------------------------|-------------------------|
| | in lacs | in lacs |
| 1. SHARE CAPITAL | | |
| Authorised | | |
| 3,00,00,000 (Previous Year 3,00,00,000) Equity Shares of ` 10 each | <u>3,000.00</u> | <u>3,000.00</u> |
| Issued and Subscribed | | |
| 1,46,02,083 (Previous Year 1,46,02,083) Equity Shares of ` 10 each fully paid-up. | 1,460.21 | 1,460.21 |
| Add : 7,100 (Previous Year 7,100) Forfeited Shares | <u>0.35</u> | <u>0.35</u> |
| | <u><u>1,460.56</u></u> | <u><u>1,460.56</u></u> |
| Of the above : | | |
| (i) 2,500 (Previous Year 2,500) Equity Shares were allotted as fully paid-up pursuant to a scheme of amalgamation for a consideration other than cash. | | |
| (ii) 1,15,70,833 (Previous Year 1,15,70,833) 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 | 9,625.00 | 8,725.00 |
| Add: Transfer from Profit and Loss Account | <u>1,100.00</u> | <u>900.00</u> |
| | 10,725.00 | 9,625.00 |
| Profit and Loss Account | <u>25,487.87</u> | <u>19,048.70</u> |
| | <u><u>38,055.34</u></u> | <u><u>30,516.17</u></u> |
| 3. SECURED LOANS | | |
| From Banks | | |
| i) Cash Credits * | - | 482.89 |
| ii) Foreign Currency Loans ** [Repayable within a year ` 1,826.12 lacs, (Previous Year ` 302.06 lacs)] | 5,173.32 | 4,123.94 |
| iii) Term Loan*** [Repayable within a year ` 117.50 lacs, (Previous Year ` 235.00 lacs)] | 117.50 | 352.50 |
| | <u>5,290.82</u> | <u>4,959.33</u> |

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

| | As at 31.3.2011 in lacs | As at 31.3.2010 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 Loans amounting to : | | |
| a) ` 272.59 lacs is secured by exclusive hypothecation of Wind Power Plants at i) Gudhe Panchagani, District Sangli, Maharashtra and ii) Panchapatta, District Ahmednagar, Maharashtra. | | |
| b) ` 1,823.05 lacs is secured by exclusive hypothecation of Wind Power Plants at i) Rangapura Kavalu, ii) Aidahalli Kavalu and iii) Nayanakere Kavalu village, District Hassan, Karnataka. | | |
| c) ` 1,742.68 lacs is secured by exclusive hypothecation of Wind Power Plants at i) Thadicherry village and ii) Koduvilarpatti village, District Theni, Tamilnadu. | | |
| d) ` 1,335.00 lacs is secured by exclusive hypothecation of Wind Power Plants at Sadawaghapur, District Satara, Maharashtra. | | |
| *** Secured by exclusive hypothecation of Wind Power Plants at Bhirenwadi, District Sangli, Maharashtra. | | |
| 4. UNSECURED LOANS | | |
| Sales Tax Deferment Loan (Interest Free) [Repayable within a year ` 39.12 lacs (Previous Year ` Nil)] | 1,624.45 | 1,624.45 |
| | 1,624.45 | 1,624.45 |

5. FIXED ASSETS

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|--------------------------|-------------------|---------------------------------|----------------------------------|--------------------|-------------------|-----------------|----------------------------------|--------------------|--------------------|--------------------|
| | As at 1.4.2010 | Additions during the year | Deductions during the year | As at 31.3.2011 | As at 1.4.2010 | For the year | Deductions during the year | As at 31.3.2011 | As at 31.3.2011 | As at 31.3.2010 |
| Freehold Land | 197.00 | 758.25 | - | 955.25 | - | - | - | 955.25 | 955.25 | 197.00 |
| Leasehold Land | 401.42 | - | - | 401.42 | 51.92 | 9.42 | - | 61.34 | 340.08 | 349.50 |
| Buildings | 2,355.38 | 2,365.87 | - | 4,721.25 | 661.07 | 163.37 | - | 824.44 | 3,896.81 | 1,694.31 |
| Wind Power Plants | 22,277.92 | - | - | 22,277.92 | 7,566.54 | 2,046.35 | - | 9,612.89 | 12,665.03 | 14,711.38 |
| Plant & Machinery | 3,814.33 | 354.79 | 22.78 | 4,146.34 | 2,417.65 | 228.41 | 18.56 | 2,627.50 | 1,518.84 | 1,396.68 |
| Furniture and Fixtures | 120.80 | 71.63 | 0.04 | 192.39 | 83.59 | 10.84 | - | 94.43 | 97.96 | 37.20 |
| Office Equipments | 367.80 | 54.43 | 11.14 | 411.09 | 263.39 | 33.53 | 9.45 | 287.47 | 123.62 | 104.42 |
| Vehicles | 152.18 | 39.92 | 23.16 | 168.94 | 68.15 | 24.62 | 16.76 | 76.01 | 92.93 | 84.03 |
| Intangible Assets | | | | | | | | | | |
| Software Licences | 74.11 | 6.20 | - | 80.31 | 35.58 | 13.04 | - | 48.62 | 31.69 | 38.53 |
| TOTAL | 29,760.94 | 3,651.09 | 57.12 | 33,354.91 | 11,147.89 | 2,529.58 | 44.77 | 13,632.70 | 19,722.21 | 18,613.05 |
| Previous Year | 23,626.27 | 6,176.46 | 41.79 | 29,760.94 | 9,150.42 | 2,030.88 | 33.41 | 11,147.89 | | |
| Capital Work-in-Progress | | | | | | | | | 506.08 | 291.72 |
| | | | | | | | | | 20,228.29 | 18,904.77 |

NOTES

- 1) Lease deeds in respect of Leasehold Land amounting to ` 219.00 lacs (Previous Year ` 219.00 lacs) have not yet been executed.
- 2) Buildings include cost of shares amounting to ` 0.04 lac (Previous Year ` 0.04 lac) in a co-operative housing society.
- 3) Additions during the year include capital expenditure amounting to ` 38.67 lacs (Previous Year ` 3.12 lacs) towards Research and Development.

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

| | Face Value | As at 31.3.2011 Quantity Nos. | As at 31.3.2010 Quantity Nos. | As at 31.3.2011 in lacs | As at 31.3.2010 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 | 1 | 3,850 | 385 | 3.18 | 3.18 |
| Garware Offshore Services Limited | 10 | 16,950 | - | 5.09 | - |
| Mundra Port & SEZ Limited | 2 | 7,430 | 1,486 | 6.54 | 6.54 |
| NHPC Limited | 10 | 25,369 | 25,369 | 9.13 | 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 | 1,228 | 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 |
| Others | | | | | |
| Kavini Ispat Limited [Net of provision for permanent diminution in value ` 48.79 lacs (Previous Year ` Nil)] | 10 | 1,06,100 | - | - | - |
| C. Units - Mutual Funds | | | | | |
| Quoted | | | | | |
| Motilal Oswal Most Shares Nasdaq - 100 ETF | 10 | 48,432 | - | 50.00 | - |
| Unquoted | | | | | |
| AIG India Equity Fund Regular Dividend | 10 | 4,13,770 | - | 50.00 | - |
| Axis Equity Fund - Dividend Option Payout | 10 | 5,00,000 | 5,00,000 | 50.00 | 50.00 |
| Birla Sun Life Midcap Fund - Plan - Dividend - Payout | 10 | 1,84,706 | 1,84,706 | 50.00 | 50.00 |
| Canara Robeco FORCE Retail Dividend Fund | 10 | 1,50,000 | 1,50,000 | 15.00 | 15.00 |
| DSP BlackRock India T.I.G.E.R. Fund - Regular Plan - Dividend | 10 | 6,04,289 | 6,04,289 | 110.93 | 110.93 |
| DSP BlackRock Opportunities Fund - Regular Plan - Dividend | 10 | 4,17,937 | 4,17,937 | 110.93 | 110.93 |
| DWS Alpha Equity Fund - Dividend Plan - Payout | 10 | 7,68,095 | 7,68,095 | 80.65 | 80.65 |
| Franklin India Opportunities Fund - Dividend Payout | 10 | - | 5,07,810 | - | 83.59 |
| FT India Dynamic PE Ratio Fund of Funds - Growth | 10 | 4,08,945 | 4,08,945 | 145.00 | 145.00 |
| HDFC Equity Fund - Dividend - Option: Payout | 10 | 1,12,946 | - | 50.00 | - |
| HDFC Prudence Fund - Dividend - Option: Payout | 10 | 10,37,625 | 10,37,625 | 295.10 | 295.10 |
| IDFC Premier Equity Fund - Plan A Dividend | 10 | 1,37,984 | 1,37,984 | 25.00 | 25.00 |
| IDFC Small & Midcap Equity (SME) Fund - Dividend | 10 | 3,51,222 | 3,51,222 | 50.00 | 50.00 |
| ING Global Real Estate Fund - Retail Growth | 10 | - | 10,00,000 | - | 100.00 |
| Kotak Balance | 10 | 6,45,343 | 6,45,343 | 125.00 | 125.00 |
| Kotak Midcap - Dividend | 10 | 3,13,617 | - | 50.00 | - |
| L&T Midcap Fund Dividend | 10 | 2,50,000 | 2,50,000 | 25.00 | 25.00 |
| Mirae Asset China Advantage Fund - Regular Plan Growth | 10 | 5,00,000 | 5,00,000 | 50.00 | 50.00 |
| Mirae Asset Global Commodity Stocks Fund - Regular Growth Plan | 10 | 8,80,786 | 8,80,786 | 100.00 | 100.00 |
| Mirae Asset India - China Consumption Fund - Regular Growth | 10 | 2,50,000 | - | 25.00 | - |
| Morgan Stanley A.C.E. Fund - Dividend Plan | 10 | 9,17,719 | 5,62,328 | 125.97 | 75.98 |
| Morgan Stanley Growth Fund - Growth Plan | 10 | - | 86,163 | - | 35.65 |
| Reliance Growth Fund - Retail Plan - Dividend Plan | 10 | - | 55,987 | - | 30.00 |
| Reliance Regular Savings Fund - Equity Plan - Dividend Plan | 10 | - | 2,30,364 | - | 50.00 |
| Reliance Vision Fund - Retail Plan - Dividend Plan | 10 | - | 2,00,405 | - | 59.66 |

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011
INVESTMENTS (Contd.)

| | Face Value | As at 31.3.2011 Quantity Nos. | As at 31.3.2010 Quantity Nos. | As at 31.3.2011 in lacs | As at 31.3.2010 in lacs |
|--|------------|----------------------------------|----------------------------------|----------------------------|----------------------------|
| Sunderam S M I L E Fund Dividend | 10 | - | 2,03,227 | - | 30.00 |
| TATA Equity P/E Fund Div Trigger Option B (10 Percentage) | 10 | 1,26,815 | - | 50.00 | - |
| Templeton India Income Opportunities Fund - Growth | 10 | 2,41,787 | - | 25.00 | - |
| Current Investments, Non-Trade | | | | | |
| Units - Mutual Funds | | | | | |
| Unquoted (at lower of cost or net realisable value) | | | | | |
| Birla Sun Life Income Plus - Growth | 10 | - | 5,48,821 | - | 220.61 |
| Canara Robeco Income Growth Fund | 10 | - | 16,69,228 | - | 290.76 |
| DWS Insta Cash Plus Fund - Regular Plan Bonus Option - Bonus | 10 | 7,09,238 | - | 69.70 | - |
| DWS Premier Bond Fund - Regular Growth Plan | 10 | - | 7,40,023 | - | 100.00 |
| HDFC High Interest Fund - Growth | 10 | - | 8,93,583 | - | 270.04 |
| ICICI Prudential Income Plan - Growth | 10 | - | 26,25,757 | - | 775.08 |
| IDFC Dynamic Bond Fund - Plan A - Growth | 10 | - | 6,79,146 | - | 117.98 |
| JP Morgan India Active Bond Fund - Retail - Growth Plan | 10 | - | 19,91,581 | - | 200.00 |
| Kotak Bond (Regular) - Growth | 10 | - | 13,76,950 | - | 350.03 |
| Kotak Bond (Short Term) - Growth | 10 | 16,32,147 | - | 300.00 | - |
| Kotak Credit Opp. Fund - Growth | 10 | 20,00,000 | - | 200.00 | - |
| Morgan Stanley Short Term Bond Fund - Regular Growth | 10 | 1,22,45,939 | - | 1,350.00 | - |
| Pramerica Short Term Income Fund - Growth Option | 1,000 | 10,000 | - | 100.00 | - |
| Reliance Income Fund - Retail Plan - Growth Plan - Growth Option | 10 | - | 21,00,924 | - | 558.49 |
| SBI - Magnum Insta Cash Fund - Cash Option | 10 | 50,56,830 | - | 1,100.00 | - |
| Templeton India Short Term Income Plan Growth - Growth | 1,000 | 4,713 | - | 90.00 | - |
| | | | | 4,907.12 | 4,614.23 |
| Aggregate Value of Unquoted Investments | | | | 4,819.36 | 4,581.56 |
| Aggregate Value of Quoted Investments | | | | 87.76 | 32.67 |
| Aggregate Market Value of Quoted Investments | | | | 114.05 | 45.78 |

Details of Investment purchased and sold during the year:

- Birla Sun Life Cash Manager - Growth - 29,60,610 units ` 700 lacs.
- DWS Insta Cash Plus Fund - Regular Plan Bonus Option - Bonus - 33,61,316 units ` 400 lacs.
- HDFC Cash Management Fund - Savings Plan - Growth - 1,42,81,314 units ` 2,825 lacs.
- HDFC Cash Management Fund - Treasury Advantage Plan - Retail - Growth - 71,74,328 units ` 1,479.65 lacs.
- ICICI Prudential Flexible Income Plan Regular Growth - 1,35,341 units ` 150 lacs.
- IDBI Liquid Fund - Growth - 1,66,47,712 units ` 2,700 lacs.
- IDBI Ultra Short Term Fund - Growth - 77,68,391 units ` 801.46 lacs.
- Kotak Floater Long Term - Growth - 2,49,99,597 units ` 3,752.46 lacs.
- Kotak Floater Short Term - Growth - 31,55,999 units ` 491.39 lacs.
- Kotak Liquid (Regular) - Growth - 9,12,08,254 units ` 16,645 lacs.
- Morgan Stanley Short Term Bond Fund - Regular Growth - 9,44,706 units ` 100 lacs.
- Principal Cash Management Fund - Liquid Option Growth Plan - 22,40,896 units ` 400 lacs.
- Principal Income Fund - Short Term Plan Growth - 23,03,371 units ` 400.04 lacs.
- Pramerica Liquid Fund - Growth Option - 28,50,822 units ` 3,950 lacs.
- Pramerica Ultra Short Term Bond Fund - Growth Option - 1,74,117 units ` 1,752.15 lacs.
- Reliance Regular Savings Fund - Balanced Plan - Dividend Plan - 3,40,528 units ` 50 lacs.
- Reliance Short Term Fund - Retail Plan - Growth Plan - 16,79,057 units ` 295 lacs.
- SBI - Magnum Insta Cash Fund - Cash Option - 2,63,27,046 units ` 5,600 lacs.
- SBI - Magnum Insta Cash Fund - Daily Dividend Option - 22,41,674 units ` 375.49 lacs.
- Tata Floater Fund - Growth - 2,41,98,817 units ` 3,402.24 lacs.
- Tata Income Fund - Appreciation - 17,05,914 units ` 500 lacs.
- Tata Liquid Fund - Appreciation - 2,12,230 units ` 4,550.23 lacs.
- Tata Short Term Bond Fund - Growth - 34,87,219 units ` 604.75 lacs.

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

| | As at 31.3.2011 | | As at 31.3.2010 |
|---|--------------------|------------------|--------------------|
| | in lacs | in lacs | in lacs |
| 7. INVENTORIES | | | |
| Raw and Packing Materials | | 21,660.72 | 16,021.97 |
| Work-in-Process | | 495.75 | 717.80 |
| Finished Goods | | 7,639.44 | 6,133.09 |
| Stores and Spares | | 119.32 | 61.48 |
| | | <u>29,915.23</u> | <u>22,934.34</u> |
| 8. SUNDRY DEBTORS | | | |
| Over six months: | | | |
| Unsecured - considered good | 623.98 | | 1,656.14 |
| Unsecured - considered doubtful | 1,589.68 | | 1,322.88 |
| | | <u>2,213.66</u> | <u>2,979.02</u> |
| Less: Provision for doubtful debts | | <u>1,589.68</u> | <u>1,322.88</u> |
| | | 623.98 | 1,656.14 |
| Other debts: | | | |
| Unsecured - considered good | | 34,694.98 | 26,318.74 |
| | | <u>35,318.96</u> | <u>27,974.88</u> |
| 9. CASH AND BANK BALANCES | | | |
| Cash on hand | | 12.09 | 14.27 |
| With Scheduled Banks on : | | | |
| Current accounts | | 3,044.67 | 1,934.09 |
| Deposit accounts [includes ` 0.71 lac (Previous Year ` 0.71 lac) with Government department as security] | | 35.29 | 28.55 |
| Unclaimed dividend accounts | | 62.29 | 54.37 |
| | | <u>3,154.34</u> | <u>2,031.28</u> |
| 10. LOANS AND ADVANCES | | | |
| Advances recoverable in cash or in kind or for value to be received (Unsecured, considered good) | | | |
| Advances | | 3,278.26 | 4,407.19 |
| Loans to others | | | |
| Considered good | - | | - |
| Considered doubtful | - | | 99.47 |
| | | | <u>99.47</u> |
| Less: Provision for doubtful loans | | | <u>99.47</u> |
| | | | - |
| Balance with Central Excise Department | | 2.52 | 4.12 |
| Deposits | | | |
| Considered good | 476.84 | | 454.46 |
| Considered doubtful | - | | 59.58 |
| | <u>476.84</u> | | <u>514.04</u> |
| Less: Provision for doubtful deposits | | | <u>59.58</u> |
| | | 476.84 | 454.46 |
| Income tax (net of provisions) | | 367.22 | 463.65 |
| | | <u>4,124.84</u> | <u>5,329.42</u> |

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

| | 2010-2011 | | 2009-2010 | |
|--|-----------------|--------------------|-----------------|------------------|
| | in lacs | in lacs | in lacs | in lacs |
| 14. MATERIALS | | | | |
| Consumption of Raw and Packing materials | | 1,15,786.29 | | 84,562.29 |
| Trading Purchases | | 2,225.14 | | 3,423.68 |
| (Increase)/Decrease in stock | | | | |
| Opening Stock: | | | | |
| Work-in-Process | 717.80 | | 749.65 | |
| Finished Goods | 6,133.09 | | 5,246.32 | |
| | <u>6,850.89</u> | | <u>5,995.97</u> | |
| Closing Stock: | | | | |
| Work-in-Process | 495.75 | | 717.80 | |
| Finished Goods | 7,639.44 | | 6,133.09 | |
| | <u>8,135.19</u> | | <u>6,850.89</u> | |
| | | (1,284.30) | | (854.92) |
| | | <u>1,16,727.13</u> | | <u>87,131.05</u> |
| 15. PERSONNEL | | | | |
| Salaries, Wages and Bonus | | 1,964.51 | | 1,615.88 |
| Contribution to Employees' Provident and other funds | | 258.38 | | 214.32 |
| Employees' welfare expenses | | 73.17 | | 62.51 |
| | | <u>2,296.06</u> | | <u>1,892.71</u> |
| 16. OTHERS | | | | |
| Stores and spares consumed | | 93.57 | | 90.87 |
| Fuel and power | | 165.92 | | 169.61 |
| Rent | | 804.35 | | 675.43 |
| Freight | | 2,869.06 | | 2,323.98 |
| Rates, taxes and octroi | | 62.23 | | 42.56 |
| Insurance | | 174.96 | | 168.50 |
| Commission on sales | | 1,085.97 | | 901.39 |
| Donations | | 59.69 | | 52.50 |
| Repairs and maintenance: | | | | |
| Buildings | 39.48 | | 25.62 | |
| Plant and Machinery | 409.63 | | 361.04 | |
| Others | 56.80 | | 52.83 | |
| | | <u>505.91</u> | | <u>439.49</u> |
| Discounts | | 1,456.26 | | 1,247.23 |
| Royalty | | 6,542.54 | | 4,635.08 |
| Advertisement and sales promotion | | 1,505.78 | | 1,092.99 |
| Loss on sale of long term investments | | - | | 33.18 |
| Loss on foreign exchange fluctuation (net) | | 4.92 | | - |
| Bad debts | | 106.87 | | 99.91 |
| Provision for diminution in value of investments | | 48.79 | | - |
| Provision for doubtful debts, loans and deposits | | 266.80 | | 341.26 |
| Excise duty | | 35.89 | | 118.81 |
| Miscellaneous expenses | | 1,807.52 | | 1,888.79 |
| | | <u>17,597.03</u> | | <u>14,321.58</u> |

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

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.

(g) Inventories:

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

(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.

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

- iii) Carbon Credit i.e. Certified Carbon Emission Reductions (CERs) is certified and issued 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 appropriate 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 employees render service) are measured at cost.
 - ii) Long term employee benefits (benefits which are payable after the end of twelve months in which employees render service) and post employment benefits (benefits which are payable on completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of actuarial valuation, annually.
 - iii) Contributions to Provident Fund, a defined contribution plan, are made in accordance with the statute, and are recognised as an expense when employees have rendered service entitling them to the contributions.
 - 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 2011

2. Contingent Liabilities not provided for :

| | As at 31.3.2011 | As at 31.3.2010 |
|--|--------------------|--------------------|
| | in lacs | in lacs |
| a) Letters of Credit | 6,264.56 | 2,611.92 |
| b) Guarantees/Bonds | 1,792.97 | 1,486.04 |
| c) Corporate guarantee | 2,400.00 | 2,400.00 |
| d) Disputed demands | | |
| i) Excise and Customs | 1,592.54 | 1,270.41 |
| ii) Sales Tax | 600.41 | 606.93 |
| iii) Income Tax | 637.11 | 24.35 |
| iv) Others | 51.94 | 51.94 |
| 3. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ` 1,397.73 lacs (Previous Year ` 1,220.70 lacs). | | |

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

| | As at 31.3.2011 | As at 31.3.2010 |
|---|--------------------|--------------------|
| | in lacs | in lacs |
| a) Deferred tax liability: | | |
| i) Depreciation | 4,164.57 | 4,099.46 |
| b) Deferred tax asset: | | |
| i) Provision for doubtful debts, loans and advances | 515.77 | 492.26 |
| ii) Others | 151.64 | 140.05 |
| | <u>667.41</u> | <u>632.31</u> |
| Net deferred tax (liability) / asset | <u>(3,497.16)</u> | <u>(3,467.15)</u> |

5. Managerial Remuneration:

| | 2010-2011 | 2009-2010 |
|-------------------------------------|---------------|---------------|
| | in lacs | in lacs |
| a) Directors' Remuneration: | | |
| i) Salary | 47.60 | 32.85 |
| ii) Perquisites | 28.64 | 24.28 |
| iii) Contribution to Provident Fund | 4.31 | 3.84 |
| iv) Commission [refer note 5 (d)] | 159.04 | 128.80 |
| | <u>239.59</u> | <u>189.77</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 2011

| | 2010-2011 in lacs | 2009-2010 in lacs |
|--|----------------------|----------------------|
| b) Commission to other Directors [refer note 5 (e)] | 6.00 | 8.00 |
| Sitting Fees | 1.80 | 2.40 |
| | <u>7.80</u> | <u>10.40</u> |
| c) Computation of Net Profit under Sections 198 and 349 of the Companies Act, 1956: | | |
| Net Profit as per Profit and Loss Account | 16,038.36 | 12,849.60 |
| Add: | | |
| Depreciation as per Profit and Loss Account | 2,529.58 | 2,030.88 |
| Directors' remuneration | 239.59 | 189.77 |
| Diminution in the value of investments | 48.79 | - |
| Loss on sale of investments | - | 33.18 |
| | <u>18,856.32</u> | <u>15,103.43</u> |
| Less: | | |
| Reversal of loss in net asset value of investments | - | 12.21 |
| Profit on sale of assets (net) | 3.37 | 0.18 |
| Profit on sale of investments | 419.08 | 180.04 |
| Depreciation under Section 350 of the Companies Act, 1956 | 2,529.58 | 2,030.88 |
| Net Profit as computed under Sections 198 and 349 of the Companies Act, 1956 | <u>15,904.29</u> | <u>12,880.12</u> |
| d) Commission payable to Managing Director | | |
| 1% of Net Profit | 159.04 | 128.80 |
| e) Commission payable to other Directors | | |
| 1% of Net Profit restricted to ` 2.00 lacs each per annum | 6.00 | 8.00 |
| 6. Other expenses include : | | |
| Auditors' remuneration | | |
| a) Audit fees | 9.00 | 9.00 |
| b) Tax Audit Fees | 2.00 | 2.00 |
| c) VAT Audit Fees | 2.00 | 2.00 |
| d) Certification | 0.54 | 0.34 |
| e) Out of pocket expenses | 0.14 | 0.14 |
| 7. Interest includes interest on fixed period loans ` 453.81 lacs (Previous Year ` 232.16 lacs). | | |

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011
8. Particulars of goods manufactured:

| Particulars | Unit | Licenced Capacity per annum* | | Installed Capacity per annum** | | Actual Production | |
|---|-------|------------------------------|-----------|--------------------------------|-----------|-------------------|-----------|
| | | 2010-2011 | 2009-2010 | 2010-2011 | 2009-2010 | 2010-2011 | 2009-2010 |
| Transformer Oils/ Liquid Paraffins and White Oils/Lubricating Oils/Greases and Other Specialities | KL/MT | NA | NA | 3,20,000 | 2,85,000 | 2,54,309 | 2,50,547 |
| Others | MT | NA | NA | 5,600 | 5,600 | 1 | — |
| Wind Power (Electricity)*** | MW | NA | NA | 43.15 | 43.15 | 8.13 | 7.30 |

* Licensing not applicable.

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

*** 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 310 KLs (Previous Year 4,800 KLs)

9. Consumption of raw and packing materials:

| Class of goods | Unit | 2010-2011 | | 2009-2010 | |
|------------------------------|------|-----------|--------------------|-----------|------------------|
| | | Quantity | Value in lacs | Quantity | Value in lacs |
| Base Oils | KL | 2,48,813 | 1,00,639.87 | 2,46,703 | 71,697.56 |
| Process Chemicals / Solvents | | | 7,532.47 | | 5,898.19 |
| Packing Materials | | | 7,511.28 | | 6,912.35 |
| Others | | | 102.67 | | 54.19 |
| | | | <u>1,15,786.29</u> | | <u>84,562.29</u> |

10. Trading Purchases:

| Class of goods | Unit | 2010-2011 | | 2009-2010 | |
|----------------------------|-------|-----------|------------------|-----------|------------------|
| | | Quantity | Value in lacs | Quantity | Value in lacs |
| Base Oils | KL | 1,802 | 714.71 | 5,662 | 1,576.54 |
| Lubricating Oils / Greases | KL/MT | 1,213 | 1,475.01 | 1,685 | 1,739.65 |
| Others | | | 35.42 | | 107.49 |
| | | | <u>2,225.14</u> | | <u>3,423.68</u> |

11. Gross Sales:

| Particulars | Unit | 2010-2011 | | 2009-2010 | |
|---|-------|-------------|--------------------|-------------|--------------------|
| | | Quantity | Value in lacs | Quantity | Value in lacs |
| Transformer Oils/Liquid Paraffins and White Oils/Lubricating Oils/ Greases and Other specialities | KL/MT | 2,55,035 | 1,68,531.04 | 2,49,105 | 1,27,050.62 |
| Base Oils | KL | 1,802 | 820.08 | 5,662 | 1,652.74 |
| Electricity (Wind Power) | KWH | 7,05,30,569 | 2,527.36 | 6,32,32,481 | 2,237.00 |
| Others | | | 114.21 | | 259.65 |
| | | | <u>1,71,992.69</u> | | <u>1,31,200.01</u> |

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

12. Stock of finished goods:

Class of goods

| Unit | Opening Stock | | Closing Stock | | |
|--|---------------|---------|-----------------|----------|-----------------|
| | Quantity | Value | Quantity | Value | |
| | | in lacs | | in lacs | |
| Transformer Oils/Liquid Paraffins and White Oils/Lubricating Oils/Greases and Other specialities | KL/MT | 10,616 | 6,131.23 | 10,664 | 7,637.41 |
| | | (7,952) | (5,244.33) | (10,616) | (6,131.23) |
| Others | MT | 3 | 1.86 | 3 | 2.03 |
| | | (3) | (1.99) | (3) | (1.86) |
| | | | 6,133.09 | | 7,639.44 |
| | | | (5,246.32) | | (6,133.09) |

13. Raw and Packing Materials consumed:

a) Raw Materials:

Imported

Indigenous

b) Packing Materials:

Indigenous

14. Spare parts and components consumed:

Indigenous

15. Value of imports on CIF basis:

Raw materials

Capital goods

16. Earnings and expenditure in foreign currency:

a) Earnings:

Export sales (FOB value)

Freight and Insurance

b) Expenditure:

Travelling

Commission on sales

Interest

Bank charges

Others

| 2010-2011 | | 2009-2010 | |
|--------------------|------------|------------------|------------------|
| Value | | Value | |
| in lacs | (%) | in lacs | (%) |
| 96,465.78 | 89 | 70,657.66 | 91 |
| 11,809.23 | 11 | 6,992.28 | 9 |
| 1,08,275.01 | 100 | 77,649.94 | 100 |
| 7,511.28 | 100 | 6,912.35 | 100 |
| 93.57 | 100 | 90.87 | 100 |
| | | 2010-2011 | 2009-2010 |
| | | in lacs | in lacs |
| | | 90,673.70 | 73,561.74 |
| | | 31.20 | — |
| | | 90,704.90 | 73,561.74 |
| | | 21,030.17 | 16,762.98 |
| | | 873.06 | 619.85 |
| | | 21,903.23 | 17,382.83 |
| | | 9.94 | 8.15 |
| | | 136.86 | 99.79 |
| | | 432.59 | 190.62 |
| | | 107.78 | 181.06 |
| | | 23.91 | 12.22 |
| | | 711.08 | 491.84 |

Above figures are on accrual basis.

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

17. Gross Sales are net of exchange fluctuation loss of ` 54.27 lacs (Previous Year ` 294.63 lacs) and Consumption is net of exchange fluctuation gain of ` 576.22 lacs (Previous Year ` 2,521.51 lacs).

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

| Sr.No. | Particulars | As at 31.3.2011 in lacs | As at 31.3.2010 in lacs |
|--------|---|-------------------------------|-------------------------------|
| a) | Principal amount due and outstanding | – | – |
| b) | Interest due on (1) above and unpaid | – | – |
| c) | Interest paid to the suppliers | – | – |
| d) | Payments made to the suppliers beyond the appointed day during the year | – | – |
| e) | Interest due and payable for the period of delay | – | – |
| f) | Interest accrued and remaining unpaid | – | – |
| g) | Amount of further interest remaining due and payable in succeeding year | – | – |

19. Employee benefits:

i) Defined Contribution Plan:

Company's contribution to Provident Fund ` 104.72 lacs (Previous Year ` 86.12 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 2011.

| | As at 31.3.2011 in lacs | As at 31.3.2010 in lacs |
|---|-------------------------------|-------------------------------|
| a) Change in the obligation benefits: | | |
| Projected benefit obligation, beginning of the year | 511.46 | 371.59 |
| Service cost | 39.24 | 28.52 |
| Interest cost | 42.20 | 30.25 |
| Actuarial (gain)/loss | 57.53 | 100.74 |
| Benefits paid | (22.06) | (19.64) |
| Projected benefit obligation, end of the year | <u>628.37</u> | <u>511.46</u> |
| b) Change in the plan assets: | | |
| Fair value of the plan assets, beginning of the year | 394.35 | 392.39 |
| Expected return on plan assets | 31.55 | 31.00 |
| Employer's contribution | 96.32 | 5.00 |
| Benefits paid | (22.06) | (19.63) |
| Actuarial gain/(loss) on plan assets | (7.72) | (14.41) |
| Fair value of the plan assets at the end of the year | <u>492.44</u> | <u>394.35</u> |
| Excess of (obligation over plan assets)/plan assets over obligation | <u>(135.93)</u> | <u>(117.11)</u> |

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

| | As at 31.3.2011 in lacs | As at 31.3.2010 in lacs |
|--|-------------------------------|-------------------------------|
| c) Net Gratuity and other cost: | | |
| Service cost | 39.24 | 28.52 |
| Interest on defined benefit obligation | 42.20 | 30.25 |
| Expected return on plan assets | (31.55) | (31.00) |
| Net actuarial (gain)/loss recognised in the year | 65.25 | 115.12 |
| Net Gratuity and other cost | <u>115.14</u> | <u>142.89</u> |
| Actual Return on plan assets | <u>23.83</u> | <u>16.61</u> |
| d) Category of Assets: | | |
| Corporate Bonds | 0.91 | 0.91 |
| Special Deposits Scheme | 43.66 | 43.66 |
| Others | 447.87 | 349.78 |
| Total | <u>492.44</u> | <u>394.35</u> |
| e) Assumptions used in accounting for the Gratuity Plan: | % | % |
| Discount rate | 8.25 | 8.25 |
| 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 |
| 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. | NKM Grand Children's Trust | N.K.Mehra Trust |
| Savita Finance Corporation Ltd. | Savita Petro-Additives Ltd. | Savita Polymers Ltd. |
| Siddharth Investments | | |

Subsidiary:

Solaris International FZE (Sharjah, UAE) (in previous year)

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

Details of transactions during the year:

| | 2010-2011 in lacs | 2009-2010 in lacs |
|---|----------------------|----------------------|
| Enterprises: | | |
| Sale of goods - Savita Polymers Ltd. | 819.64 | 790.54 |
| Sale of fixed assets - Savita Polymers Ltd. | 4.29 | - |
| Purchase of goods - Savita Polymers Ltd. | 150.78 | 172.30 |
| Purchase of fixed assets - Savita Polymers Ltd. | 0.03 | 0.14 |
| Interest - NKM Grand Children's Trust | - | 0.17 |

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

| | | 2010-2011 | 2009-2010 |
|---|---|-----------|-----------|
| | | in lacs | in lacs |
| Dividend received | - Savita Polymers Ltd. | 1.00 | 0.25 |
| | Savita Petro Additives Ltd. | 0.01 | 0.01 |
| Dividend paid | - Basant Lok Trading Co. | 0.93 | 0.31 |
| | Chemi Pharmex Pvt. Ltd. | 0.15 | 0.05 |
| | Khatri Investments Pvt. Ltd. | 64.14 | 21.38 |
| | Kurla Investment & Trading Co. Pvt. Ltd. | 2.05 | 0.68 |
| | Mansukhmal Investments Pvt. Ltd. | 61.50 | 20.50 |
| | Mehra Syndicate | 1,379.39 | 459.80 |
| | Naved Investment & Trading Co. Pvt. Ltd. | 1.28 | 0.43 |
| | NKM Grand Children's Trust | 0.17 | 0.06 |
| Rent | - Chemi Pharmex Pvt. Ltd. | 45.13 | 45.13 |
| | Madhu Trust | 23.82 | 23.82 |
| | Savita Polymers Ltd. | 58.72 | 67.21 |
| Others | - Savita Polymers Ltd - Reimbursement of expenses | - | 1.11 |
| | Basant Lok Trading Co. - Car parking charges | 0.15 | 0.15 |
| | Chemi Pharmex Pvt. Ltd. - Car parking charges | 0.15 | 0.14 |
| Donations | - D.C.Mehra Public Charitable Trust | 50.00 | 20.00 |
| | N.K.Mehra Trust | - | 20.00 |
| Corporate Guarantee | - Savita Polymers Ltd. | 2,400.00 | 2,400.00 |
| Repayment of Fixed Deposits | - NKM Grand Children's Trust | - | 5.00 |
| Security Deposit received back | - Savita Polymers Ltd. | 14.25 | - |
| Subsidiary Company: | | | |
| | Realisation of investment on closure | - | 53.65 |
| Key management personnel: | | | |
| | Dividend | 25.32 | 8.44 |
| | Remuneration | 219.95 | 172.77 |
| Relatives of key management personnel: | | | |
| Dividend paid - Mrs. S.N.Mehra | | 25.02 | 8.34 |
| | Mrs. R.G.Mehra | 5.01 | 1.67 |
| | Mr. S.G.Mehra | 0.09 | 0.03 |
| Interest - Mrs. R.G.Mehra | | - | 0.01 |
| Commission and Sitting fees - Mrs. S.N.Mehra | | - | 2.40 |
| Repayment of Fixed Deposits - Mrs R.G.Mehra | | - | 0.25 |
| Balance outstanding : | | | |

| | | As at | As at | |
|---|------------------------|-----------|-----------|--------|
| | | 31.3.2011 | 31.3.2010 | |
| | | in lacs | 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. | 329.50 | - | 14.25 |
| Key management personnel: | | | | |
| | Mr.G.N.Mehra | - | 159.04 | - |
| Relatives of key management personnel: | | | | |
| | Mrs.S.N.Mehra | - | - | 2.00 |

SCHEDULES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011

21. The Company has entered into agreements for operating leases in respect of 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 ` 791.51 lacs (Previous Year ` 658.56 lacs)

Income ` 26.01 lacs (Previous Year ` 24.77 lacs)

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

c) All these agreements have restriction on further leasing.

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

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 2011, the outstanding position in respect of the derivatives / forward contracts in US \$ is ` 13,215.11 lacs (Previous Year ` 11,086.25 lacs) net payable.

ii) As at 31st March 2011, un-hedged foreign currency exposure in US \$ is ` 22,200.88 lacs (Previous Year ` 15,733 lacs) net payable, in Euro ` 94.02 lacs net receivable (Previous Year ` 51.34 lacs net payable), in UAE Dirham ` 10.58 lacs (Previous Year ` Nil) net payable.

23. Details of Segment Reporting:

| | 2010-2011 in lacs | 2009-2010 in lacs |
|---|----------------------|----------------------|
| a) Segment Revenue: | | |
| Petroleum Products | 1,52,641.69 | 1,15,591.73 |
| Wind Power | 2,569.65 | 2,768.60 |
| Other unallocated revenue | 666.14 | 332.87 |
| Net Income from Operations | <u>1,55,877.48</u> | <u>1,18,693.20</u> |
| b) Segment Results: | | |
| Profit / (loss) before taxation and interest for each segment | | |
| Petroleum Products | 17,084.55 | 12,909.17 |
| Wind Power | 150.73 | 748.92 |
| Total | <u>17,235.28</u> | <u>13,658.09</u> |
| Less: i) Interest | 689.32 | 467.38 |
| ii) Other unallocated expenditure | 507.60 | 341.11 |
| | <u>1,196.92</u> | <u>808.49</u> |
| Total profit before tax | <u>16,038.36</u> | <u>12,849.60</u> |
| c) Capital Employed: | | |
| Segment Assets - Segment Liabilities | | |
| Petroleum Products | 33,263.87 | 25,892.96 |
| Wind Power | 7,402.82 | 8,438.25 |
| Unallocated capital employed | (1,150.79) | (2,354.48) |
| Total | <u>39,515.90</u> | <u>31,976.73</u> |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

| | 2010-2011 in lacs | 2009-2010 in lacs |
|--|----------------------|----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit before tax and extraordinary items: | 16,038.36 | 12,849.60 |
| Adjustments for — | | |
| Depreciation | 2,529.58 | 2,030.88 |
| Interest | 689.32 | 467.38 |
| Profit on sale of fixed assets (net) | (3.37) | (0.18) |
| Profit on sale of investments (net) | (419.08) | (146.86) |
| Diminution in the value of investments | 48.79 | — |
| Reversal of diminution in the value of investments | — | (12.21) |
| Interest income | (54.93) | (39.32) |
| Dividend received | (109.43) | (140.61) |
| Doubtful and bad debts | 373.67 | 441.17 |
| Provisions no longer required | (135.38) | (35.31) |
| Balance written off | 1.52 | 25.33 |
| Unrealised exchange loss/ (gain),net | (253.99) | (991.72) |
| Operating profit before working capital changes | 18,705.06 | 14,448.15 |
| Adjustments for — | | |
| Trade and other receivables | (6,637.58) | (5,047.94) |
| Inventories | (6,980.89) | (5,184.69) |
| Trade payables | 7,428.65 | 1,613.28 |
| Cash generated from operations | 12,515.24 | 5,828.80 |
| Interest received | 48.67 | 31.96 |
| Income tax paid | (5,286.91) | (2,982.11) |
| Net cash from operating activities | 7,277.00 | 2,878.65 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Additions to fixed assets | (3,865.45) | (6,014.22) |
| Sale of fixed assets | 15.72 | 8.55 |
| Purchase of investments | (55,468.74) | (48,792.53) |
| Sale of investments - Subsidiary | — | 53.65 |
| Sale of investments - Others | 55,546.14 | 50,689.83 |
| Interest received | 6.26 | 7.36 |
| Dividend received | 112.61 | 134.90 |
| Net cash used in investing activities | (3,653.46) | (3,912.46) |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011 (Contd.)

| | 2010-2011 in lacs | 2009-2010 in lacs |
|---|----------------------|----------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Proceeds from Borrowings | 1,335.00 | 2,513.94 |
| Repayment of Borrowings | (990.19) | (884.99) |
| Interest paid | (662.91) | (466.75) |
| Dividend paid | (2,182.38) | (729.52) |
| Net cash used in financing activities | (2,500.48) | 432.68 |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | 1,123.06 | (601.13) |
| CASH AND CASH EQUIVALENTS | | |
| — Opening balance (Refer to Schedule 9) | 2,031.28 | 2,632.41 |
| — Closing balance (Refer to Schedule 9) | 3,154.34 | 2,031.28 |
| NET CASH AND CASH EQUIVALENTS | (1,123.06) | 601.13 |

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,
15th May 2011

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 50th Annual General Meeting of the Company on Saturday, 17th September 2011 at 11.00 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

*Applicable if shares are held in dematerialized form.

Signature of the Member / Proxy

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 50th Annual General Meeting of the
 Company to be held on Saturday, 17th September 2011 at 11.00 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20,
 Kaikhushru Dubash Marg, Mumbai 400 001 and at any adjournments thereof.

Signed thisday of 2011.

Signature

Affix
 1 Rupee
 Revenue
 Stamp

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

*Applicable if shares are held in dematerialized form.

Notes :

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

FIVE YEAR PERFORMANCE AT A GLANCE

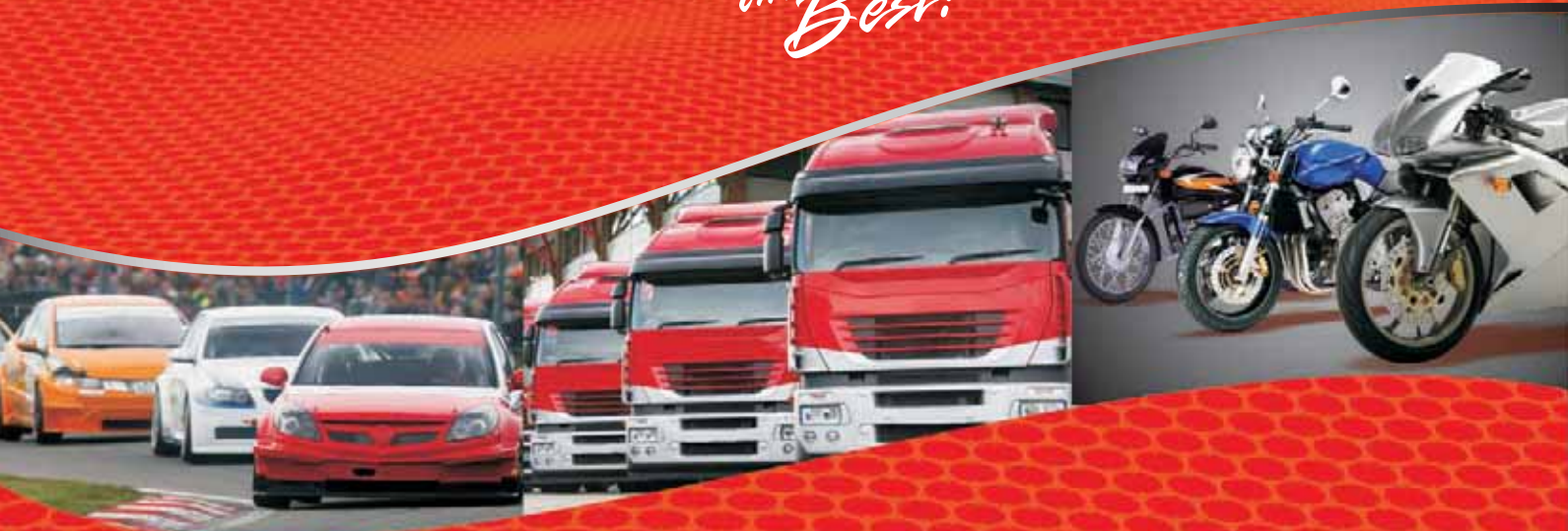
in lacs

| PARTICULARS | 2010-2011 | 2009-2010 | 2008-2009 | 2007-2008 | 2006-2007 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| A. REVENUE AND APPROPRIATIONS | | | | | |
| SALES AND OTHER INCOME | 1,55,877 | 1,18,693 | 1,16,079 | 93,088 | 82,855 |
| PROFIT BEFORE TAX | 16,038 | 12,850 | 2,600 | 8,500 | 6,047 |
| PROFIT AFTER TAX | 10,933 | 8,639 | 1,723 | 6,196 | 4,726 |
| DIVIDEND % | 200 | 150 | 50 | 115 | 90 |
| B. ASSETS EMPLOYED | | | | | |
| NET FIXED ASSETS | 20,228 | 18,905 | 14,930 | 12,414 | 10,456 |
| INVESTMENTS | 4,907 | 4,614 | 6,406 | 5,508 | 1,203 |
| NET CURRENT ASSETS | 24,793 | 18,509 | 12,798 | 12,843 | 16,658 |
| TOTAL | 49,928 | 42,028 | 34,134 | 30,765 | 28,317 |
| C. FINANCED BY | | | | | |
| EQUITY SHARES | 1,461 | 1,461 | 1,461 | 1,461 | 1,461 |
| RESERVES | 38,055 | 30,516 | 24,432 | 23,563 | 19,357 |
| LOAN FUNDS | 6,915 | 6,584 | 5,254 | 3,579 | 5,814 |
| DEFERRED TAX | 3,497 | 3,467 | 2,987 | 2,162 | 1,685 |
| TOTAL | 49,928 | 42,028 | 34,134 | 30,765 | 28,317 |

SAVSOL

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The Best!*



SAVITA

bonds build businesses

Savita Oil Technologies Limited

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