



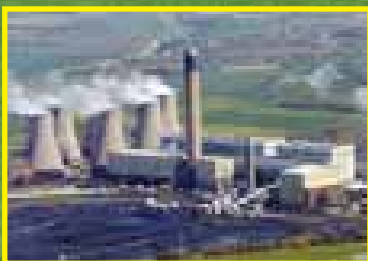
**SAVITA OIL TECHNOLOGIES LIMITED**

51st Annual Report 2011-2012



Partnering with  
**NATURE**  
For sustained and  
eco-friendly  
development

We understand.



We invest.

We all gain.



# Savita Oil Technologies Limited

## Fifty-first Annual Report 2011-2012

<b>BOARD OF DIRECTORS</b>	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
<b>GROUP CHIEF FINANCIAL OFFICER</b>	Mr. S. M. Dixit
<b>COMPANY SECRETARY &amp; EXECUTIVE VP – LEGAL</b>	Mr. U. C. Rege
<b>BANKERS</b>	State Bank of India Corporation Bank DBS Bank Limited ICICI Bank Limited IDBI Bank Limited Standard Chartered Bank Union Bank of India
<b>AUDITORS</b>	G. M. Kapadia & Co. Chartered Accountants Mumbai
<b>REGISTERED OFFICE</b>	66/67, Nariman Bhavan, Nariman Point, Mumbai - 400 021 Tel. No.: 91-22-6624 6200 / 6624 6228 Fax No.: 91-22-2202 9364
<b>FACTORIES</b>	17/17A, Thane Belapur Road, Turbhe, Navi Mumbai - 400 703  Survey No. 10/2, Kharadpada, Post Naroli, Silvassa, Dadra and Nagar Haveli - 396 230
<b>SHARE TRANSFER AGENT</b>	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

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## NOTICE

NOTICE is hereby given that the **Fifty-first Annual General Meeting** of the Members of **SAVITA OIL TECHNOLOGIES LIMITED** will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on **Saturday, 18<sup>th</sup> August 2012 at 11.00 A.M.** to transact the following business:

### ORDINARY BUSINESS:

1. To receive and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012, Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. S. R. Pandit, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. N. B. Karpe, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modifications, the following as **Special Resolution**:  
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Act, the re-appointment of Mr. Gautam N. Mehra as Managing Director of the Company from 1<sup>st</sup> October 2012 up to 30<sup>th</sup> September 2015 upon terms and conditions including remuneration as set out in the Agreement executed by the Company with Mr. Gautam N. Mehra be and is hereby approved and ratified."  
"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration, perquisites and any other entitlements including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with the provisions of the Companies Act, 1956 or re-enactment thereof and/or Rules or Regulations framed there under and the terms of the aforesaid Agreement between the Company and Mr. Gautam N. Mehra shall be suitably modified to give effect to such variation or increase as the case may be."
7. To consider and if thought fit, to pass with or without modifications, the following as **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 1<sup>st</sup> October 2012 up to 30<sup>th</sup> September 2013 on remuneration and perquisites and other terms and conditions as set out in the Agreement executed by the Company with Mr. C. V. Alexander be and is hereby approved and ratified."  
"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration, perquisites and any other entitlements including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with the provisions of the Companies Act, 1956 or re-enactment thereof and/or Rules or Regulations framed there under and the terms of the aforesaid Agreement between the Company and Mr. C. V. Alexander shall be suitably modified to give effect to such variation or increase as the case may be."
8. To consider and if thought fit, to pass with or without modifications, the following as **Special Resolution**:  
"RESOLVED THAT in accordance with the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the existing Article 161 of Articles of Association of the Company relating to affixing Seal be and is hereby amended by substituting in its place and stead, the following amended Article 161:  
161. Every deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a person duly authorised by the Board, be signed by a Director or the Managing Director or the Company Secretary. Such signature shall be conclusive evidence of the fact that the seal has been properly affixed. Provided that in respect of the Share Certificate the seal shall be affixed in accordance with Article 20(a)."  
"FURTHER RESOLVED THAT the Board be and is hereby authorised to do and perform all such acts, matters, deeds and things, as may be necessary, without further referring to the Members of the Company, in its own discretion and in the best interest of the Company, to give effect to this Resolution."

By Order of the Board

Mumbai  
21<sup>st</sup> July 2012

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

## NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **13.8.2012 to 18.8.2012** (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 **18.8.2012**. For shares held in the electronic form, dividend will be paid on the basis of beneficial ownership as per details received from the Depositories.
5. The shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and names, but more than one folio to enable the Company to consolidate the said folios into one folio, and (b) notify immediately any change in their recorded address, along with pin code numbers, to the Company.
6. The shareholders are requested to forward shares for transfer and related communication to the Share Transfer Agent or to the Registered Office of the Company.
7. The shareholders seeking information on Accounts published herein are requested to kindly furnish their queries to the Company at least seven days before the date of the Meeting to facilitate satisfactory replies.
8. The shareholders who attend the Meeting are requested to fill in the attendance slip and deliver the same at the entrance of the Meeting hall. The shareholders holding shares in dematerialised form should indicate the DP ID and Client ID numbers in the attendance slip.
9. The shareholders are requested to bring their copy of the Annual Report to the Meeting.

By Order of the Board

Mumbai  
21<sup>st</sup> July 2012

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

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

### Item No. 6

The Board of Directors in its meeting held on 30<sup>th</sup> May 2012 re-appointed Mr. Gautam N. Mehra as the Managing Director of the Company for a period from 1<sup>st</sup> October 2012 up to 30<sup>th</sup> September 2015, 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. Gautam N. Mehra on 21<sup>st</sup> July 2012.

The appointment of Mr. Gautam N. Mehra 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. Gautam N. Mehra** are as under:

#### Remuneration:

- (i) Salary: ₹ 3,00,000/- (Rupees Three Lakh only) per month, in the scale of ₹ 3,00,000- ₹ 35,000- ₹ 3,70,000.
- (ii) Commission: One per cent of the net profits of the Company subject to overall ceilings as laid down in Sections 198 and 309 of the Companies Act, 1956.
- (iii) Perquisites and Allowances: As classified into three categories A, B and C as follows:

#### CATEGORY A

##### (a) Housing:

- (i) Rent free furnished residential accommodation shall be provided by the Company. In case the accommodation is owned by the Company, an amount equivalent to 10 per cent of the salary shall be taken as the perquisite value.  
In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance at the rate of 60 per cent of the salary.
- (ii) The Company shall bear the expenses incurred on upkeep and maintenance of Managing Director's residence and provide and maintain household appliances and bear expenses on furnishings, gas, electricity, water and all utilities, facilities and amenities in the residential accommodation, the monetary value of which may be evaluated as per the Income Tax Rules.

- (b) Education Allowance and Special Allowance as per the Rules of the Company.
- (c) Medical Expenses Reimbursement:  
Reimbursement of medical expenses incurred on himself and his family subject to a ceiling of two month's salary in a year, which entitlement may be carried forward up to the expiry of the contract.
- (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) Club Fees:  
Provision of Membership of any two Clubs including entrance fees.
- (h) Medical/Personal Life/Accident Insurance as per 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 subject to the perquisite value being added as per the Income Tax Act.
- (b) Telephone:  
Provision of telephone facility subject to he being billed for personal long distance calls.

#### **Item No. 7**

The Board of Directors in its meeting held on 30<sup>th</sup> May 2012 re-appointed Mr. C. V. Alexander, as the Whole-time Director of the Company from 1<sup>st</sup> October 2012 up to 30<sup>th</sup> September 2013, 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 21<sup>st</sup> July 2012.

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

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

#### **Remuneration:**

- (i) Salary: ₹ 1,10,000/- (Rupees One Lakh Ten Thousand only) per month.
- (ii) Perquisites and Allowances: As classified into three categories A, B & C as follows:

#### **CATEGORY A**

- (a) House Rent Allowance at the rate of 25% of the salary.
- (b) Education Allowance and Special Allowance of ₹ 100/- and ₹ 4,500/- per month respectively.
- (c) Medical Expenses Reimbursement:  
Reimbursement of medical expenses incurred on himself and his family subject to a ceiling of 5% of the salary.
- (d) Leave Travel Allowance:  
For himself and his family once in a year in accordance with the Rules of the Company for the time being in force.

- (e) Bonus as per the Rules of the Company.
- (f) Performance Linked Incentive as per the Policy of the Company.
- (g) Medical/Accident Insurance:  
For himself and his spouse in accordance with the Rules of the Company.

## CATEGORY B

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

## CATEGORY C

- (a) Conveyance:  
Provision of car with driver for Company's business and personal use.
- (b) Telephone:  
Provision of telephone facility subject to he being billed for personal long distance calls.

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

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

The appointments and remuneration of the Managing Director and the Whole-time Director are required to be approved by the Shareholders in the ensuing General Body Meeting and accordingly these resolutions are placed before the Members of the Company.

None of the Directors of your Company except Mr. Gautam N. Mehra and Mr. C. V. Alexander is in any way concerned or interested in these Special Resolutions.

### Item No. 8

The Board in its meeting held on 30<sup>th</sup> May 2012 has resolved to amend the existing Article 161 of Articles of Association of the Company related to affixing Seal of the Company to various documents and deeds, subject to the approval of the Members by Special Resolution at the ensuing Annual General Meeting.

The existing Article stipulates that the Company needs a Director or the Managing Director or a constituted attorney of the Company to witness the affixing of the Seal on any of the deeds/documents/agreements by putting his signature thereon. The Board wishes to amend the Article 161 of Articles of Association of the Company for administrative convenience by substituting the words "constituted attorney" with the words "person duly authorised by the Board or the Company Secretary".

The Agreements entered into between the Company and the two Directors 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 these Special Resolutions for your approval.

By Order of the Board

Mumbai  
21<sup>st</sup> July 2012

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



## REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors have pleasure in presenting the **Fifty-first Annual Report**, together with the Audited Accounts for the year ended 31<sup>st</sup> March 2012.

### 1. FINANCIAL RESULTS

₹ in lacs

	Year ended 31.3.2012	Year ended 31.3.2011
Total Income	1,92,136	1,56,449
Profit before Depreciation & Tax	12,545	18,568
Depreciation	2,520	2,530
Profit before Tax	10,025	16,038
Provision for Taxation:		
Current	4,875	5,075
Deferred	(1,653)	30
Profit for the year after Tax	6,803	10,933
Balance brought forward from previous year	25,488	19,049
Profit available for appropriation	32,291	29,982
Appropriations:		
Proposed Dividend	2,190	2,920
Tax on Dividend	355	474
General Reserve	690	1,100
Balance carried to Balance Sheet	29,055	25,488

### 2. DIVIDEND

Your Directors are pleased to recommend a dividend of 150% (₹15/- per equity share of ₹10/- each) for the year ended 31<sup>st</sup> March 2012 as against 200% (inclusive of 50% recommended on the occasion of completion of Golden Jubilee last year) for the previous year on the paid up Equity Share Capital of ₹1,460 lacs, resulting in an outgo of ₹25.45 crore inclusive of dividend tax.

### 3. OPERATIONS

Your Company's sales turnover touched a new high of ₹2,11,757 lacs against ₹1,72,047 lacs in the year 2010-11 resulting in a growth of 23%. The sales volume remained more or less steady at 2,54,799 KLS/MTs during 2011-12 as against 2,56,837 KLS/MTs achieved in 2010-11. The net profit of the Company however decreased to ₹6,803 lacs as against ₹10,933 lacs for the previous year, recording a decline of 38%. Both the sales volume and the profitability were adversely impacted due to the sharp depreciation of the Indian Rupee *vis-a-vis* the US Dollar commencing from September 2011.

During the Financial Year 2011-12, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated 87.54 million units as against 73.10 million units generated in the previous year.

During the year under review, your Company added 5 MW of wind power by commissioning four wind turbines of 1,250 KW capacity each in the state of Tamil Nadu. With this, the total installed capacity of Wind Power of your Company now stands at 48.15 MW.

Also during this year, your Company's 8.25 MW Wind Power Projects situated in the states of Maharashtra and Tamil Nadu have been registered with UNFCCC under CDM. This is expected to generate approximately 15,000 CERs annually for a period of 10 years.

The National Load Dispatch Centre (NLDC), the central nodal agency for the Renewable Energy Certificate (REC) scheme, issued 2,057 RECs to your Company's 3 MW Wind Power Project at Satara, Maharashtra in the year under review, which were traded on the IEX Power Exchange.

During the year under review, your Company's Technical Collaboration Agreement for Idemitsu Products was terminated. Your Company has the right to manufacture and market the Idemitsu Products for a further period of 3 years at its discretion post this termination. The termination of this agreement would only marginally impact the sales volume of the Company. This impact will be less than 2% of the total sales volume of the Company based on the sales figure for the Financial Year 2011-12. The Technical Collaboration Agreement for Genuine Products with the same collaborators however, continues to remain in force.

#### 4. FIXED DEPOSITS

The Company has no overdue / unpaid fixed deposits.

#### 5. RESEARCH AND DEVELOPMENT

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

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

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

#### 7. DIRECTORS

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

In its meeting held on 30<sup>th</sup> May 2012, the Board of Directors re-appointed Mr. G. N. Mehra as the Managing Director and Mr. C. V. Alexander as the Whole-time Director of your Company. Their re-appointments as the Directors of the Company are subject to the approval of the members at the ensuing Annual General Meeting. Relevant items of the Notice regarding their appointments along with the Explanatory Statement be treated as Abstracts of the terms and conditions under Section 302 of the Companies Act, 1956 of their appointments.

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

#### 8. CORPORATE GOVERNANCE

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

#### 9. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, your Company has transferred a sum of ₹6.69 lacs to the Investor Education and Protection Fund, which was the dividend amount due and payable for the year 2003-04 and remained unclaimed and unpaid for a period of 7 years, as provided in Section 205A (5) of the Companies Act, 1956.

#### 10. RISK ASSESSMENT AND MANAGEMENT

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

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2012 and profit for the year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the Annual Accounts on a 'going concern' basis.

## 12. AUDITORS

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

## 13. PARTICULARS OF EMPLOYEES

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

## 14. LISTING

Your Company's shares continue to be listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing Fees to these two Stock Exchanges for the year 2012-13 have been paid by your Company on time.

## 15. ACKNOWLEDGEMENTS

Your Directors take this opportunity to sincerely thank your Company's bankers, financial institutions, agents and business associates as well as employees at all levels for the valuable support and co-operation extended by them 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  
30<sup>th</sup> May 2012

**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 10 HP Vacuum Pump with canned motor Pump for 10 KL Vacuum Plant.
- Replacing HPSV lamps with metal halide in tank farm & street lights.
- Maintaining Power Factor all the time at unity and availed cash incentive from MSEB.
- Treating waste water & using it in Toilet flushing (reduces additional pumping costs & leads to conservation of water).
- Adding 4 nos. of Wind Ventilators for Lube Plant Godown.

#### 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 40 HP Pump Motors with two new 7.5 HP Pump Motors for its Oil Unit.

#### 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 ₹31,188 lacs in the year 2011-12 as against ₹21,030 lacs in the year 2010-11, showing a growth of 48%. This was primarily achieved due to the constant endeavor of the marketing team of your Company in exploring new markets and continually strengthening its presence by enhancing its export volumes in the existing markets.

### D. TOTAL FOREIGN EXCHANGE USED AND EARNED

	₹ in lacs
(i) CIF Value of Imports	1,30,448
(ii) Expenditure in Foreign Currency	837
(iii) Foreign Exchange earned	32,154

**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 31<sup>st</sup> March 2012:

	Name of Employee	Age	Designation	Gross Remuneration (₹)	Qualification	Experience (in years)	Date of joining	Previous Employment/ Position held
1	Mr. Gautam N. Mehra	50	Chairman and Managing Director	2,20,48,931	B.E. (Chem), M.B.A., Univ. of California (Berkeley)	29	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**
**A. POWER & FUEL CONSUMPTION**
**1. Electricity**
**a. Purchased units (million)**

Total amount (₹ in lacs)

Average rate/unit (₹)

**b. Own Generation**
**i) Through Diesel Generation**

Units per litre of diesel oil

Average cost/unit (₹)

**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)

Total amount (₹ in lacs)

Average rate (₹ per KL)

**4. Others**
**2011-12**
**2010-11**
**2.300**

2.357

**129.12**

119.89

**5.61**

5.09

**67,780**

37,628

**3.13**

3.38

**13.94**

12.05

-

-

-

-

-

-

-

-

-

-

**79**

39

**32.60**

14.30

**41,134**

36,519

-

-

## B. CONSUMPTION PER UNIT OF PRODUCTION

Particulars	Year	Transformer Oil	Liquid Paraffins	Lubricating Oils	Others
Electricity (KWH)	2011-12	5	15	7	5
	2010-11	5	16	8	5
Furnace Oil (in litres)	2011-12	-	1	-	-
	2010-11	-	-	-	-

### FORM - B

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

### 1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT

New and improved Transformer Oil formulations, developed for EHV & UHV Transformers, were further optimized and stabilized. R&D work was also carried out during the year to develop standard analytical techniques for the determination of standard / approved additives.

Research was further carried out to develop new analytical methods for White Oils as required by customers.

### 2. BENEFITS DERIVED

The work resulted in products with improved stability and contributed to new customers for Transformer Oil and White Oils. As a consequence of the work done by the R&D, the Company has now commercialized and commenced manufacturing High Grade Transformer Oils suitable for application to 765 KV Transformers and the product has been approved by PGCIL for use in Transformers supplied to them.

### 3. FUTURE PLAN OF ACTION

R&D will do further work on developing newer formulations as well as new analytical techniques for analysis in Transformer Oil and White Oils.

### 4. EXPENDITURE ON RESEARCH AND DEVELOPMENT

	₹ in lacs
a) Capital	30.03
b) Recurring	142.55
Total	<u>172.58</u>
Total R & D expenditure as % of turnover	0.08

### 5. TECHNOLOGY ABSORPTION

R&D efforts have resulted in stable scaled up commercial products for regular supply in Transformer Oil as well as White Oils.

For and on behalf of the Board

Mumbai  
30<sup>th</sup> May 2012

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

## CORPORATE GOVERNANCE

Report on Corporate Governance for the year 2011-12 is as under-

### 1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Company has always endeavoured to practice good Corporate Governance on an ongoing basis. The Company's primary aim has been to provide high level of transparency, professionalism, accountability and utmost integrity in its overall functioning with all the stakeholders including shareholders, customers, suppliers, bankers, government and employees.

### 2. BOARD OF DIRECTORS

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

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

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

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

Particulars of Directors seeking re-appointment are given below-

Director	Mr. S. R. Pandit	Mr. N. B. Karpe
Date of Birth	7.9.1957	4.3.1961
Qualification	B. Com., F. C. A.	B. Com., LL.B. (Gen.), F. C. A.
Experience	Over 31 years in profession	Over 16 years in profession, over 14 years in employment
Other Directorships	1. India SME Asset Reconstruction Company Limited	1. Aptech Ventures Ltd., Mauritius 2. Aptech Investment Enhancers Ltd., Mauritius 3. Aptech Global Investments, Mauritius 4. Aptech Philippines Inc., Philippines 5. Aptech Limited 6. BNP Paribas Asset Management India Pvt. Ltd. 7. India SME Asset Reconstruction Co. Ltd. 8. Maya Entertainment Ltd. 9. BJB Career Education Co. Ltd.

Director	Mr. Gautam N. Mehra	Mr. C. V. Alexander
Date of Birth	5.8.1961	29.5.1935
Qualification	B.E., M.B.A.	M.A., LL.B.
Experience	Over 29 years in the industry	Over 48 years in service
Other Directorships	1. Savita Polymers Ltd. 2. Savita Petro-Additives Ltd. 3. Savita Finance Corp. Ltd. 4. Khatri Investments Pvt. Ltd. 5. Mansukhmal Investments Pvt. Ltd. 6. Naved Investment & Trading Co. Pvt. Ltd. 7. Kurla Investment & Trading Co. Pvt. Ltd. 8. Basant Lok Trading Co. 9. Chemi Pharmex Pvt. Ltd.	1. Savita Polymers Ltd. 2. Kurla Investment & Trading Co. Pvt. Ltd.

#### Number of Board Meetings with dates

During the period 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012, the Board met 4 times. The Board Meetings were held on 15<sup>th</sup> May 2011, 30<sup>th</sup> July 2011, 5<sup>th</sup> November 2011 and 27<sup>th</sup> January 2012.

#### Attendance of Directors at the Board Meetings held during 2011-12 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	3	Yes

#### Details of remuneration paid/to be paid (₹ in lacs) to the Directors for the year 2011-12

Director	All elements of remuneration package taken together	Sitting fees	Commission*
<b>Managing Director</b>			
Mr. G. N. Mehra			
Salary	31.00		
Perquisites & Allowances	26.88		
Contribution to PF	3.56		
			99.41
<b>Executive Director</b>			
Mr. C. V. Alexander			
Salary	10.65		
Perquisites & Allowances	7.22		
Contribution to PF	1.27		
<b>Non-Executive Directors</b>			
Mr. N. B. Karpe	—	0.60	2.00
Mr. S. R. Pandit	—	0.80	2.00
Mr. H. A. Nagpal	—	0.60	2.00

\*Subject to approval of shareholders.



### Gist of Contracts to be executed with Mr. Gautam N. Mehra, Managing Director and Mr. C. V. Alexander, Whole-time Director

The Board of Directors at its meeting held on 30<sup>th</sup> May 2012, re-appointed Mr. Gautam N. Mehra as the Managing Director of the Company for a period from 1<sup>st</sup> October 2012 to 30<sup>th</sup> September 2015 and Mr. C. V. Alexander as the Whole-time Director of the Company for a period from 1<sup>st</sup> October 2012 to 30<sup>th</sup> September 2013 respectively, subject to the approval of the shareholders at the ensuing Annual General Meeting. The terms and conditions and the remuneration payable to Mr. Gautam N. Mehra and 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 (15<sup>th</sup> May 2011, 30<sup>th</sup> July 2011, 5<sup>th</sup> November 2011 and 27<sup>th</sup> January 2012) during the year 2011-12.

#### 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	3

## 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 15<sup>th</sup> May 2011, 30<sup>th</sup> July 2011, 5<sup>th</sup> November 2011 and 27<sup>th</sup> January 2012) during the year 2011-12.

## 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	42	42
2.	Non-receipt of Dividend Warrants	19	19
3.	De-materialisation	15	15
4.	Others	160	160

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 2011-12 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
2010-11	AGM	M. C. Ghia Hall, Mumbai	17.9.2011	11.00 AM
2009-10	AGM	M. C. Ghia Hall, Mumbai	22.7.2010	03.30 PM
2008-09	AGM	M. C. Ghia Hall, Mumbai	05.9.2009	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](http://www.savita.com) as per SEBI guidelines.

## 8. GENERAL SHAREHOLDER INFORMATION

- A. Date of Book closure : 13.8.2012 to 18.8.2012
- B. Date and venue of AGM : 18.8.2012 at 11.00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20, Kaikhushru Dubhash Marg, Mumbai – 400 001
- C. Dividend Payment (Equity) : 150% on Equity shares. Warrants for final dividend will be dispatched before 17.9.2012 if the Dividend is approved at the Annual General Meeting.
- D. Listing on Stock Exchanges in India : Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers, Dalal street, Mumbai – 400 001  
Stock Code: 524667  
  
National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> 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 2012-13
- 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.  
4<sup>th</sup> Floor, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013  
  
Central Depository Services (India) Ltd.  
Phiroze Jeejeebhoy Towers, 20<sup>th</sup> 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 2011-12 are as follows:

Category	Requests received	Requests attended	Shares received	Shares processed and settled
Physical	55	31	8,241	4,853
Dematerialised	106	92	91,35,569	90,50,202

## 11. DISTRIBUTION OF SHAREHOLDINGS AS ON 31<sup>ST</sup> MARCH 2012

No. of Equity Shares held	No. of Share Holders	% of Share Holding	No. of Shares	% of Share Holding
Up to 500	9,188	93.841	10,40,584	7.126
501-1,000	312	3.187	2,37,149	1.624
1,001-2,000	158	1.614	2,30,382	1.578
2,001-3,000	28	0.286	69,251	0.474
3,001-4,000	24	0.245	84,728	0.580
4,001-5,000	9	0.092	39,666	0.272
5,001-10,000	32	0.327	2,27,985	1.562
10,001-Above	40	0.409	1,26,72,338	86.784
<b>Total</b>	<b>9,791</b>	<b>100.000</b>	<b>1,46,02,083</b>	<b>100.000</b>

## 12. CATEGORIES OF SHAREHOLDINGS AS ON 31<sup>ST</sup> MARCH 2012

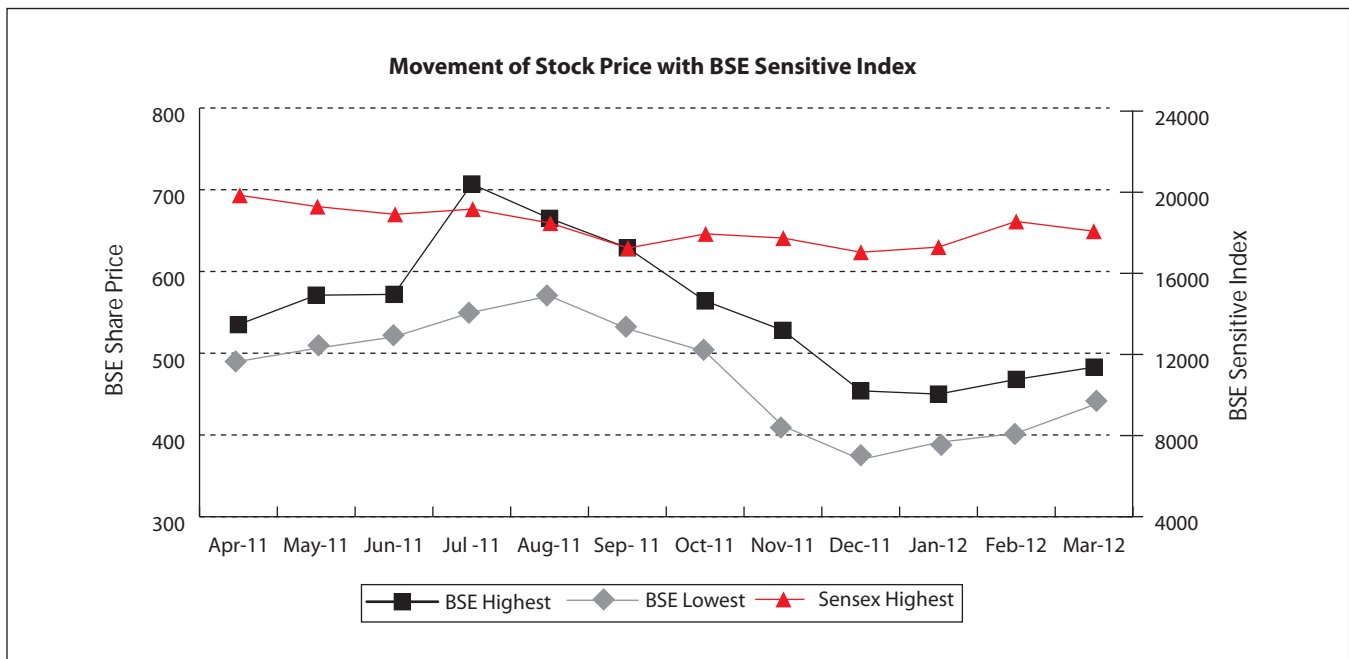
Category	No. of Shareholders	Voting Strength %	No. of Shares held
Overseas Corporate Bodies	-	-	-
Non-resident Individuals			
On non-repatriable basis	46	0.176	25,762
On repatriable basis	174	0.287	41,923
FIs	5	2.787	4,06,880
Promoters, Directors	24	71.562	1,04,49,513
Banks/Mutual Funds/Public Financial Institutions/Trusts/ Other Bodies Corporate	347	11.460	16,73,411
Resident Individuals	9,195	13.728	20,04,594
<b>Total</b>	<b>9,791</b>	<b>100.000</b>	<b>1,46,02,083</b>

## 13. DEMATERIALISATION OF SHARES

The Company's shares are compulsorily traded in dematerialised form as per SEBI guidelines. As on 31<sup>st</sup> March 2012, 1,43,16,683 shares aggregating to 98.05% 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 2011	535	490	557	495	19,811	18,976
May 2011	571	506	567	504	19,253	17,786
June 2011	572	520	574	516	18,873	17,314
July 2011	707	550	707	546	19,131	18,131
August 2011	665	570	670	570	18,440	15,765
September 2011	629	530	639	536	17,211	15,801
October 2011	564	502	556	492	17,908	15,745
November 2011	528	411	527	390	17,702	15,748
December 2011	454	370	450	380	17,003	15,135
January 2012	450	391	474	395	17,258	15,358
February 2012	468	402	469	403	18,523	17,061
March 2012	483	437	478	433	18,040	16,920



#### 15. FINANCIAL CALENDER 2012-13

Financial Reporting for the first quarter ending June 30, 2012 - last week of July, 2012.

Financial Reporting for the second quarter and half year ending September 30, 2012 - last week of October, 2012.

Financial Reporting for the third quarter ending December 31, 2012 - last week of January, 2013.

Financial Reporting for the fourth quarter ending March 31, 2013 - last week of April, 2013.

Audited Accounts for the year ending March 31, 2013 - last week of May, 2013.

Annual General Meeting for the year ending March, 2013 – first/second week of August/September, 2013.

The website of the Company is [www.savita.com](http://www.savita.com)

For and on behalf of the Board

Mumbai  
30<sup>th</sup> May 2012

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

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

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

1. We have reviewed the Balance Sheet and Statement of Profit and Loss along with Notes to the Accounts, Cash Flow Statements and the Directors' Report for the FY 2011-12;
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 31<sup>st</sup> March 2012. These statements and other information presented in the Report are in compliance with the existing accounting standards and applicable laws and regulations as on the closing date;
4. No transactions entered into by the Company during the year are in contravention with the applicable laws and regulations, fraudulent, or in breach of the Company's Code of Conduct;
5. We are responsible for establishing and maintaining controls and procedures on disclosure as well as internal control over financial reporting for the Company, and we have:
  - a) designed such controls and procedures so as to ensure the material information relating to the Company is made available to us by others during the period in which this Report is being prepared;
  - b) designed such internal control over financial reporting with a view to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the Company's disclosure, controls and procedures.
6. All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the current year.

Mumbai  
30<sup>th</sup> May 2012

**S. M. Dixit**  
Group 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 31<sup>st</sup> March 2012 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  
30<sup>th</sup> May 2012

## 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 segment for your Company comprises of 3 product groups; Transformer Oils, Liquid Paraffins / White Oils and Lubricating Oils. Base Oils are the main raw material for all of these product groups which are imported from various parts of the world and are also sourced domestically to some extent. These Base Oils are basically refined fractions derived from Crude Oils.

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

The Lubricant Products market comprises of the Automotive, Industrial and Marine sectors. The general industrial and economic conditions in the country decide the demand for this sector. The automobile sector consisting mainly of personal and commercial transportation and agricultural equipment categories decide the demand for the automotive lubricants. The extent of industrial activity and general economic environment decide the scope for industrial & marine lubricants.

Both domestic and multinational companies compete in the market in the Petroleum Products segment.

#### II. Wind Power:

Power is one of the most critical components of infrastructure affecting economic growth of the nation. During the period 2020-2050, the consumption of fossil fuels is likely to peak and then start to decline. As the availability of fossil fuels reduces and prices increase, other renewable energy options are expected to become more competitive than fossil fuels. With the country's rising needs, the demand for power is growing exponentially thereby making the timely development of this sector imminent. Therefore, renewable energy is expected to play a key role in accelerating development and sustainable growth. Renewable Energy sources are addressing three of the Country's pressing issues; bridging the supply shortages, reducing and lowering carbon emissions and enhancing energy security. Wind power has led this as the dominant renewable technology providing greater independence from fossil fuels and climate change.

Despite many challenges, Indian wind sector experienced a growth of 22% over the preceding year. During this year, India added wind power installed capacity of 3,163 MW taking the cumulative installed capacity to 17,320 MW.

### B. OPPORTUNITIES AND THREATS

#### I. Petroleum Products:

The turmoil in the world economy which started in the last leg of the year 2010-11 continued to carry on in the year 2011-12. India being no exception, the GDP growth which was at 8.5% in the year 2010-11 has significantly reduced due to a number of external and internal economic factors. Continuing high inflation, depreciating rupee and increasing crude oil prices all have contributed heavily towards this cause.

However, all is not lost for the Indian economy. If the Indian government succeeds in restarting its economic reform process and is able to tackle the high fiscal and current account deficits, low industrial growth, volatile foreign exchange scenario, lower capital inflows and high inflationary pressures, the fall in GDP growth can not only be arrested, but also be reversed.

#### II. Wind Power:

The recent launch of the Renewable Energy Certificate (REC) mechanism has provided significant boost for the Wind Power Industry. REC is a market based instrument launched with the aim of promoting investments in renewable energy and facilitating cost-effective compliance with state Renewable Purchase Obligation (RPO) targets, in particular those states that are deficient in renewable energy resources. The domestic wind equipment manufacturing industry is



witnessing an influx of new players along with the expansion of the existing players' portfolio which is offering more competitive choices to buyers. New entrants are set to change the market dynamics and will lead to higher efficiencies, new technologies and lower prices; all this put together will aid the market development.

Though wind energy sector has grown significantly in the recent years, there are some challenges which need to be addressed to sustain and further promote growth in the sector: (a) Procurement of land for development of wind projects is a contentious issue in most of the states which needs to be reviewed in order to streamline land procurement; (b) Availability of road connectivity in certain hilly regions or far flung regions pose a challenge to logistics and transportation; (c) Availability of adequate transmission infrastructure for evacuation of power, apart from the integration of wind energy in the transmission grid thereby improving the transmission infrastructure; (d) Comprehensive study of wind patterns and other climatic factors; (e) Non-availability of windy sites; (f) Open access for sale of power to third parties.

## C. SEGMENT WISE PERFORMANCE

### I. Petroleum Products:

The performance in the Petroleum Products sector was more or less steady with aggregate sales of Transformer Oils, White Oils, Lubricating Oils and other specialties at 2,54,799 KLS/MTs against 2,56,837 KLS/MTs in the previous year, resulting in revenue of ₹2,11,757 lacs against ₹1,72,047 lacs in the previous year. This sector was adversely affected due to the sharp depreciation of the Rupee against the US Dollar, commencing from second half of the year under review.

### II. Wind Power:

Your Company added 5 MW wind power project under REC scheme in its portfolio during the year under review. Four Turbines each having a capacity of 1,250 KW were commissioned in the state of Tamil Nadu. With this, the total installed capacity in Wind Power Division of your Company now stands at 48.15 MW.

During the financial year 2011-12, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated 87.54 million units against 73.10 million units generated in the previous year.

Also during this year, your Company's 8.25 MW Wind Power Projects situated in the states of Maharashtra and Tamil Nadu have been registered with UNFCCC under CDM. This project is expected to generate approximately 15,000 CERs annually for a period of 10 years.

During this year, National Load Dispatch Centre (NLDC), the central nodal agency for the Renewable Energy Certificate (REC) scheme, issued 2,057 RECs to your Company's 3 MW Wind Power Project at Satara, Maharashtra. These RECs were traded on the IEX (Indian Energy Exchange) Power Exchange.

## D. FUTURE OUTLOOK

### I. Petroleum Products:

Though the outlook for the Indian economy at present looks somewhat gloomy in line with the world economies, the future may not be as bleak as it is made out to be. This is because the Indian economy has certain inherent strengths and resilience to withstand these downturns.

The power sector as in the past continues to show growing demand and this should result in increasing demand for Transformer Oil in the year 2012-13. However, the volatile crude oil prices, slowing automotive sector and depreciating rupee could dampen the demand for the Lubricant Products. With slowing down of the economy, the spending of the general masses may not increase much, which in turn may affect the growth potential for Liquid Paraffins and White Oils.

### II. Wind Power:

With huge unexplored wind potential sites in India, the prospects for wind energy sector are promising. As per Centre for Wind Energy Technology, only 30% of the wind energy potential has been exploited. Ministry of New and Renewable Energy (MNRE) is working on the scope and prospects for repowering or replacement of old turbines with best-in-class equipment. Repowering leads to better utilization of wind-rich sites through installation of latest technology.

New technologies and approaches to WRA (Wind Resource Assessment) need to be established for selection of sites. There is also an urgent need to acquire depth along the entire value chain with new manufacturing activity in the component segment, several critical elements of which are currently being imported. Though still in the nascent stages of development, India's coastline offers enormous potential for offshore wind farms.

MNRE is striving to bridge Country's energy deficit by increasing the share of clean, sustainable, new and renewable energy sources. Wind energy continues to be the single largest component of the Renewable Energy portfolio, accounting for nearly 70 per cent of all Green Power. Indian Wind Power is definitely on the growth trajectory and the most promising renewable energy resource.

## **E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company places great emphasis on integrated internal control systems and accountability commensurate with its size and complexity. The Company has a full-fledged independent Internal Audit Department and in addition to this also utilizes the services of a renowned Internal Audit Firm, which carries out extensive audits round the year covering various aspect of the business so as to ensure accuracy, reliability and consistency of records, systems and procedures. The recommendations and observations of the Internal Audit Department and in turn of the Internal Audit Firm are reviewed regularly by the Audit Committee constituted by the Board of Directors.

## **F. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS**

The industrial relations climate in the Company during the year continued to be peaceful and harmonious. The Company emphasises aligning people-capabilities and competencies with current and emerging business challenges. Relations with the employees of your Company at all levels remained cordial and peaceful in the year under review.

For and on behalf of the Board

Mumbai  
30<sup>th</sup> May 2012

**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 31<sup>st</sup> March 2012 and also the Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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 31<sup>st</sup> March 2012, and taken on the record by the Board, none of the Directors of the Company, i.e. **SAVITA OIL TECHNOLOGIES LIMITED**, are prima facie disqualified as on 31<sup>st</sup> March 2012 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 31<sup>st</sup> March 2012;
    - (ii) in the case of the Statement of Profit and Loss, 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

Place : Mumbai  
Dated : 30<sup>th</sup> May 2012

RAJEN ASHAR  
Partner  
Membership No. 48243

## ANNEXURE TO THE AUDITORS' 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 between the physical stocks & book records.
- (iii) The Company has not taken or granted loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence the question of reporting under sub clauses (a) to (g) of the clause 4(iii) of the Order does not arise.
- (iv) In our opinion and according to the information and explanations given to us, the Company has an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of Rupees Five lakhs in respect of each party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public and accordingly the provisions contained in Sections 58A and 58AA of the Act and Rules there under are not applicable to the Company in this regard.
- (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 31<sup>st</sup> March 2012 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 31<sup>st</sup> March 2012. The Company has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

- (xi) We have been informed that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not raised any funds through debentures.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund or a *nidhi* / mutual benefit fund / society. Therefore, the provisions of this clause are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has given a corporate guarantee for a banking facility by 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

Rajen Ashar  
Partner  
Membership No. 48243

Place : Mumbai  
Dated: 30<sup>th</sup> May 2012

## 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	122.81
				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	6.58
				July 2002 to May 2003	12.37
				July 1999 to September 1999	0.74
			June 2003 to December 2003	8.55	
			November 2001 to May 2004	1.08	
			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 November 2008	0.02
				May 2006 to March 2010	4.19
				2008-2009 to 2009-2010	3.93
				May 2010	3.44
Commissioner (Appeals) of Central Excise	24th December 2008	0.67			
	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			
Additional and Joint Commissioner of Central Excise	April 2005 to March 2006	0.08			
	April 2006 to September 2006	17.19			
	July 2008 to April 2009	46.47			
	November 2004 to August 2005	23.05			
	October 2006 to August 2007	30.80			
	September 2005 to March 2006	17.76			
	September 2007 to June 2008	47.37			
	October 2010 to December 2010	10.53			
	May 2010 to September 2010	16.83			
	January 2011 to March 2011	11.76			
Appellate Tribunal	June 2010	6.34			
	October 2010 to April 2011	18.69			
	1999-2002	9.19			
	2008-2009	37.34			
	April 1998 to March 2003	2.50			
	July 2001 to August 2001	42.72			
	July 2000 to March 2002	4.99			
	July 2005 to March 2006	6.44			
	July 2000 to March 2002	106.82			
	July 1999 to March 2002	0.49			
	April 2002 to March 2003	2.26			
	April 2003 to March 2004	1.56			
July 2004 to March 2005	0.10				
April 1999 to March 2002	23.47				
April 1998 to March 2002	260.53				

Sr. No.	Name of the Statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in lacs)
2	Finance Act, 1994	Service Tax	Commissioner of Central Excise	October 2002 to January 2004 2006-2007 to 2010-2011 April 2006 to July 2009 January 2011 to July 2011 September 2006 to December 2010	0.26 20.16 56.95 111.99 760.78
			Joint Commissioner of Central Excise	April 2006 to December 2010 April 2006 to December 2010 April 2006 to December 2006	6.78 38.31 46.70
			Additional Commissioner of Central Excise	October 2008 to February 2011 June 2010 January 2011 to October 2011	17.19 21.47 10.36
			Assistant Commissioner of Central Excise	December 2008 to February 2011 January 2011 to October 2011	1.06 1.11
3	Central Sales Tax Act and Sales Tax Acts of Various States	Sales Tax	Deputy Commissioner and Assistant Commissioner	2003-2004	0.09
			Deputy Commissioner (VAT)	2002-2003 2003-2004 2004-2005	184.61 202.53 207.02
			Additional Deputy Commissioner- Commercial Tax, Bangalore	2000-2001	0.12
			Joint Commissioner	2008-2009 2008-2009	0.44 3.22
			Commercial Tax Officer (AA) Ernakulam	2005-2006	5.54
			Appellate Tribunal Ernakulam	1998-1999	0.50
			Commissioner of VAT Silvassa, Dadara & Nagar Haveli	2005-2006	428.02
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 2003-2004	630.18 111.00
6	Gram Panchayat - Satara	Gram Panchayat Tax	Sarpanch, Gram Panchayat	2008-2009	51.94
7	Electricity Duty & tax on Electricity Sale	Electricity Tax	Electrical Inspector, Pune	October 2001 to March 2006 October 2001 to November 2005 September 2002 to November 2005	8.76 35.35 11.45
8	Talathi Office	Non Agricultural Tax	Talathi, Patvarun	2007-2010	8.15
<b>Total</b>					<b>4,395.80</b>

## BALANCE SHEET AS AT 31st MARCH 2012

	Notes	As at 31.3.2012		As at 31.3.2011	
		₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
<b>EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' Funds</b>					
Share Capital	2	1,460.56		1,460.56	
Reserves and Surplus	3	42,312.74		38,055.34	
Money received against Share Warrants		-	43,773.30	-	39,515.90
<b>2. Share Application Money Pending Allotment</b>					
			-		-
<b>3. Non-current Liabilities</b>					
Long-term Borrowings	4	4,594.63		4,932.53	
Deferred Tax Liability (net)	5	1,844.32		3,497.16	
Other Long-term Liabilities	6	341.31		339.27	
Long-term Provisions	7	-	6,780.26	-	8,768.96
<b>4. Current Liabilities</b>					
Short-term Borrowings	8	-		-	
Trade Payables	9	55,918.92		38,951.35	
Other Current Liabilities	9	9,060.95		5,506.89	
Short-term Provisions	7	3,927.34	68,907.21	4,541.84	49,000.08
<b>TOTAL</b>			<b>1,19,460.77</b>		<b>97,284.94</b>
<b>ASSETS</b>					
<b>1. Non-current Assets</b>					
Fixed Assets					
Tangible Assets	10	20,710.02		19,690.52	
Intangible Assets	10	20.47		31.69	
Capital Work-in-Progress		166.19		506.09	
Non-current Investments	11	615.04		1,697.42	
Long-term Loans and Advances	12	1,318.82		1,222.75	
Trade Receivables	13	314.83		160.64	
Other Non-current Assets	14	32.59	23,177.96	14.82	23,323.93
<b>2. Current Assets</b>					
Current Investments	15	1,662.11		3,209.70	
Inventories	16	43,412.56		29,915.23	
Trade Receivables	13	44,027.83		34,747.63	
Cash and Bank Balances	17	2,911.39		3,046.14	
Short-term Loans and Advances	12	4,268.03		3,035.44	
Other Current Assets	14	0.89	96,282.81	6.87	73,961.01
<b>TOTAL</b>			<b>1,19,460.77</b>		<b>97,284.94</b>

### Significant Accounting Policies

1

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

As per our report of the even date.

For G M Kapadia & Co.  
Chartered Accountants

Rajen Ashar  
Partner

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

S. M. Dixit  
Group Chief Financial Officer

Mumbai,  
30th May 2012

For and on behalf of the Board

G. N. Mehra  
Chairman and  
Managing Director

C. V. Alexander  
Director

N. B. Karpe  
Director

H. A. Nagpal  
Director

S. R. Pandit  
Director



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012

	Notes	Year ended 31.3.2012 ₹ in lacs	Year ended 31.3.2011 ₹ in lacs
<b>INCOME</b>			
Revenue from Operations (gross)	18	2,13,990.38	1,74,147.22
Less: Excise Duty		<u>22,938.08</u>	<u>19,342.19</u>
Revenue from Operations (net)		1,91,052.30	1,54,805.03
Other Income	19	<u>1,084.14</u>	<u>1,643.74</u>
<b>TOTAL REVENUE</b>		<u><u>1,92,136.44</u></u>	<u><u>1,56,448.77</u></u>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	20	1,54,044.20	1,16,362.51
Purchase of Traded Goods	21	2,024.25	2,225.14
(Increase)/Decrease in Inventories	22	(3,280.74)	(1,284.30)
Employee Benefits Expense	23	2,451.89	2,296.06
Other Expenses	24	23,076.16	17,108.22
Depreciation and Amortisation	25	2,520.50	2,529.58
Finance Costs	26	<u>1,274.99</u>	<u>1,173.20</u>
<b>TOTAL EXPENDITURE</b>		<u><u>1,82,111.25</u></u>	<u><u>1,40,410.41</u></u>
<b>Profit for the year before tax</b>		<u>10,025.19</u>	<u>16,038.36</u>
<b>Tax Expenses</b>			
Current Tax		4,875.00	5,075.00
Deferred Tax		<u>(1,652.84)</u>	<u>30.01</u>
<b>Total Tax Expenses</b>		<u><u>3,222.16</u></u>	<u><u>5,105.01</u></u>
<b>Profit for the year from continuing operations</b>		6,803.03	10,933.35
<b>Profit/(Loss) for the year from discontinuing operations</b>		-	-
<b>Profit for the year</b>		6,803.03	10,933.35
<b>Basic and Diluted earnings per share of face value of ₹ 10</b>		46.59	74.88
<b>Significant Accounting Policies</b>	1		

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

As per our report of the even date.

For G M Kapadia & Co.  
Chartered Accountants

Rajen Ashar  
Partner

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

S. M. Dixit  
Group Chief Financial Officer

Mumbai,  
30th May 2012

For and on behalf of the Board

G. N. Mehra      Chairman and  
Managing Director

C. V. Alexander      Director

N. B. Karpe      Director

H. A. Nagpal      Director

S. R. Pandit      Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items from continuing operations	10,025.19	16,038.36
Adjustments for –		
Depreciation on tangible assets	2,506.40	2,516.54
Amortisation on intangible assets	14.10	13.04
Finance Costs	1,274.99	1,173.20
(Profit) / loss on sale of tangible fixed assets (net)	3.86	(3.37)
Profit on sale of non-current investments (net)	(7.44)	(40.37)
Profit on sale of current investments (net)	(262.44)	(378.71)
Diminution in the value of non-current investments	–	48.79
Diminution in the value of current investments	1.38	–
Interest income	(180.01)	(54.93)
Dividend received	(64.79)	(109.43)
Doubtful and bad debts	163.24	373.67
Provisions no longer required	(2.11)	(135.38)
Unrealised exchange loss / (gain) (net)	(51.31)	(253.99)
Operating profit before working capital changes	13,421.06	19,187.42
Changes in Working capital:		
Increase / (Decrease) in trade payables	17,015.28	8,220.34
Increase / (Decrease) in short-term provisions	(46.98)	1.39
Increase / (Decrease) in other long-term liabilities	2.04	9.31
Increase / (Decrease) in other current liabilities	3,228.92	(819.70)
(Increase) / Decrease in trade receivables	(9,533.03)	(7,599.23)
(Increase) / Decrease in inventories	(13,497.33)	(6,980.89)
(Increase) / Decrease in long-term loans and advances	(99.57)	(494.90)
(Increase) / Decrease in short-term loans and advances	(1,232.59)	1,454.64
(Increase) / Decrease in other non-current assets	(17.77)	13.73
(Increase) / Decrease in other current assets	5.98	4.89
Cash generated from operations	9,246.01	12,997.00
Interest received	53.47	48.67
Income tax paid	(5,070.77)	(5,287.15)
<b>Net cash from operating activities</b>	<b>4,228.71</b>	<b>7,758.52</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Additions to tangible assets and CWIP	(3,193.92)	(3,859.26)
Additions to intangible assets	(2.88)	(6.20)
Sale of tangible assets	4.06	15.72
Sale of intangible assets	–	–
Purchase of non-current investments	(20.13)	(453.88)
Purchase of current investments	(70,008.44)	(55,014.87)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012 (Contd.)**

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
Sale of non-current investments	1,109.95	479.28
Sale of current investments	71,817.09	55,066.87
Interest received	126.54	6.26
Dividend received	71.33	112.61
<b>Net cash used in investing activities</b>	<b>(96.40)</b>	<b>(3,653.47)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from long-term Borrowings	1,925.25	1,335.00
Repayment of long-term Borrowings	(2,005.97)	(507.29)
Repayment of short-term Borrowings	-	(482.90)
Interest paid	(1,278.14)	(1,145.54)
Dividend paid	(2,908.20)	(2,182.39)
<b>Net cash used in financing activities</b>	<b>(4,267.06)</b>	<b>(2,983.12)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(134.75)</b>	<b>1,121.93</b>
<b>CASH AND CASH EQUIVALENTS - beginning of the year</b>	<b>3,046.14</b>	<b>1,924.21</b>
<b>CASH AND CASH EQUIVALENTS - end of the year</b>	<b>2,911.39</b>	<b>3,046.14</b>
<b>NET CASH AND CASH EQUIVALENTS</b>	<b>134.75</b>	<b>(1,121.93)</b>

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

As per our report of the even date.

For G M Kapadia & Co.  
Chartered Accountants

Rajen Ashar  
Partner

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

S. M. Dixit  
Group Chief Financial Officer

Mumbai,  
30th May 2012

For and on behalf of the Board

G. N. Mehra      Chairman and  
Managing Director

C. V. Alexander      Director

N. B. Karpe      Director

H. A. Nagpal      Director

S. R. Pandit      Director

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

### 1. Significant Accounting Policies:

#### (a) Basis of Accounting:

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

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

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

#### (c) Use of Estimates:

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

#### (d) Fixed Assets, Depreciation and Amortisation: (Refer Note 10)

- i) Fixed Assets are shown at cost (net of Cenvat and Value Added Tax set off) or at revalued amount less accumulated depreciation.
- ii)
  - a) Leasehold land is amortised over the residual lease period.
  - 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.

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

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

#### (f) Impairment of Assets:

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

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

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

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

(i) Recognition of Income and Expenditure:

- i) Income and expenditure are accounted on accrual basis. Income in respect of insurance / other claims, interest, commission, etc. is recognised when it is reasonably certain that the ultimate collection will be made.
- ii) Domestic sales are accounted on dispatch of goods to customers. Export sales are accounted on the basis of date of bill of lading. Gross Sales include excise duty but exclude Value Added Tax/ Central Sales Tax and are net of trade discounts.
- iii) Incentives for renewable energy generation are recognised as income on sale of such incentives.
- iv) Purchases are net of Value Added Tax set off and cenvat wherever applicable, but include inward freight. Import purchases are accounted on the basis of date of bill of lading.

(j) Expenditure on Research and Development:

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

(k) Foreign Currency Transactions:

- i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of transaction.
- ii) Monetary assets and liabilities are translated at year end rate of exchange.
- iii) In case of forward contracts, the difference between the rate at which the transactions are accounted and the contracted rate is spread over the life of the contract.
- iv) The difference on account of fluctuation in the rate of exchange is dealt with in the Statement of Profit and Loss.

(l) Employee benefits:

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

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

(m) Leases:

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

(n) Taxation:

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

(o) Segment Reporting:

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

(p) Earnings Per Share:

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

(q) Provisions:

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	As at 31.3.2012 ₹ in lacs	As at 31.3.2011 ₹ in lacs
<b>2. Share Capital</b>		
<b>Authorised shares</b>		
3,00,00,000 (Previous year 3,00,00,000) Equity shares of ₹ 10 each	3,000.00	3,000.00
<b>Issued shares</b>		
(1,46,09,183 (Previous year 1,46,09,183) Equity shares of ₹ 10 each	1,460.92	1,460.92
<b>Subscribed and fully paid-up shares</b>		
1,46,02,083 (Previous year 1,46,02,083) Equity shares of ₹ 10 each	1,460.21	1,460.21
<b>Forfeited shares</b>		
7,100 (Previous year 7,100) Forfeited Shares	0.35	0.35
<b>Total</b>	<b>1,460.56</b>	<b>1,460.56</b>

### a) Reconciliation of number of shares

	As at 31.3.2012		As at 31.3.2011	
	Nos.	₹ in lacs	Nos.	₹ in lacs
At the beginning of the period	1,46,02,083	1,460.21	1,46,02,083	1,460.21
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,46,02,083</b>	<b>1,460.21</b>	<b>1,46,02,083</b>	<b>1,460.21</b>

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

The Company has only one class of equity shares having par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. There are no restrictions on the distribution of dividends or repayment of capital. The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at 31.3.2012		As at 31.3.2011	
	Nos.	% of holding	Nos.	% of holding
Gautam N.Mehra	88,86,743	60.86	88,84,892	60.85
HDFC Trustees Company Ltd.	13,29,732	9.11	13,29,732	9.11

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

### d) Forfeited equity shares

	As at 31.3.2012 ₹ in lacs	As at 31.3.2011 ₹ in lacs
No of Share forfeited	7,100	7,100
Amount of share capital forfeited ( ₹ in lacs)	0.35	0.35
Amount of share premium forfeited ( ₹ in lacs)	2.49	2.49

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	As at 31.3.2012 ₹ in lacs	As at 31.3.2011 ₹ in lacs
<b>3. Reserves and Surplus</b>		
<b>Capital Reserve</b>		
As per last financial statements	118.87	118.87
<b>Security Premium Account</b>		
As per last financial statements	1,723.60	1,723.60
<b>General Reserve</b>		
As per last financial statements	10,725.00	9,625.00
Add: Transfer from surplus in the Statement of Profit and Loss	690.00	1,100.00
	<u>11,415.00</u>	<u>10,725.00</u>
<b>Surplus in the Statement of Profit and Loss</b>		
As per last financial statements	25,487.87	19,048.70
Add: Profit for the year	6,803.03	10,933.35
	<u>32,290.90</u>	<u>29,982.05</u>
Less: Appropriations		
Proposed Dividend	2,190.31	2,920.42
Tax on Dividend	355.32	473.76
Transfer to General Reserve	690.00	1,100.00
Total Appropriations	<u>3,235.63</u>	<u>4,494.18</u>
<b>Net Surplus in the Statement of Profit and Loss</b>	<u>29,055.27</u>	<u>25,487.87</u>
<b>Total Reserves and Surplus</b>	<u>42,312.74</u>	<u>38,055.34</u>

### 4. Long-term Borrowings

	Non-current		Current maturities	
	As at 31.3.2012 ₹ in lacs	As at 31.3.2011 ₹ in lacs	As at 31.3.2012 ₹ in lacs	As at 31.3.2011 ₹ in lacs
<b>Term Loans from Banks - Secured</b>				
Indian Rupee Loan *	-	-	-	117.50
Foreign Currency Loans **	3,104.17	3,347.20	2,206.06	1,826.12
<b>Total Secured Loans</b>	<u>3,104.17</u>	<u>3,347.20</u>	<u>2,206.06</u>	<u>1,943.62</u>
<b>Deferred Payment Liability - Unsecured</b>				
Sales Tax Deferment ***	1,490.46	1,585.33	94.86	39.12
<b>Total</b>	<u>4,594.63</u>	<u>4,932.53</u>	<u>2,300.92</u>	<u>1,982.74</u>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

Details of Secured Loans and Securities	Date of loan	Tenure of loan	No. of instalments (post moratorium)
<b>* Indian Rupee Loan</b>			
₹ Nil (Previous year ₹ 117.50 lacs) secured by exclusive hypothecation of Wind Power Plants at Bhirenwadi, District Sangli, Maharashtra was fully repaid during 2011-2012.	22.12.2006	4 years	16 quarterly
<b>** Foreign Currency Loans</b>			
i) ₹ Nil (Previous year ₹ 272.59 lacs) secured by exclusive hypothecation of Wind Power Plants at a) Gudhe Panchagani, District Sangli, Maharashtra and b) Panchapatta, District Ahmednagar, Maharashtra. This loan was fully repaid in 2011-2012	26.2.2007	5 years	18 quarterly
	14.3.2007	5 years	18 quarterly
ii) ₹ 969.02 lacs (Previous year ₹ 1,823.05 lacs) secured by exclusive hypothecation of Wind Power Plants at a) Rangapura Kavalu, b) Aidahalli Kavalu and c) Nayanakere Kavalu village, District Hassan, Karnataka.	27.1.2009	4 years	4 half yearly
iii) ₹ 1,176.31 lacs (Previous year ₹ 1,742.68 lacs) secured by exclusive hypothecation of Wind Power Plants at a) Thadicherry village and b) Koduvilarpatti village, District Theni, Tamilnadu.	5.3.2010	3 years	3 annual
iv) ₹ 1,239.64 lacs (Previous year ₹ 1,335.00 lacs) secured by exclusive hypothecation of Wind Power Plants at Sadawaghapur, District Satara, Maharashtra.	6.4.2010	5 years	14 quarterly
v) ₹ 1,925.25 lacs (Previous year ₹ Nil) secured by exclusive hypothecation of Wind Power Plants at a) Panapatti, District Tirupur and b) Mutiampatti, District Coimbtore, Tamilnadu	25.8.2011	5 years	8 half yearly

### \*\*\* Details of Deferred Payment Liability

Deferred payment liabilities amounting to ₹ 1,585.32 lacs (Previous year ₹ 1,624.45 lacs) are interest free sales tax deferrals repayable in 5 equal instalments after 10 years from the respective year of availment.

Year of deferral	Deferral Amount ₹ in lacs
2000-2001	154.76
2001-2002	280.40
2002-2003	278.69
2003-2004	224.03
2004-2005	195.15
2005-2006	262.61
2006-2007	127.18
2007-2008	62.50
Total	1,585.32

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	As at 31.3.2012 ₹ in lacs		As at 31.3.2011 ₹ in lacs	
<b>5. Deferred Tax Liability (net)</b>				
Deferred Tax liability				
Depreciation		4,403.65		4,164.57
<b>Deferred Tax Assets</b>				
Provision for doubtful debts		561.83		515.77
Expenses allowable on payments basis		164.27		151.64
Consideration received in advance (Refer Note 27)		1,833.23		-
		<u>2,559.33</u>		<u>667.41</u>
<b>Net Deferred Tax liability</b>		<u>1,844.32</u>		<u>3,497.16</u>
<b>6. Other Long-term Liabilities</b>				
Security deposits from vendors		341.31		339.27
		<u>341.31</u>		<u>339.27</u>
<b>7. Provisions</b>				
	Long-term provisions		Short-term provisions	
	As at		As at	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
<b>Provisions in respect of employee benefits</b>				
Provision for leave encashment	-	-	441.94	392.13
Provision for gratuity (Refer Note 36)	-	-	39.15	135.94
	-	-	<u>481.09</u>	<u>528.07</u>
<b>Other Provisions</b>				
Provision for taxation (net of income tax paid)	-	-	900.62	619.59
Proposed dividend	-	-	2,190.31	2,920.42
Provision for tax on proposed dividend	-	-	355.32	473.76
	-	-	<u>3,446.25</u>	<u>4,013.77</u>
	-	-	<u>3,927.34</u>	<u>4,541.84</u>
<b>8. Short-term Borrowings (Secured)</b>				
<b>Loans Repayable on Demand</b>				
Cash Credits from banks			-	-
Secured by charge on fixed assets (except fixed assets of Wind Power Segment) and hypothecation of inventories and receivables. Cash credits are repayable on demand.				
			<u>-</u>	<u>-</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	As at 31.3.2012 ₹ in lacs	As at 31.3.2011 ₹ in lacs
<b>9. Current Liabilities</b>		
Trade payables (Refer Note 31 for details of dues to micro and small enterprises)	55,918.92	38,951.35
<b>Other Current Liabilities</b>		
Current maturities of long-term borrowings (Refer Note 4)	2,300.92	1,982.74
Interest accrued but not due on borrowings	60.78	63.93
Unpaid dividends	74.51	62.29
Income tax deducted at source	281.40	228.85
Duties and taxes	1,872.28	1,572.88
Consideration received in advance (Refer Note 27)	3,273.06	–
Advances from customers	330.84	218.18
Sundry Creditors for capital goods	–	566.87
Liabilities for expenses	867.16	811.15
	<b>9,060.95</b>	<b>5,506.89</b>

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

₹ in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK	
	As at 1.4.2011	Additions during the year	Deductions during the year	As at 31.3.2012	As at 1.4.2011	For the year	Deductions during the year	As at 31.3.2012	As at 31.3.2012	As at 31.3.2011
<b>Tangible Assets</b>										
Freehold Land	955.25	69.28	–	1,024.53	–	–	–	–	1,024.53	955.25
Leasehold Land (Note a)	401.42	–	–	401.42	61.34	9.41	–	70.75	330.67	340.08
Buildings (Note b)	4,721.25	198.48	–	4,919.73	824.44	214.55	–	1,038.99	3,880.74	3,896.81
Wind Power Plants	22,277.92	2,544.84	–	24,822.76	9,612.89	1,940.15	–	11,553.04	13,269.72	12,665.03
Plant & Equipment	4,146.34	654.49	23.12	4,777.71	2,627.50	259.87	16.53	2,870.84	1,906.87	1,518.84
Furniture and Fixtures	192.39	15.90	0.03	208.26	94.43	19.84	0.03	114.24	94.02	97.96
Office Equipments	411.09	40.39	2.09	449.39	287.47	36.45	1.34	322.58	126.81	123.62
Vehicles	168.94	10.44	7.21	172.17	76.01	26.13	6.63	95.51	76.66	92.93
Total	33,274.60	3,533.82	32.45	36,775.97	13,584.08	2,506.40	24.53	16,065.95	20,710.02	19,690.52
Previous year	29,686.83	3,644.89	57.12	33,274.60	11,112.31	2,516.54	44.77	13,584.08		
<b>Intangible Assets</b>										
Software Licences	80.31	2.88	–	83.19	48.62	14.10	–	62.72	20.47	31.69
Total	80.31	2.88	–	83.19	48.62	14.10	–	62.72	20.47	31.69
Previous Year	74.11	6.20	–	80.31	35.58	13.04	–	48.62		
Grand Total	33,354.91	3,536.70	32.45	36,859.16	13,632.70	2,520.50	24.53	16,128.67	20,730.49	19,722.21
Previous Year	29,760.94	3,651.09	57.12	33,354.91	11,147.89	2,529.58	44.77	13,632.70		

- a) Lease deeds in respect of Leasehold Land amounting to ₹ 219 lacs (Previous year ₹ 219 lacs) have not yet been executed.
- b) Buildings include cost of shares amounting to ₹ 0.04 lac (Previous year ₹ 0.04 lac) in a co-operative housing society.
- c) Additions during the year include capital expenditure amounting to ₹ 30.03 lacs (Previous year ₹ 38.67 lacs) towards Research and Development.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	Face Value ₹	As at 31.3.2012 Quantity Nos.	As at 31.3.2011 Quantity Nos.	As at 31.3.2012 ₹ in lacs	As at 31.3.2011 ₹ in lacs
<b>11. Non-Current Investments</b>					
<b>(Non-trade, fully paid up) (Refer Note 1 (g))</b>					
<b>A. Investment in equity instruments</b>					
<b>Quoted</b>					
Adani Ports & Special Economic Zone Ltd	2	7,430	7,430	6.54	6.54
Central Bank of India	10	11,095	6,095	11.36	6.22
Edelweiss Financial Services Ltd	1	3,850	3,850	3.18	3.18
Global Offshore Services Ltd	10	16,950	16,950	5.08	5.08
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
				<b>42.89</b>	<b>37.75</b>
<b>Unquoted</b>					
Kavini Ispat Limited	10	1,06,100	1,06,100	-	-
[at cost less provision for other than temporary diminution in value ₹ 48.79 lacs (Previous year ₹ 48.79 lacs)]					
Savita Petro-Additives Limited (Refer Note 37)	10	40	40	0.01	0.01
Savita Polymers Limited (Refer Note 37)	10	10,000	10,000	1.00	1.00
				<b>1.01</b>	<b>1.01</b>
<b>B. Investment in Government Securities (unquoted)</b>					
National Savings Certificates (Deposited with Government departments as security)	1,000	7	7	0.07	0.07
				<b>0.07</b>	<b>0.07</b>
<b>C. Investment in Mutual Funds</b>					
<b>Quoted</b>					
Motilal Oswal Most Shares Nasdaq - 100 ETF	10	48,432	48,432	50.00	50.00
				<b>50.00</b>	<b>50.00</b>
<b>Unquoted</b>					
AIG India Equity Fund Regular Dividend	10	-	4,13,770	-	50.00
Axis Equity Fund - Dividend Option Payout	10	-	5,00,000	-	50.00
Birla Sun Life Midcap Fund - Plan - Dividend - Payout	10	-	1,84,706	-	50.00
Canara Robeco FORCE Retail Dividend Fund	10	-	1,50,000	-	15.00
DSP BlackRock India T.I.G.E.R Fund - Regular Plan - Dividend	10	-	6,04,289	-	110.94
DSP BlackRock Opportunities Fund - Regular Plan - Dividend	10	-	4,17,937	-	110.93
DWS Alpha Equity Fund - Dividend Plan - Payout	10	-	7,68,095	-	80.65
FT India Dynamic PE Ratio Fund of Funds - Growth	10	-	4,08,945	-	145.00
HDFC Equity Fund - Dividend - Option: Payout	10	1,12,946	1,12,946	50.00	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	-	50.00
Kotak Balance	10	-	6,45,343	-	125.00
Kotak Midcap - Dividend	10	-	3,13,617	-	50.00
L&T Midcap Fund Dividend	10	-	2,50,000	-	25.00
Mirae Asset China Advantage Fund - Regular Plan Growth	10	-	5,00,000	-	50.00
Mirae Asset Global Commodity Stocks Fund - Regular Growth Plan	10	-	8,80,786	-	100.00
Mirae Asset India - China Consumption Fund - Regular Growth	10	2,50,000	2,50,000	25.00	25.00
Morgan Stanley A.C.E. Fund - Dividend Plan	10	9,17,719	9,17,719	125.97	125.97
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
				<b>521.07</b>	<b>1,608.59</b>
				<b>615.04</b>	<b>1,697.42</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	As at 31.3.2012 ₹ in lacs	As at 31.3.2011 ₹ in lacs
Aggregate amount of Quoted Investments	92.89	87.75
Market value ₹ 123.68 lacs (Previous year ₹ 114.05 lacs)		
Aggregate amount of Unquoted Investments	522.15	1,609.67
Aggregate Provision for diminution in value of investments	48.79	48.79

	Non-current As at		Current As at	
	31.3.2012 ₹ in lacs	31.3.2011 ₹ in lacs	31.3.2012 ₹ in lacs	31.3.2011 ₹ in lacs
<b>12. Loans and advances</b>				
Unsecured, considered good				
Capital Advances	102.95	101.00	42.78	60.36
Security Deposits	495.05	489.11	108.50	100.23
Income tax (net of provisions)	370.26	367.22	-	-
Cenvat balances	-	-	2,389.65	1,838.36
Advances to vendors	-	-	519.77	466.12
Duties and taxes refundable	274.63	227.23	765.17	251.81
Other loans and advances	75.93	38.19	442.16	318.56
<b>Total</b>	<b>1,318.82</b>	<b>1,222.75</b>	<b>4,268.03</b>	<b>3,035.44</b>
<b>13. Trade Receivables and other assets</b>				
<b>Trade Receivables - Unsecured</b>				
<b>Outstanding for a period exceeding six months</b>				
Considered good	314.83	160.94	1,362.10	423.77
Considered doubtful	1,727.81	1,582.55	-	-
	<b>2,042.64</b>	<b>1,743.49</b>	<b>1,362.10</b>	<b>423.77</b>
Less: provision for bad and doubtful debts	1,727.81	1,582.85	-	-
<b>Total (A)</b>	<b>314.83</b>	<b>160.64</b>	<b>1,362.10</b>	<b>423.77</b>
<b>Others</b>				
Considered good	-	-	42,665.73	34,323.86
Considered doubtful	3.82	6.83	-	-
	<b>3.82</b>	<b>6.83</b>	<b>42,665.73</b>	<b>34,323.86</b>
Less: provision for bad and doubtful debts	3.82	6.83	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>	<b>42,665.73</b>	<b>34,323.86</b>
<b>Total (A) + (B)</b>	<b>314.83</b>	<b>160.64</b>	<b>44,027.83</b>	<b>34,747.63</b>
<b>14. Other Assets</b>				
Unsecured, considered good				
Non-current bank balances (Refer Note 17)	32.59	14.82	-	-
Interest accrued on fixed deposits / Other investments	-	-	0.89	0.33
Dividend receivable	-	-	-	6.54
	<b>32.59</b>	<b>14.82</b>	<b>0.89</b>	<b>6.87</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	Face Value ₹	As at 31.3.2012 Quantity Nos.	As at 31.3.2011 Quantity Nos.	As at 31.3.2012 ₹ in lacs	As at 31.3.2011 ₹ in lacs
<b>15. Current Investments (Non-trade, fully paid up)</b> (Refer Note 1 (g) )					
<b>Unquoted Mutual Funds</b>					
ICICI Prudential Income Opportunities Fund Retail Growth [at cost less provision for temporary diminution in value ₹ 1.38 lacs (Previous year ₹ Nil)]	10	13,81,111	-	198.62	-
DWS Insta Cash Plus Fund - Regular Plan Bonus Option - Bonus	10	-	7,09,238	-	69.70
Kotak Bond (Short Term) - Growth	10	-	16,32,147	-	300.00
Kotak Credit Opp. Fund - Growth	10	-	20,00,000	-	200.00
Motilal Oswal MOST 10 year Gilt Fund - Growth	10	7,50,000	-	75.00	-
Morgan Stanley Short Term Bond Fund - Regular Growth	10	-	1,22,45,939	-	1,350.00
Pramerica Dynamic Bond Fund - Growth Option	1,000	19,854	-	200.00	-
Pramerica Short Term Income Fund - Growth Option	1,000	9,703	10,000	98.49	100.00
SBI - Magnum Insta Cash Fund - Cash Option	1,000	16,848	50,56,830	400.00	1,100.00
Templeton India Low Duration Fund - Growth	10	64,69,471	-	690.00	-
Templeton India Short Term Income Plan Growth - Growth	1,000	-	4,713	-	90.00
				<b>1,662.11</b>	<b>3,209.70</b>
Aggregate amount of Unquoted Investments				<b>1,662.11</b>	<b>3,209.70</b>
Aggregate Provision for diminution in value of investments				<b>1.38</b>	<b>-</b>
<b>16. Inventories</b> (Refer Note 1 (h))				<b>As at 31.3.2012 ₹ in lacs</b>	<b>As at 31.3.2011 ₹ in lacs</b>
Raw and Packing Material (Includes in transit ₹ 12,532.60 lacs (Previous year ₹ 5,466.99 lacs))				<b>31,893.91</b>	<b>21,660.72</b>
Work-in-Process				<b>383.56</b>	<b>495.75</b>
Finished Goods (Includes in transit ₹ 105.04 lacs (Previous year ₹ 68.68 lacs))				<b>10,651.02</b>	<b>7,283.02</b>
Traded Goods				<b>381.35</b>	<b>356.42</b>
Stores and Spares				<b>102.72</b>	<b>119.32</b>
				<b>43,412.56</b>	<b>29,915.23</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	Non-current As at		Current As at	
	31.3.2012 ₹ in lacs	31.3.2011 ₹ in lacs	31.3.2012 ₹ in lacs	31.3.2011 ₹ in lacs
<b>17. Cash and Bank Balances</b>				
<b>Cash and Cash Equivalents</b>				
Balances with banks				
On Current accounts			2,675.20	2,951.29
Deposit accounts with less than 3 months maturity			115.50	-
Cash on hand			9.91	12.09
			<u>2,800.61</u>	<u>2,963.38</u>
Other bank balances				
Margin money deposits	32.59	14.82	36.27	20.47
Unpaid Dividend accounts	-	-	74.51	62.29
	<u>32.59</u>	<u>14.82</u>	<u>110.78</u>	<u>82.76</u>
Amount disclosed under non-current assets (Refer Note 14)	<u>(32.59)</u>	<u>(14.82)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>2,911.39</u>	<u>3,046.14</u>
<b>18. Revenue from Operations</b>			2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
Sale of products				
Finished and traded products			2,11,757.49	1,72,046.96
Other operating revenue				
Processing income			24.20	24.05
Export incentives			1,896.27	2,050.53
Compensation for wind power generation loss			69.74	-
Incentives for renewable energy generation			242.68	25.68
Revenue from Operations (gross)			<u>2,13,990.38</u>	<u>1,74,147.22</u>
Less:Excise duty			<u>22,938.08</u>	<u>19,342.19</u>
Revenue from Operations (net)			<u>1,91,052.30</u>	<u>1,54,805.03</u>
<b>Details of sale of products</b>				
Transformer Oils / Liquid Paraffins and White Oils / Lubricating Oils /				
Greases and Other Specialities			2,08,041.70	1,68,585.31
Base Oils			447.07	820.08
Electricity (Wind Power)			3,161.39	2,527.36
Others			107.33	114.21
			<u>2,11,757.49</u>	<u>1,72,046.96</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
<b>19. Other Income</b>		
Interest income - current	180.00	54.92
Dividend income		
Current investments	–	0.49
Long-term investments	64.79	108.94
Net gain on sale of investments		
Current	262.44	378.71
Long-term	7.44	40.37
Net gain on foreign exchange fluctuation	–	517.03
Profit on sale of fixed assets (net)	–	3.37
Other non-operating income	569.47	539.91
	<u>1,084.14</u>	<u>1,643.74</u>
<b>20. Cost of Materials Consumed</b>		
Base oils	1,37,010.55	1,01,216.09
Process chemicals / solvents	8,830.74	7,532.47
Packing materials	7,825.24	7,511.28
Others	377.67	102.67
	<u>1,54,044.20</u>	<u>1,16,362.51</u>
<b>21. Purchase of Traded Goods</b>		
Base oils	365.64	714.71
Lubricating oils / Greases	1,612.15	1,475.01
Others	46.46	35.42
	<u>2,024.25</u>	<u>2,225.14</u>
<b>22. (Increase) / Decrease in Inventories (Refer Note 1 (h))</b>		
<b>Inventories at the end of the year</b>		
Finished Goods	10,651.02	7,283.02
Work-in-Process	383.56	495.75
Traded Goods	381.35	356.42
	<u>11,415.93</u>	<u>8,135.19</u>
<b>Inventories at the beginning of the year</b>		
Finished Goods	7,283.02	5,693.96
Work-in-Process	495.75	717.80
Traded Goods	356.42	439.13
	<u>8,135.19</u>	<u>6,850.89</u>
	<u>(3,280.74)</u>	<u>(1,284.30)</u>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
<b>23. Employee Benefits Expense (Refer Note 36)</b>		
Salaries, Wages and Bonus	2,198.75	1,964.51
Contribution to employees' provident and other funds	170.66	258.38
Staff Welfare Expenses	82.48	73.17
	<u>2,451.89</u>	<u>2,296.06</u>
<b>24. Other Expenses</b>		
Stores and spares consumed	155.26	93.57
Fuel and power	196.53	165.92
Rent	812.18	804.35
Freight	3,048.22	2,879.43
Rates, taxes and octroi	171.71	62.23
Insurance	232.08	174.96
Commission on sales	1,063.52	1,085.97
Donations	30.65	59.69
Repairs and maintenance:		
Buildings	25.39	39.48
Plant and Machinery	435.45	409.63
Others	59.73	56.80
Discounts	1,363.65	1,456.26
Royalty	7,353.57	6,542.54
Advertisement and sales promotion	1,232.82	1,505.78
Loss on sale of fixed assets (net)	3.86	-
Loss on foreign exchange fluctuation (net)	5,040.02	-
Bad debts	21.29	106.87
Provision for diminution in value of investments	1.38	48.79
Provision for doubtful debts (net)	141.94	266.80
Excise duty	133.71	35.89
Miscellaneous expenses	1,553.20	1,313.26
	<u>23,076.16</u>	<u>17,108.22</u>
<b>Payment to auditors</b>		
a) Audit fees	9.00	9.00
b) Tax Audit Fees	2.00	2.00
c) VAT Audit Fees	-	2.00
d) Certification	1.83	0.54
e) Out of pocket expenses	-	0.14
<b>25. Depreciation / Amortisation (Refer Note 1 (d) and 10)</b>		
Depreciation on tangible assets	2,506.40	2,516.54
Amortisation of intangible assets	14.10	13.04
	<u>2,520.50</u>	<u>2,529.58</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

			<b>2011-2012</b>		<b>2010-2011</b>
			<b>₹ in lacs</b>		<b>₹ in lacs</b>
<b>26. Finance costs (Refer Note 1 (e))</b>					
Interest			725.11		689.32
Other borrowing costs and bank charges			549.88		483.88
			<u>1,274.99</u>		<u>1,173.20</u>
<b>27. In November 2006, the Company had entered into a Technical Collaboration Agreement for manufacturing and marketing of Idemitsu Products (Agreement) with Idemitsu Lube India Pvt. Ltd. (ILI). The said Agreement was valid for a period of 10 years, i.e., up to 31st October, 2016. In October 2011, ILI served 180 days advance notice to terminate the Agreement and suo-moto computed and remitted consideration amounting to ₹ 3,273.06 lacs. As at the Balance Sheet date, pending completion of the notice period and termination process, the advance consideration received has been disclosed as "Consideration received in advance" under Other Current Liabilities (Refer Note 9).</b>					
			<b>2011-2012</b>		<b>2010-2011</b>
			<b>₹ in lacs</b>		<b>₹ in lacs</b>
<b>28. Value of Imports on CIF basis</b>					
Raw Materials			1,30,405.63		90,673.70
Capital goods			42.32		31.20
			<u>1,30,447.95</u>		<u>90,704.90</u>
			<b>2011-2012</b>		<b>2010-2011</b>
			<b>₹ in lacs</b>		<b>₹ in lacs</b>
			<b>%</b>		<b>%</b>
<b>29. Value of imported and indigenous materials consumed</b>					
a) Raw Materials					
Imported	1,29,944.23	89	97,042.00	89	
Indigenous	16,274.73	11	11,809.23	11	
	<u>1,46,218.96</u>	<u>100</u>	<u>1,08,851.23</u>	<u>100</u>	
b) Packing Materials - Indigenous	<u>7,825.24</u>	<u>100.00</u>	<u>7,511.28</u>	<u>100.00</u>	
c) Spare parts and components - Indigenous	<u>155.25</u>	<u>100.00</u>	<u>93.57</u>	<u>100.00</u>	
<b>30. Earnings and Expenditure in foreign currency</b>					
<b>Earnings</b>					
Export Sales (FOB value)			31,188.05		21,030.17
Freight and insurance			966.17		873.06
			<u>32,154.22</u>		<u>21,903.23</u>
<b>Expenditure</b>					
Travelling			16.12		9.94
Commission			217.04		303.72
Interest and bank charges			572.90		540.37
Others			31.31		42.56
			<u>837.37</u>		<u>896.59</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	As at 31.3.2012 ₹ in lacs	As at 31.3.2011 ₹ in lacs
<b>31. Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company) (Refer Note 9)</b>		
a) Principal amount due and outstanding	-	-
b) Interest due on (a) above and unpaid	-	-
c) Interest paid to the suppliers	-	-
d) Payments made to the suppliers beyond the appointed day during the year	-	-
e) Interest due and payable for the period of delay	-	-
f) Interest accrued and remaining unpaid	-	-
g) Amount of further interest remaining due and payable in succeeding year	-	-
<b>32. Contingent Liabilities not provided for</b>		
a) Letters of Credit	2,269.47	6,264.56
b) Guarantees/Bonds	1,951.87	1,792.97
c) Corporate guarantee *	4,800.00	2,400.00
d) Disputed demands		
i) Excise and Customs	2,506.88	1,592.54
ii) Sales Tax	1,032.09	600.41
iii) Income Tax	741.18	637.11
iv) Others	115.65	51.94

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

### 33. Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 1,292.21 lacs (Previous year ₹ 1,397.73 lacs).
- The Company has set up wind power projects in the states of Maharashtra, Karnataka and Tamilnadu. The Company has entered into agreements for sale of power exclusively to the state utility companies in the respective states, for periods varying from 13 to 20 years.

### 34. Leases

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

- The lease Expenditure/Income recognised in the Statement of Profit and Loss :  
Expenditure ₹ 804.12 lacs (Previous year ₹ 791.51 lacs) (Refer Note 24)  
Income ₹ 27.36 lacs (Previous year ₹ 26.01 lacs) (Refer Note 19)
- Under these agreements refundable interest free deposits are given/taken except in case of land.
- All these agreements have restriction on further leasing.
- Agreements for office, factory premises and land provide for revision in the rent.
- Cost, written down value and depreciation in respect of assets given on lease, being not material, have not been disclosed separately.

### 35. Derivative instruments and unhedged foreign currency

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

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

- As at 31st March 2012, the outstanding position in respect of the derivatives/forward contracts in US \$ is ₹ 18,257.54 lacs (Previous year ₹ 13,215.11 lacs) net payable.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

- ii) As at 31st March 2012, unhedged foreign currency exposure in US \$ is ₹ 32,036.72 lacs (Previous year ₹ 22,200.88 lacs) net payable, in Euro ₹ 11.72 lacs net payable (Previous year ₹ 94.02 lacs net receivable), in UAE Dirham ₹ 15.59 lacs (Previous year ₹ 10.58 lacs) net payable.

### 36. Employee Benefits: (Refer Note 7 and 23)

- i) Defined Contribution Plan:

Company's contribution to Provident Fund ₹ 116.22 lacs (Previous year ₹ 104.72 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 2012.

	As at 31.3.2012 ₹ in lacs	As at 31.3.2011 ₹ in lacs
a) Change in the obligation benefits:		
Projected benefit obligation at the beginning of the year	628.37	511.46
Service cost	46.83	39.24
Interest cost	51.84	42.20
Actuarial (gain)/loss	(13.47)	57.53
Benefits paid	(5.96)	(22.06)
Projected benefit obligation at the end of the year	<u>707.61</u>	<u>628.37</u>
b) Change in the plan assets:		
Fair value of the plan assets at the beginning of the year	492.44	394.35
Expected return on plan assets	39.39	31.55
Employer's contribution	135.93	96.32
Benefits paid	(5.96)	(22.06)
Actuarial gain/(loss) on plan assets	6.65	(7.72)
Fair value of the plan assets at the end of the year	<u>668.45</u>	<u>492.44</u>
Excess of (obligation over plan assets)/plan assets over obligation	<u>(39.16)</u>	<u>(135.93)</u>
c) Net Gratuity and other cost:		
Service cost	46.83	39.24
Interest on defined benefit obligation	51.84	42.20
Expected return on plan assets	(39.39)	(31.55)
Net actuarial (gain)/loss recognised in the year	(20.12)	65.25
Net Gratuity and other cost	<u>39.16</u>	<u>115.14</u>
Actual Return on plan assets	<u>46.04</u>	<u>23.83</u>
d) Category of Assets:		
Corporate Bonds	0.36	0.91
Special Deposits Scheme	43.66	43.66
Others	624.43	447.87
Total	<u>668.45</u>	<u>492.44</u>
e) Assumptions used in accounting for the Gratuity Plan:		
	%	%
Discount rate	8.50	8.25
Expected rate of return on plan assets	8.60	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.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

Balance outstanding :

	As at 31.3.2012 ₹ in lacs		As at 31.3.2011 ₹ 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	-
Key management personnel:				
Mr.G.N.Mehra	-	99.41	-	159.04

### 38. Details of Segment Reporting:

#### a) Segment Revenue:

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
Petroleum Products	1,88,325.84	1,53,253.61
Wind Power	3,473.81	2,529.02
Other unallocated revenue	336.79	666.14
Net Income from Operations	<u>1,92,136.44</u>	<u>1,56,448.77</u>

#### b) Segment Results:

Profit / (Loss) before taxation and interest for each segment

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
Petroleum Products	11,136.18	17,568.43
Wind Power	974.70	150.73
Total	<u>12,110.88</u>	<u>17,719.16</u>
Less: i) Finance Costs	1,274.99	1,173.20
ii) Other unallocated expenditure	810.70	507.60
	<u>2,085.69</u>	<u>1,680.80</u>

Total profit before tax

10,025.19      16,038.36

#### c) Capital Employed:

Segment Assets - Segment Liabilities

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
Petroleum Products	36,392.18	33,263.87
Wind Power	9,067.37	7,402.82
Unallocated capital employed	(1,686.25)	(1,150.79)
Total	<u>43,773.30</u>	<u>39,515.90</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012

	2011-2012 ₹ in lacs	2010-2011 ₹ in lacs
d) Secondary Business Segment:		
Revenue by Geographical Segment		
Domestic	1,58,443.97	1,32,908.45
Exports	33,692.47	23,540.32
	<u>1,92,136.44</u>	<u>1,56,448.77</u>
i) The Primary Segments are determined based on the type of business / products.		
ii) Secondary Segments are determined based on geographical markets.		
<b>39. Basic and diluted earnings per share:</b>		
Profit for the year after tax ( ₹ in lacs)	6,803.03	10,933.35
Number of Ordinary Shares outstanding (Nos.)	1,46,02,083	1,46,02,083
Nominal value of the share ₹	10	10
Basic and Diluted earnings per share ₹	46.59	74.88

40. The financial statements for the year ended 31st March 2012 have been prepared as per the revised Schedule VI to the Companies Act, 1956. Accordingly, previous year's figures have been regrouped / rearranged wherever necessary to conform to those of current year classification.

41. Figures in bracket indicate those for previous year.

As per our report of the even date.

For G M Kapadia & Co.  
Chartered Accountants

Rajen Ashar  
Partner

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

S. M. Dixit  
Group Chief Financial Officer

Mumbai,  
30th May 2012

For and on behalf of the Board

G. N. Mehra  
Chairman and  
Managing Director

C. V. Alexander  
Director

N. B. Karpe  
Director

H. A. Nagpal  
Director

S. R. Pandit  
Director





## 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 51<sup>st</sup> Annual General Meeting of the Company on Saturday, 18<sup>th</sup> August 2012 at 11.00 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> 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 .....  
 of ..... being a member / members of Savita Oil Technologies Limited  
 hereby appoint .....  
 of ..... or failing him/her .....  
 of ..... or failing him/her .....  
 of ..... on my/our behalf at the 51<sup>st</sup> Annual General Meeting of the  
 Company to be held on Saturday, 18<sup>th</sup> August 2012 at 11.00 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20,  
 Kaikhushru Dubash Marg, Mumbai 400 001 and at any adjournments thereof.

Signed this ..... day of ..... 2012.

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	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
<b>A. REVENUE AND APPROPRIATIONS</b>					
SALES AND OTHER INCOME	1,92,136	1,56,449	1,18,693	1,16,079	93,088
PROFIT BEFORE TAX	10,025	16,038	12,850	2,600	8,500
PROFIT AFTER TAX	6,803	10,933	8,639	1,723	6,196
DIVIDEND %	150	200	150	50	115
<b>B. ASSETS EMPLOYED</b>					
NET FIXED ASSETS	20,897	20,229	18,905	14,930	12,414
INVESTMENTS	2,277	4,907	4,614	6,406	5,508
OTHER ASSETS	27,380	23,149	18,509	12,798	12,843
<b>TOTAL</b>	<b>50,554</b>	<b>48,285</b>	<b>42,028</b>	<b>34,134</b>	<b>30,765</b>
<b>C. FINANCED BY</b>					
EQUITY SHARES	1,461	1,461	1,461	1,461	1,461
RESERVES	42,313	38,055	30,516	24,432	23,563
OTHER LIABILITIES	4,936	5,272	6,584	5,254	3,579
DEFERRED TAX	1,844	3,497	3,467	2,987	2,162
<b>TOTAL</b>	<b>50,554</b>	<b>48,285</b>	<b>42,028</b>	<b>34,134</b>	<b>30,765</b>

# SAVSOL

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