



***MOVING  
TOWARDS  
A GREENER  
FUTURE***



01-12



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▼▼ At SAVITA, we believe the new direction and goal is undoubtedly green. In line with this new direction, we have launched world-class products which are environment-friendly. We have re-launched SAVSOL lubricant brand with a range of engine oils that not only deliver enhanced vehicle performance, but importantly, are sensitive to the environment. SAVSOL high-quality lubricants exceed performance standards as well as emission norms. SAVSOL clearly outlines our new differentiated product proposition philosophy. As India's only carbon-positive petroleum specialty oil company, we are wholeheartedly committed and responsible to a greener future.▼



For more details, please visit:  
**[www.savita.com](http://www.savita.com)**

# **CORPORATE INFORMATION**

## **Board of Directors**

Mr. G. N. Mehra  
*Chairman and Managing Director*

Mr. C. V. Alexander  
*Whole-time Director*

Mr. S. M. Dixit  
*CFO & Whole-time Director w.e.f. 29-09-2017*

Mr. S. G. Mehra  
*Whole-time Director w.e.f. 29-09-2017*

Mrs. M. C. Dalal  
*Independent Director*

Mr. N. B. Karpe  
*Independent Director*

Ms. S. G. Mehra  
*Non-Executive Director w.e.f. 01-01-2018*

Mr. H. A. Nagpal  
*Independent Director*

Mr. S. R. Pandit  
*Independent Director*

Mr. R. N. Pisharody  
*Independent Director w.e.f. 01-01-2018*

## **Company Secretary & Executive VP – Legal**

Mr. U. C. Rege

## **Bankers**

State Bank of India  
Citibank N. A.  
Corporation Bank  
DBS Bank Limited  
ICICI Bank Limited  
Standard Chartered Bank  
Union Bank of India

## **Auditors**

G. D. Apte & Co.  
Chartered Accountants  
Mumbai

## **Registered Office**

66/67, Nariman Bhavan,  
Nariman Point,  
Mumbai - 400 021  
Tel.: 91-22-6624 6200 / 6624 6228  
Fax: 91-22-2202 9364  
CIN: L24100MH1961PLC012066  
Website: [www.savita.com](http://www.savita.com)

## **Manufacturing Facilities**

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

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

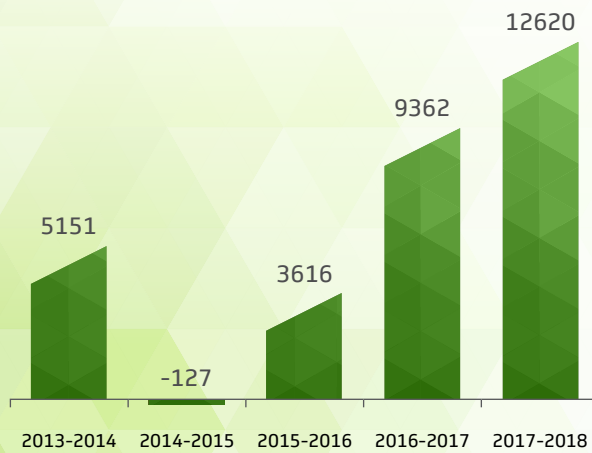
Survey No.140/1, Village Kuvapada,  
Silli, P.O. Kilwani, Silvassa,  
Dadra and Nagar Haveli - 396 230

## **Share Transfer Agent**

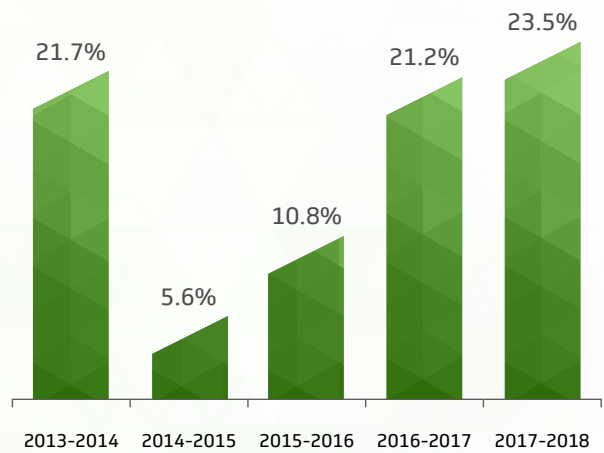
Link Intime India Pvt. Ltd.  
C-101, 247 Park,  
L. B. S. Marg, Vikhroli (West),  
Mumbai - 400 083  
Tel.: 91-22-4918 6000  
Fax: 91-22-4918 6060  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

# MAXIMISING SHAREHOLDER VALUE

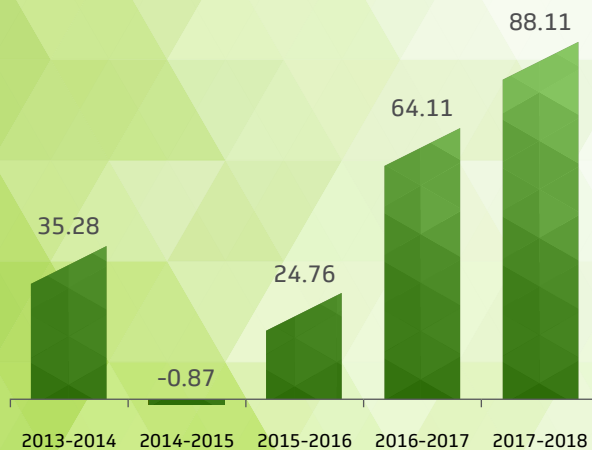
**Profit After Tax\*** (₹ in Lacs)



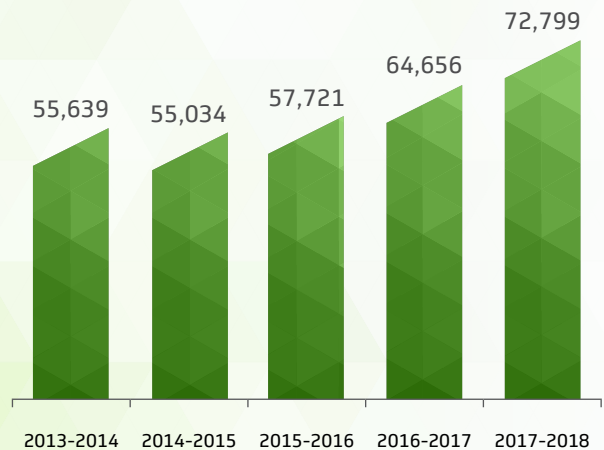
**Return On Average Capital Employed (ROACE)\***

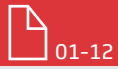


**Earnings Per Share (EPS)\*** (₹)



**Reserves and Surplus Growth** (₹ in Lacs)





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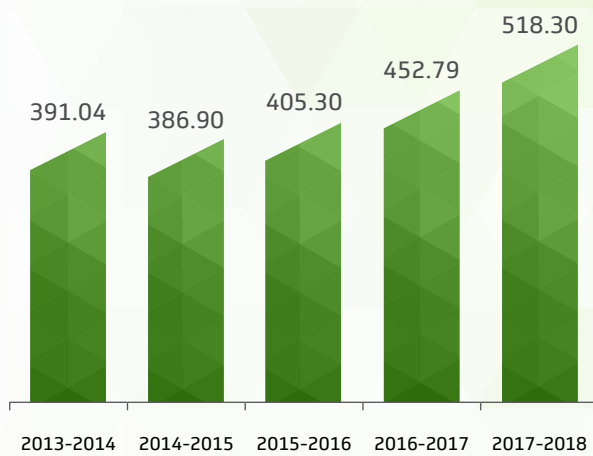
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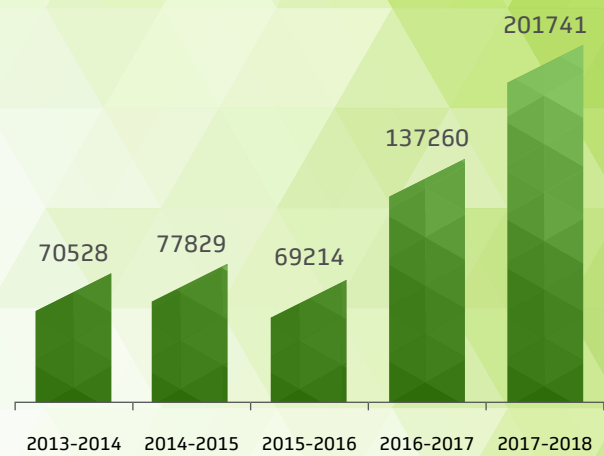
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## Book Value per Share (₹)



## Market Capitalisation (₹ in Lacs)



\* Excluding Exceptional Income

# KNOW US BETTER

- ▶ More than just another petroleum specialties manufacturer

**A symbol of trust and the only carbon-positive oil manufacturing company in India**

- ▶ More than just a company with a global footprint

**A recognised Indian brand with a prominent global presence selling our products in over 75 countries worldwide**

- ▶ More than just a company manufacturing routine products

**India's trusted specialty petroleum products manufacturer and one of the first Indian companies to have invested in renewable energy resources**

- ▶ More than just a company looking to enhance its market share

**A Company with innovative product offerings to participate in the global sustainable agenda**



## Who we are

Established in 1961 by the visionary N. K. Mehra, Savita Oil Technologies Limited (SAVITA or the "Company") is a home-grown specialty petroleum products company. We have strong passion for innovation and our R&D facility has played a pivotal role in enhancing our product portfolio. We have developed and manufactured for the first time in India a host of products including Liquid Paraffins, White Oils, Petroleum Jellies, Petroleum Sulphonates, Cable Filling Compounds, Microcrystalline Waxes, etc.

Our diversified product basket finds application in wide range of industries including Automotive, FMCG, Plastics, Pharmaceutical, Agriculture, Thermoplastic Rubbers, Refrigeration, Polymers, etc. Besides servicing a large B2B clientele, we also service retail clients with our branded lubricants, greases and coolants which are sold under the popular brand of SAVSOL.

Headquartered in Mumbai, India, our state-of-the-art manufacturing facilities are located in the state of Maharashtra and at Silvassa in the Union Territory of Dadra & Nagar Haveli.

## Our strong, deep-rooted and well spread distribution network in India is defined by







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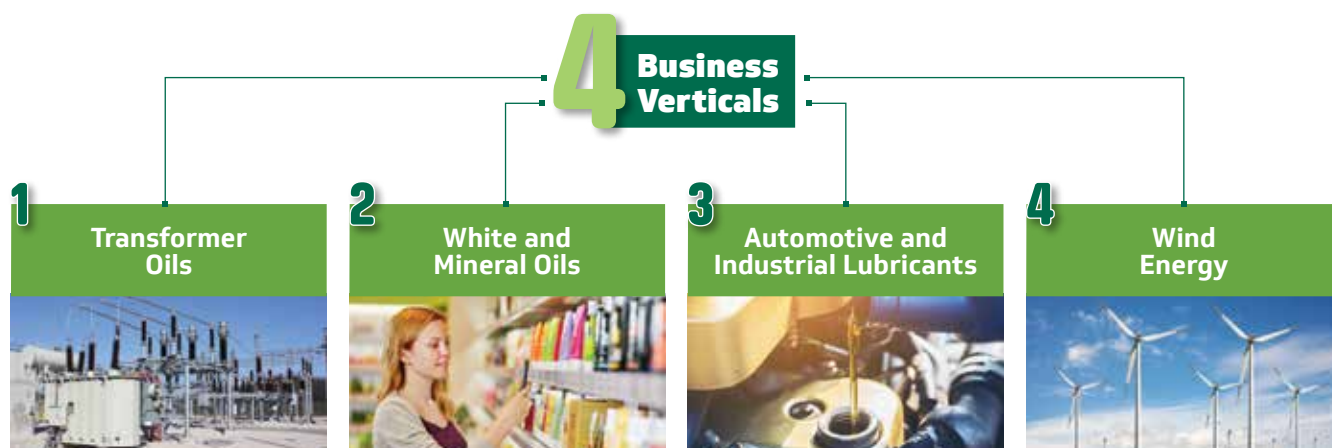
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## Our Vision

To create value for all stakeholders by developing a diversified portfolio that builds on our core competencies and to do so in an ethical and socially responsible manner.

## Our Core Values

**Integrity:** To be honest in all our dealings with colleagues, customers, suppliers, shareholders and all other stakeholders.

**Accountability:** To recognise and be conscious of our impact on the community in which we work in and to positively impact our environment and society.

**Performance driven:** To strive to deliver superior products in the most efficient and effective manner.

**Reliability:** To be responsive and proactive on meeting commitments, and to be responsible and accountable for the same.

**Continuous improvement:** To constantly adapt to customer needs and changing specifications and to improve current processes in order to maximise value.

**Simplicity and Humility:** To maintain a communicative and approachable attitude with all stakeholders and stay true to our belief 'Bonds build Businesses'.

**Green footprints - Wind Power:** With an installed capacity of 53.80 MW, the Company generates 90 million units of renewable power in a year.

ONLY CARBON-  
POSITIVE  
PETROLEUM  
SPECIALTY COMPANY  
IN INDIA

GENERATES  
90 MILLION UNITS OF  
POWER PER ANNUM.

OUR RENEWABLES  
CAPACITY DISPLACES  
MORE THAN 80,000  
TONNES OF CO<sub>2</sub> PER  
ANNUM.

## Where we are listed

Our shares are listed and traded on the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) in India, with a market capitalisation of ₹ 2,017.41 crore as at 31st March, 2018.



## ***CHAIRMAN'S MESSAGE***

▼ Though “Make in India” is a slogan coined by the current Government in 2014, this has been a mission for our company since its very inception in 1961. ▼







## Dear Shareholders,

The last Financial Year was a significant one for us, as we crossed an important milestone in our journey surpassing the sales volume of three lac KL (3,00,000 KL) making us one of the largest Specialty Oil and Lubricating Oil manufacturers in India. Globally in Transformer Oil, we are now the Fifth Largest manufacturer.

I am pleased to inform you that after two difficult years 2014-2015 and 2015-2016, we had a smart recovery in 2017-2018 with a significant increase in profit and also growth in all our product segments.

### Passion for Innovation:

Though “**Make in India**” is a slogan coined by the current Government in 2014, this has been a mission for our company since its very inception in 1961. Given our passion for innovation; we have pioneered and introduced for the first time in India more than 10 product categories that were hitherto imported and Made in India for the first time by our company.

Our strong R&D culture is the edge which sets us apart from our competition. Innovation is a second nature to us and continues to motivate and drive us in all that we strive to do. Producing world-class products alone is not enough for us. We aim to do it in a sustainable manner.

### Towards A Greener Future:

We were one of the first Indian companies to invest in Renewable Wind Energy and today are proud of the fact that we are the only **Carbon Positive Specialty Oil and Lubricating Oil Manufacturer in India**. Our R&D team is now focussed on developing a range of Lubricants that are greener and leave a lower carbon footprint than conventional mineral oil based lubricants.

We have recently re-launched our lubricant brand SAVSOL in a “**Greener Avatar**”. We have also significantly strengthened our lubricating oil marketing team with a view to enhancing our distribution network so that we may have our products available in every corner of the country.

### Best-in-Class Products and Manufacturing facilities:

We are also adopting the best Global Technologies in our manufacturing units and both our manufacturing units in Silvassa employ state-of-the-art technology with a view to increasing output in the most cost-effective manner. Our workforce is being continuously trained in the best manufacturing practices with a view to enhance productivity.

Given that most of the challenges related to the GST and Demonetisation are behind us, we see a strong growth for the Indian economy in the years ahead and are well poised to take advantage of this growth in all three of our product segments Transformer Oils, Lubricating Oils and White Oil.

### Acknowledgements:

We consider our employees as our most valuable resource and central to the success of our Company. I take this opportunity to thank our employees for their relentless hard work, dedication and teamwork. My sincere gratitude to all our external stakeholders, bankers, supply chain partners and all those who have been the strong pillars enabling our business to withstand the tough times and flourish in better times.

Last but not the least, I thank you dear Shareholders for your continued support which has enabled our Company to achieve a place of pride not just in the Indian economy but also in Asia. I look forward to your continued support in the years ahead to achieve new milestones of growth and profitability for your Company.

Best wishes

**Gautam N. Mehra**

*Chairman and Managing Director*

# **BOARD OF DIRECTORS**



► **Gautam N. Mehra**  
*Chairman and Managing Director*



► **C. V. Alexander**  
*Whole-time Director*



► **Suhas M. Dixit**  
*CFO & Whole-time Director*



► **Siddharth G. Mehra**  
*Whole-time Director*



► **Ninad B. Karpe**  
*Independent Director*



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► **Meghana C. Dalal**  
*Independent Director*



► **Simran G. Mehra**  
*Non-Executive Director*



► **Harit A. Nagpal**  
*Independent Director*



► **Sanjeev R. Pandit**  
*Independent Director*



► **Ravindra Pisharody**  
*Independent Director*

# OUR KEY DIFFERENTIATORS

## Our strong R&D base

At SAVITA, we believe that we are responsible for our own future and that of the environment in which we operate. SAVITA was amongst the first companies within its industry to setup a dedicated R&D unit way back in 1976, showcasing its pursuit for innovative and long-term vision. This relentless focus has helped us develop and manufacture future-focused products. SAVITA

innovation-led strategy is central to the reduction of its carbon footprint. We continue to deliver sustainable and profitable growth by leveraging our strong R&D capabilities. Our R&D team also utilises our strong relationships with customers and suppliers to ensure practical insights are imbibed into our pursuit of developing value-added products.

## Our diversified products and their applications



### TRANSFORMER OILS

Transformer Oils are used as an insulating and cooling medium in distribution transformers, power transformers and instrumentation transformers.



### WHITE AND MINERAL OILS

Range of highly refined specialty mineral oil based products for technical applications as well as consumer care and pharmaceutical applications.

Custom formulated products finding applications in industries like cosmetics, personal care, plastics, pharmaceutical, agriculture and food lubricants.



### AUTOMOTIVE OILS

Motorcycles and Scooter Engine Oils (4T and 2T), Passenger Car Motor Oils, Tractors and Farm Oils, Equipment Oils, Heavy Duty Diesel Engine Oils, Gear Oils, Power Steering Fluids, Automatic Transmission Fluids, Greases and Coolants.



### INDUSTRIAL RANGE OF OILS

Hydraulic Oils, Industrial Gear Oils, Refrigeration Compressor Oils, Quenching Oils, Thermic and Heat Exchange Oils, Greases, Metal Working Fluids.





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### Our manufacturing prowess

We have over the years invested in state-of-the-art manufacturing facilities which are equipped with ultra-modern testing equipment. Our Laboratories are accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL), a leading autonomous body of the Department of Science & Technology, Government of India. The facilities have the unique built-in capability to change the product mix and customise it as per the demand trends

# **RE-BRANDING SAVSOL AS THE GREEN PERFORMER**

In line with our go green philosophy, we undertook the rebranding of our decade-old SAVSOL lubricant brand in 2017-2018. The revised identity aims to reposition, highlight and attract the environment-conscious millennial consumers to the environment-friendly qualities of our product range. This has helped the Company carve out a niche for itself with lubricants that not only ensure enhanced vehicle performance but also by virtue of their eco-friendliness, safeguard the harmful impact on the environment.

With a commitment to increase fuel efficiency and to ensure maximum engine performance with minimal or mitigated emissions, SAVSOL engine oils successfully meet the stringent BS-IV norms for a wide range of automobiles. These include trucks (diesel engine oils), motorcycles (MCO) and passenger vehicles. Curated after extensive R&D, SAVSOL is helping the Company build a sustainable future - not just for the Company, but also for the world at large.



**SAVSOL**  
**LUBRICANTS**  
*The Green Performer*





# NOTICE

**NOTICE** is hereby given that the **Fifty-seventh Annual General Meeting** of the Members of SAVITA OIL TECHNOLOGIES LIMITED will be held at Suryavanshi Banquet, 3<sup>rd</sup> floor, 300 Veer Savarkar Marg, Opp. Dadar Catering College, Near Shivaji Park, Dadar (West), Mumbai 400 028 on **Saturday, 29<sup>th</sup> September, 2018 at 11.00 A.M.** to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. C. V. Alexander (DIN:00253736), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Suhas M. Dixit (DIN:02359138), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments, statutory modifications or re-enactments thereto), and pursuant to the approval given by the Nomination and Remuneration Committee and the Board of Directors, **Mr. Gautam N. Mehra (DIN:00296615)** be and is hereby re-appointed as the Managing Director of the Company on non-rotational basis from 1<sup>st</sup> October, 2018 up to 30<sup>th</sup> September, 2023 on remuneration and perquisites and other terms and conditions as set out in the Agreement executed by the Company with Mr. Gautam N. Mehra and earlier approved by the Nomination and Remuneration Committee.”

“FURTHER RESOLVED THAT the Board of Directors of the Company with the approval of the Nomination and Remuneration Committee 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, 2013 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.”

6. To consider and if thought fit, to pass with or without modification(s), the following as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments, statutory modifications or re-enactments thereto), and pursuant to the approval given by the Nomination and Remuneration Committee and the Board of Directors, **Mr. C. V. Alexander (DIN:00253736)** be and is hereby re-appointed as the Whole-time Director of the Company from 1<sup>st</sup> October, 2018 up to 30<sup>th</sup> April, 2019 on remuneration and perquisites and other terms and conditions as set out in the Agreement executed by the Company with Mr. C. V. Alexander.”

“FURTHER RESOLVED THAT the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, 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, 2013 read with Schedule V to the Act and any amendments, statutory modifications or re-enactment thereof and/or Rules or Regulations framed there under and to suitably modify the terms of the aforesaid Agreement executed between the Company and Mr. C. V. Alexander to give effect to such variation or increase as the case may be.”

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

“RESOLVED THAT **Mr. Ravindra Pisharody (DIN:01875848)** who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1<sup>st</sup> January, 2018 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director, categorized as an Independent Director, of the Company to hold office upto 31<sup>st</sup> December, 2021.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions

of the Companies Act, 2013 and the Rules made thereunder, Kale & Associates, Cost Accountants (Firm Registration No.101144), appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2019, be paid a remuneration of ₹ 2,30,000/- (Rupees Two Lac Thirty Thousand only) plus GST thereon and reimbursement of travelling and other out-of-pocket expenses, fixed by the Board of Directors of the Company based on the recommendation of the Audit Committee, for the year 2018-2019.”

By Order of the Board

Mumbai  
24<sup>th</sup> August, 2018

**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 **22.09.2018 to 29.09.2018** (both days inclusive).
  4. 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.
  5. 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.
  6. The shareholders are requested to bring their copy of the Annual Report to the Meeting.
  7. 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.
  8. The shareholders are requested to forward shares for transfer and related communication to the R&T or to the Registered Office of the Company.
  9. Under Section 124(5) of the Companies Act, 2013, the unclaimed and unpaid dividend amount for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. Accordingly, during the year, the Company had transferred an amount of ₹ 10.44 lac pertaining to the unpaid and unclaimed dividend for the year 2009-2010 to IEPF.
  10. The Ministry of Corporate Affairs has taken a corporate “Green Initiative in the corporate governance” by allowing paperless compliance by companies. Accordingly, the Notice of the AGM along with Annual Report for the year 2017-2018 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has specifically requested for a physical copy of the same. In order to support the “Green Initiative”, the Members who have not yet registered their e-mail addresses are requested to register the same with R&T Agent/Depositories.
  11. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and SEBI Listing Regulations, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
  12. The facility for voting through polling paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
  13. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but **shall not** be entitled to cast their vote again through polling paper.
  14. The remote e-voting period commences on 25<sup>th</sup> September, 2018 (9:00 a.m.) and ends on 28<sup>th</sup> September, 2018 (5:00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the “cut-off date” of 22<sup>nd</sup> September 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- The process and manner for remote e-voting are as under:
- (i) *In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)]:*

- a. Open email and open PDF file viz. "Savita Oil remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.
- b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- c. Click on Shareholder - Login
- d. Put your user ID and password. Click Login.
- e. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- g. Select "EVEN" of "SAVITA OIL TECHNOLOGIES LIMITED".
- h. Now you are ready for remote e-voting as Cast Vote page opens.
- i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j. Upon confirmation, the message "Vote cast successfully" will be displayed.
- k. Once you have voted on the resolution, you will not be allowed to modify your vote.
- l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csmanish.raut@gmail.com](mailto:csmanish.raut@gmail.com) and/or [acspravin@gmail.com](mailto:acspravin@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

(ii) *In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs*

*are not registered with the Company/Depository Participants(s) or requesting physical copy]:*

Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

**EVEN (Remote e-voting Event Number)**

USER ID	PASSWORD/PIN
---------	--------------

Please follow all steps from serial no. (b) to serial no. (l) above, to cast vote.

15. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
16. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

*NOTE: Shareholders who forgot the User Details/ Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).*

*In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).*

*In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).*

17. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
18. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22<sup>nd</sup> September, 2018.
19. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date of 22<sup>nd</sup> September, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [legal@savita.com](mailto:legal@savita.com)

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting](http://www.evoting).



[nsdl.com](http://nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

20. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
21. MP & Associates, Company Secretaries have been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Polling Paper for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
23. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the Meeting and thereafter unblock the votes cast

through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three (3) days from the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

24. The results declared along with the Scrutinizer's Report shall be displayed on the website of the Company [www.savita.com](http://www.savita.com) and on the website of NSDL [www.nsdl.co.in](http://www.nsdl.co.in) within three days from the passing of the resolutions at the 57<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 29<sup>th</sup> September, 2018 at 11.00 A.M. and shall be communicated to the stock exchanges, where the shares of the Company are listed.

By Order of the Board

**U. C. Rege**

Company Secretary &  
Executive VP - Legal

Mumbai  
24<sup>th</sup> August, 2018

## EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5

The Board of Directors in its meeting held on 3<sup>rd</sup> August, 2018, based on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Gautam N. Mehra (DIN:00296615) as the Managing Director of the Company for a period from 1<sup>st</sup> October, 2018 up to 30<sup>th</sup> September, 2023 on non-rotational basis 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 3<sup>rd</sup> August, 2018.

The appointment of Mr. Gautam N. Mehra is subject to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments, statutory modifications or re-enactments thereto).

The terms and conditions as contained in the Agreement executed with Mr. Gautam N. Mehra are as under:

#### Remuneration:

- (i) Basic Salary: ₹ 6,00,000/- (Rupees Six Lac only) per month with incremental annual increase of 10%.
- (ii) Commission: 1% of the net profits of the Company subject to overall ceilings as laid down in Sections 197, 198 and other applicable provisions of the Companies Act, 2013.
- (iii) Perquisites: Perquisites as classified into three categories A, B and C as follows:

#### CATEGORY A

##### Housing:

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 100 per cent of the Basic Salary.

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.

Education Allowance shall be as per the Rules of the Company.

Fixed Allowance of ₹ 3,00,000/- per month.

#### 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.

#### 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.

Bonus shall be as per the Rules of the Company.

Performance Linked Incentive shall be as per the Policy of the Company.

#### Club Fees:

Provision of Membership of any two Clubs including entrance fees.

Medical/Personal Life/Accident Insurance as per the Rules of the Company.

#### CATEGORY B

##### 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.

##### Gratuity:

Gratuity shall be as per the Company Rules.

##### Leave Entitlement & Encashment:

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

#### CATEGORY C

##### 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.

##### Telephone:

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



The appointment and remuneration of the Managing Director are required to be approved by the Shareholders at the ensuing General Body Meeting and accordingly this resolution is placed before the Members of the Company.

The terms and conditions of his appointment and remuneration may be altered or varied from time to time by the Board and/or Nomination and Remuneration Committee as it may, in its discretion deem fit, within the limits stipulated under Schedule V to the Companies Act, 2013 or any amendments thereto made hereafter in this regard in such manner as may be agreed to between the Board and/or Nomination and Remuneration Committee and the Managing Director.

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 of the Company as required under Section 196 of the Companies Act, 2013.

The Agreement entered into between the Company and Mr. Gautam N. Mehra 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.

Where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director, minimum remuneration as provided in Section II of Part II of Schedule V to the Companies Act, 2013 as notified from time to time.

Mr. Gautam N. Mehra is a Chemical Engineer and has an MBA from University of California (Berkeley). He has more than 3 decades of experience in the industry. The Company believes that his appointment as Managing Director in the Company shall vastly benefit the Company.

Mr. Gautam N. Mehra, Ms. Simran G. Mehra and Mr. Siddharth G. Mehra are interested in this Special Resolution. Apart from them, none of the Directors of your Company/Key Managerial Personnel of the Company/their relatives are concerned or interested, in any way, in this Special Resolution.

He is currently holding 93,18,325 equity shares of the Company including 92,45,494 equity shares held as member of Association of Persons & HUFs, wherein he is one of the beneficiaries, and as a trustee of family trusts.

The Directors recommend this Special Resolution for your approval.

## Item No.6

The Board of Directors in its meeting held on 3<sup>rd</sup> August, 2018, based on the recommendation of Nomination and Remuneration Committee, re-appointed Mr. C. V. Alexander (DIN:00253736), as the Whole-time Director of the Company from 1<sup>st</sup> October, 2018 up to 30<sup>th</sup> April, 2019, 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 3<sup>rd</sup> August, 2018 based on recommendation of the Nomination and Remuneration Committee.

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

1. Basic Salary of ₹ 1,77,100/- (Rupees One Lac Seventy-seven Thousand One Hundred only) per month.
2. House Rent Allowance at the rate of 25% of the Basic Salary.
3. Education Allowance and Special Allowance of ₹ 100/- and ₹ 23,660/- per month respectively.
4. Reimbursement of medical expenses incurred on himself and his family subject to a ceiling of 5% of the Basic Salary.
5. 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.
6. Bonus as per the Rules of the Company.
7. Ex-gratia/Performance Linked Incentive as per the Policy of the Company.
8. Medical/Accident Insurance for himself and his spouse in accordance with the Rules of the Company.
9. 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.
10. Gratuity as per the Rules of the Company.
11. Leave entitlement as per the Rules of the Company. He shall be permitted to encash unavailed leave as per the Rules of the Company.
12. Provision of car with reimbursement of salary for driver as per the Company's Policy for Company's business and personal use.
13. Provision of telephone facility(ies) subject to he being billed for personal long distance calls.

Where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay to the Whole-time Director, minimum remuneration as provided in Section II of Part II of Schedule V to the Companies Act, 2013 as notified from time to time.

This Notice along with Explanatory Statement be treated as Abstract of the terms of re-appointment of Mr. C. V. Alexander as the Whole-time Director of the Company as required under Section 196 of the Companies Act, 2013.

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

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

Mr. C. V. Alexander has worked in the Company for nearly five decades and the Company has always benefited by his foresight and guidance in managing the affairs of the Company. He has over 52 years of experience in the fields of taxation, corporate law and finance. The Company believes that his presence on the Board will be beneficial to the Company and will prove as a guiding force for the Company. He is currently holding 833 equity shares of the Company.

None of the Directors of your Company/Key Managerial Personnel of the Company/their relatives are concerned or interested, in any way, except Mr. C. V. Alexander in this Special Resolution.

The Directors recommend this Special Resolution for your approval.

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

The Board of Directors vide circular resolution dated 19<sup>th</sup> December, 2017 had appointed Mr. Ravindra Pisharody as an Additional Director of the Company with effect from 1<sup>st</sup> January, 2018 upto the date of this Annual General Meeting. As required under Section 160 of the Companies Act, 2013, Notice has been received along with deposit of requisite amount proposing his candidature for the Office of Director of the Company.

Mr. Ravindra Pisharody will be associated as an Independent Director on the Board of the Company upto 31<sup>st</sup> December, 2021. As per the provisions of Section 149

read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory amendments or re-enactments thereof for the time being in force), appointment of Mr. Ravindra Pisharody requires approval of the shareholders.

Mr. Ravindra Pisharody has furnished his declaration of independence to the Company, as required pursuant to Section 149(7) of the Companies Act, 2013, confirming that he meets the prescribed criteria of independence as provided under Section 149 (6) of the Companies Act, 2013.

In the opinion of the Board, Mr. Ravindra Pisharody possesses relevant experience and expertise required to conduct the Company's business and it would be fruitful for the Company to appoint him on the Board of the Company as a Director.

The Board is also of the opinion that the proposed appointment of Mr. Ravindra Pisharody fulfills the requirements of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under for the proposed appointment of Independent Director on the Board of the Company.

Mr. Ravindra Pisharody is a Senior Management professional with over 35 years of executive experience and he has held National, Regional and Global Leadership roles in Sales & Marketing, Strategy Development, BU Lead / CEO, etc. with Phillips India, British Petroleum/Castrol. His last assignment had been with Tata Motors as an Executive Director-Commercial Vehicles.

Mr. Ravindra Pisharody does not hold any Committee positions in the Company as on date. He also does not hold any shares of the Company as on date.

Your Directors recommend this Ordinary Resolution for your approval.

#### **Item No.8**

The Board, based on the recommendation of the Audit Committee, has approved the appointment of Kale & Associates, Cost Accountants (Firm Registration No.101144) having address at 703, Sushil Apartment, Kaka Sohni Marg, Off. Gadkari Marg, Thane (West), Thane 400602 as Cost Auditors to conduct the audit of the cost records of the Company for the year ending 31<sup>st</sup> March, 2019 on a remuneration of ₹ 2,30,000/- (Rupees Two Lac Thirty Thousand Only) plus GST.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members has been sought for passing an Ordinary Resolution as set out at Item No.8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2019.

None of the Directors/Key Managerial Personnel of the Company/their relatives are concerned or interested,

in any way, in the resolution set out at Item No.8 of the Notice.

Your Directors recommend this Ordinary Resolution for your approval.

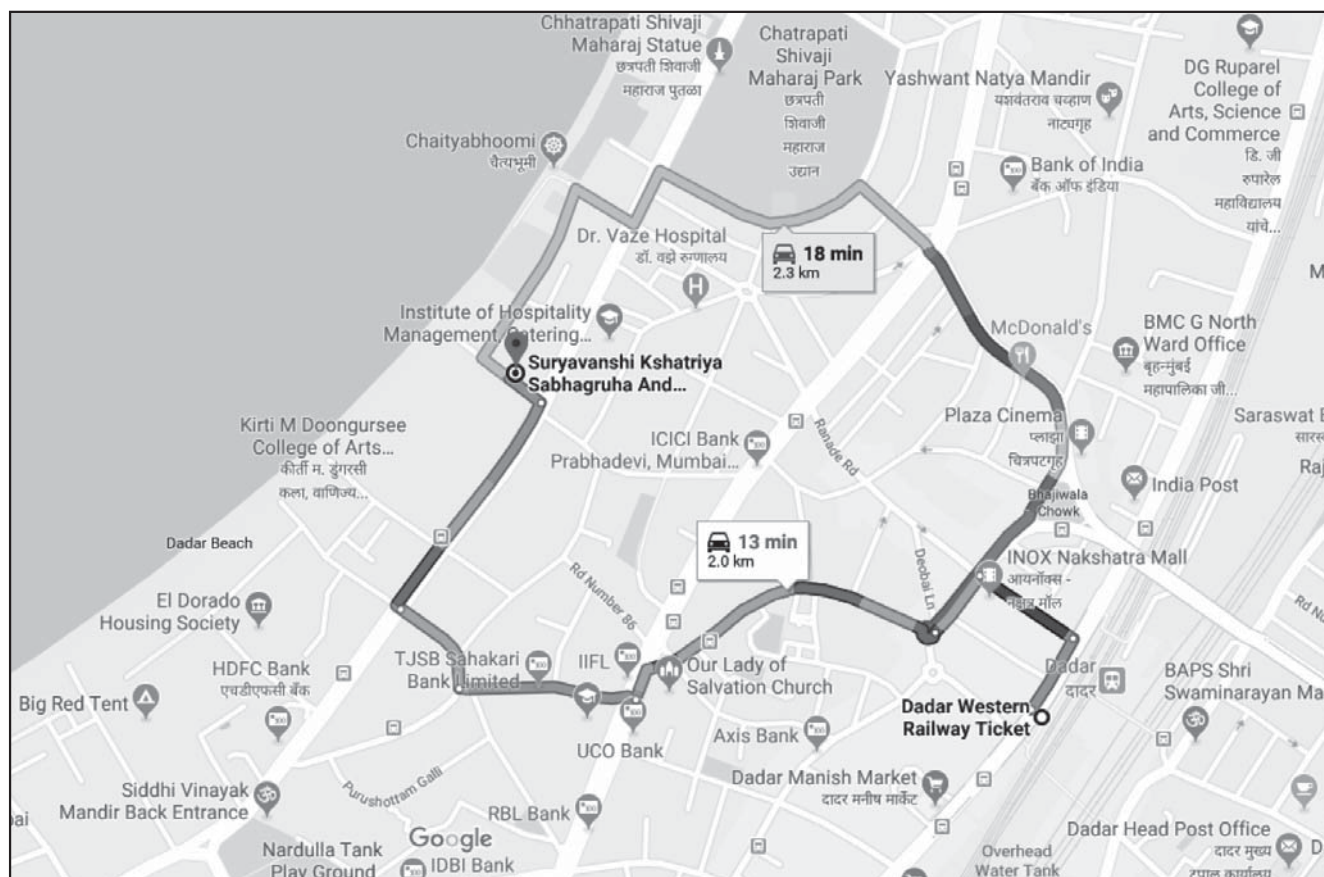
By Order of the Board

**U. C. Rege**

Company Secretary &  
Executive VP - Legal

Mumbai  
24<sup>th</sup> August, 2018

## Route Map of the Venue of the 57<sup>th</sup> Annual General Meeting



# REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors have pleasure in presenting the **Fifty-seventh** Annual Report, together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2018.

## 1. FINANCIAL RESULTS

	(₹ in lac)	
	Year ended 31.3.2018	Year ended 31.3.2017
Total Income	183,418	169,632
Profit before Depreciation & Tax	18,916	15,445
Depreciation	2,588	2,829
Exceptional Income	Nil	Nil
Profit/(Loss) before Tax	15,608	12,616
Provision for Taxation:		
Current	4,825	3,875
Deferred	(338)	(621)
Provision for Taxation no longer required	(1,498)	Nil
Profit/(Loss) for the year after Tax	12,620	9,362
Other Comprehensive Income	(11)	(55)
Balance brought forward from previous year	48,098	42,164
Profit available for appropriation	60,707	51,471
Appropriations:		
Dividend	-	1,971
Tax on Dividend	-	401
General Reserve	1,270	1,000
Balance carried to Balance Sheet	59,437	48,098

## 2. SHARE CAPITAL

During the financial year 2017-2018, your Company bought back 2,80,000 (Two Lac Eighty Thousand) fully paid equity shares of the Company of face value of ₹ 10/- only (Rupees Ten only) each, representing upto 1.92% of the total number of equity shares, from eligible equity shareholders/beneficial owners of the Company on a proportionate basis through the tender offer using stock exchange mechanism at a price of ₹ 1,605/- (Rupees One Thousand Six Hundred and Five only) (including premium of ₹ 1,595/-) per equity share for an aggregate maximum amount of upto ₹ 44,94,00,000/- (Rupees Forty-four Crore Ninety-four Lac only). Post buy-back of shares, the paid-up equity share capital of the Company stands at ₹ 14,32,20,830/- as on 31<sup>st</sup> March, 2018.

## 3. DIVIDEND

Your Directors at the Board Meeting held on 11<sup>th</sup> May, 2018, have recommended a dividend @25% (₹ 2.50

per equity share of ₹ 10/- each) on the paid up Equity Share Capital of ₹ 1,432 lac, as against 135% for the previous year on the paid up Equity Share Capital of ₹ 1,460 lac, which will result in an outgo of ₹ 430.94 lac inclusive of dividend tax.

## 4. RESERVES

The Reserves of the Company stood increased to ₹ 728 crore at the end of the year under review as against ₹ 647 crore for the previous year.

## 5. OPERATIONS

During the financial year 2017-2018, your Company crossed an important milestone that of surpassing 3 lac KL sales volume (3,00,303 KLS/MTs) as against 2,89,360 KLS/MTs achieved during 2016-2017, showing an increase of 3.78%. Your Company's sales turnover during the year 2017-2018 increased in value terms to ₹ 1,80,861 lac against ₹ 1,66,838 lac



in the year 2016-2017. Your Company earned a net profit of ₹ 12,620 lac during the year under review as against a net profit of ₹ 9,362 lac for the previous year.

Though the price of Crude Oil continued to rise steadily throughout the last financial year, the Indian Rupee remained relatively stable throughout this period. However, since April, 2018, the Global Macroeconomic situation has become very uncertain with the advent of 'Trade & Tariff Wars' and not only has the Indian Rupee depreciated significantly but also Crude Oil prices have become very volatile. This volatility and uncertainty is expected to continue for the better part of financial year 2018-2019.

During the financial year 2017-2018, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated a total of 90.37 MU against 103.40 MU generated in the previous year. During the year, your company did not add any new projects to its Wind Energy Portfolio.

## 6. PUBLIC DEPOSITS

Your Company has not accepted any deposits from the public or its employees during the year under review.

## 7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## 8. CORPORATE GOVERNANCE

Corporate Governance Report along with a Certificate from the Secretarial Auditors of the Company regarding compliance of the conditions of Corporate Governance pursuant to requirements as stipulated by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto and forms part of this Report.

## 9. DIRECTORS

As per the provisions of Section 152 of the Companies Act, 2013, Mr. C. V. Alexander and Mr. Suhas M. Dixit, Directors of the Company retire by rotation at the

ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Based on recommendations of the Nomination and Remuneration Committee, the Board of Directors –

- (1) After reviewing the declaration submitted by Mr. Ravindra Pisharody, formed an opinion that he meets with the criteria of Independence as per Section 149 (6) of the Companies Act, 2013 ("the Act") and the Rules made thereunder and also meets with the requirements of clause 49 of the Listing Agreement with the Stock Exchanges and accordingly by way of circular resolution dated 19<sup>th</sup> December, 2017 appointed him as an Additional Director to hold office as an Independent Director of the Company w.e.f. 1<sup>st</sup> January, 2018 upto the conclusion of the ensuing Annual General Meeting of the Company.
- (2) In its Meeting held on 3<sup>rd</sup> August, 2018 has proposed to appoint him as an Independent Director of the Company for a period upto 31<sup>st</sup> December, 2021 from the conclusion of the ensuing Annual General Meeting, subject to approval by the Members of the Company.

Mr. Ravindra Pisharody is a Senior Management professional with over 35 years of executive experience and he has held National, Regional and Global Leadership roles in Sales & Marketing, Strategy Development, BU Lead / CEO, etc. with Phillips India, British Petroleum/Castrol. His last assignment had been with Tata Motors as an Executive Director-Commercial Vehicles.

Your Company has received the requisite disclosures/declarations from Mr. Ravindra Pisharody as required under the relevant provisions of the Companies Act, 2013. Your Company has also received Notice under Section 160 (1) of the Companies Act, 2013 signifying intention to propose his candidature for the office of Director of the Company.

Your Company has also received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Based on recommendations of the Nomination and Remuneration Committee and the Audit Committee, your Board in its meeting held on 3<sup>rd</sup> August, 2018 has recommended for your approval at the ensuing Annual General Meeting:



- A. Re-appointment of Mr. Gautam N. Mehra (DIN:00296615) as Managing Director of your Company till 30<sup>th</sup> September, 2023 on non-rotational basis;
- B. Re-appointment of Mr. C. V. Alexander (DIN:00253736) as Whole-time Director of your Company till 30<sup>th</sup> April, 2019.

Item Nos.5 & 6 of the Notice along with the Explanatory Statement be treated as Abstracts of the terms and conditions of their appointments/re-appointments under Section 196 of the Companies Act, 2013.

Profiles and other details as required under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Mr. Gautam N. Mehra and Mr. C. V. Alexander have been provided in the Notice of the ensuing Annual General Meeting of the Company.

## 10. KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Gautam N. Mehra, Managing Director, Mr. Suhas M. Dixit, Chief Financial Officer & Director, Mr. C. V. Alexander, Whole-time Director, Mr. Siddharth G. Mehra, Whole-time Director and Mr. Uday C. Rege, Company Secretary & Executive VP – Legal of the Company continued to be the Key Managerial Personnel of the Company.

Remuneration and other details of the said Key Managerial Personnel for the financial year ended 31<sup>st</sup> March, 2018 are mentioned in the Extract of the Annual Return which is attached to the Board's Report.

## 11. BOARD COMMITTEES

The Board of Directors of your Company had constituted various Committees in compliance with the provisions of the Companies Act, 2013 and Listing Agreement viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and CSR Committee.

All decisions pertaining to the constitution of Committees, appointment of Members and fixing of terms of reference/role of the Committees are taken by the Board of Directors.

Details of the role and composition of these Committees, including the number of meetings held

during the financial year and attendance at meetings, are provided in the Corporate Governance Section of the Annual Report.

## 12. NUMBER OF MEETINGS

The Board of Directors of your Company met 6 times during the year 2017-2018. The Board Meetings were held on 27<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 16<sup>th</sup> August, 2017, 30<sup>th</sup> October, 2017, 23<sup>rd</sup> January, 2018 and 3<sup>rd</sup> February, 2018. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

Audit Committee of your Company met 5 times on 27<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 16<sup>th</sup> August, 2017, 30<sup>th</sup> October, 2017 and 3<sup>rd</sup> February, 2018 during the year 2017-2018.

Stakeholders' Relationship Committee of your Company met 4 times on 27<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 30<sup>th</sup> October, 2017 and 3<sup>rd</sup> February, 2018 during the year 2017-2018.

Nomination and Remuneration Committee of your Company met 4 times on 27<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 16<sup>th</sup> August, 2017 and 18<sup>th</sup> December, 2017 during the year 2017-2018.

Risk Management Committee of your Company met 2 times on 27<sup>th</sup> May, 2017 and 28<sup>th</sup> July, 2017 during the year 2017-2018.

CSR Committee of your Company met 4 times on 27<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 30<sup>th</sup> October, 2017 and 3<sup>rd</sup> February, 2018 during the year 2017-2018.

## 13. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the selected accounting policies were applied consistently and the Directors 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 March 31, 2018 and of statement of profit and loss of the Company for the year ended on that date.



- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.
- e) the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are operating effectively.
- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating effectively.

## 14. PERFORMANCE EVALUATION

Pursuant to the provisions of Section 134 (3) (p), 149 (8) and Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee for the year 2017-2018 was carried out by your Company.

For the year 2017-2018, the performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non-Independent Directors was carried out separately by the Independent Directors.

## 15. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors of the Company met on 31<sup>st</sup> March, 2018, *interalia*, to discuss:

- i) Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole;
- ii) Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors;
- iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## 16. MANAGERIAL REMUNERATION

The information required under Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate annexure. The information as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request by any Member of the Company. In terms of Section 136 (1) of the Companies Act, 2013, the Report and the Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company.

## 17. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company at its Meeting held on 29<sup>th</sup> May, 2014 continues to be adopted by your Company. The Remuneration Policy of the Company is attached to this Report as a separate annexure.

## 18. CSR POLICY

The Corporate Social Responsibility Policy recommended by the CSR Committee and approved by the Board of Directors of the Company at its Meeting held on 29<sup>th</sup> May, 2014 continues to be adopted by your Company. The same is available on the website of the Company i.e. [www.savita.com](http://www.savita.com).

The disclosure relating to the amount spent on Corporate Social Responsibility activities for the financial year ended 31<sup>st</sup> March, 2018 is attached to this Report as a separate annexure.

## 19. LISTING AND OTHER REGULATORY ORDERS AGAINST THE COMPANY, IF ANY

Your Company's shares continue to be listed on BSE Limited and National Stock Exchange of India Limited. The Listing Fees to these two Stock Exchanges for the year 2018-2019 have been paid by your Company on time.

There were no significant or material orders passed by any of the regulators or courts or tribunals impacting

the going concern status and your Company's operations in future.

## **20. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year, your Company has transferred ₹ 10.44 lac towards unclaimed Dividend as against ₹ 4.79 lac towards unclaimed Dividend in the previous year to the Investor Education and Protection Fund, which amount was due and payable for the year 2009-2010 and remained unclaimed and unpaid for a period of 7 years, as provided in Section 125 of the Companies Act, 2013.

## **21. STATUTORY AUDITORS**

The Members of the Company had, at the 56<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2017 approved the appointment of G. D. Apte & Co., Chartered Accountants, Mumbai, (Registration No.100515W) as the Statutory Auditors of the Company, to hold office from the conclusion of that AGM until the conclusion of the 61<sup>st</sup> Annual General Meeting.

## **22. AUDITORS' REPORT**

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2018 is attached to this Report and does not contain any qualification, reservation or adverse remark.

## **23. SECRETARIAL AUDIT REPORT**

Secretarial Audit for the year 2017-2018 was conducted by MP & Associates, Company Secretaries in Practice in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report is attached as a separate annexure to this Report.

The Board wishes to state here that your Company spent a lower amount on CSR activities than the prescribed one during the year 2017-2018 as more projects were in the process of being identified and evaluated. The Board also wishes to clarify that the newspaper notice for the Board Meeting dated 3<sup>rd</sup> February, 2018 remained to be published in newspapers inadvertently though notice was sent to

the Stock Exchanges and displayed on the website of your Company in time.

## **24. COST AUDIT**

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 3<sup>rd</sup> August, 2018 has appointed Kale & Associates, Cost Accountants as Cost Auditors of the Company for the year 2018-2019. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the Members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for the year 2018-2019.

## **25. RISK MANAGEMENT**

In accordance with the provisions of Clause 49 of the Listing Agreement, your Company has Risk Management Committee in operation to oversee the Risk Management of the Company in line with the Company's Risk Framework and a detailed Policy to cover risk assessments, identification of various significant risks and mitigation plans to address the identified risks. Your Company's Risk Management Policy continues to be displayed on the website [www.savita.com](http://www.savita.com) of the Company.

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

Your Company's Internal Control Systems are adequate considering its size and magnitude of operations. These Systems are tested from time to time for being compliant with operating systems, accounting procedures and policies with the help of an outside auditing firm. The reports of such compliances are presented to and discussed by the Audit Committee from time to time. The Audit Committee based on scrutiny of the internal audit report suggests to the Company undertaking corrective actions in the respective areas and thereby strengthens the controls. Significant observations and corrective actions thereon are presented by the Audit Committee to the Board of Directors of the Company from time to time.

## 27. VIGIL MECHANISM

The Company has a vigil mechanism policy to deal with instances of fraud and mismanagement, if any. The Whistle Blower Policy framed for the purpose is uploaded on the website [www.savita.com](http://www.savita.com) of the Company.

## 28. RELATED PARTY TRANSACTIONS

The related party transactions attracting compliance under Section 188 and/or Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are scrutinised by the Audit Committee before placing them for Board's approval. Prior omnibus approval of the Audit Committee is also sought for transactions which are of a foreseen and repetitive nature.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board of Directors of the Company is uploaded on the website [www.savita.com](http://www.savita.com) of the Company.

The disclosures on related party transactions too are made in the Financial Statements of the Company from time to time.

## 29. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in prescribed Form MGT 9 is annexed as a separate annexure forming part of this Report.

## 30. SEXUAL HARASSMENT GRIEVANCES

During the year under review, there were no grievances reported under the Sexual Harassment

of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 31. INDUSTRIAL RELATIONS

The industrial relations continued to be generally peaceful and cordial during the year.

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

The information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required to be disclosed under the Companies (Accounts) Rules, 2014, is given as an annexure forming part of this Report.

## 33. ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their deep and sincere gratitude to your Company's business partners, customers, vendors, associates, bankers and the shareholders for their continued support in the functioning of the Company. Your Directors would like to express a deep sense of appreciation for the commitment shown by the employees in supporting your Company.

For and on behalf of the Board

Mumbai  
3<sup>rd</sup> August, 2018

**Gautam N. Mehra**  
Managing Director  
(DIN:00296615)

## ANNEXURE TO THE DIRECTORS' REPORT

### Remuneration Policy of the Company

In accordance with the provisions of Section 178 of the Companies Act, 2013 and the Rules made there under, the Nomination and Remuneration Committee ("Committee") of Savita Oil Technologies Limited ("the Company") was constituted on 1st February, 2014 consisting of three Independent Directors.

#### 1. OBJECTIVE

This policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable Rules thereto and Clause 49 under the Listing Agreement.

#### 2. EFFECTIVE DATE

This Policy is effective from 1<sup>st</sup> February, 2014.

#### 3. SCOPE

This policy is applicable to Directors and Senior Personnel of the Company.

#### 4. DEFINITIONS

4.1. Act means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

4.2. Board means Board of Directors of the Company.

4.3. Directors mean Directors of the Company.

4.4. Key Managerial Personnel mean -

1. Managing Director
2. Whole-time Director/s
3. Chief Financial Officer
4. Company Secretary

4.5. Senior Management means personnel of the Company who are Members of its core management team excluding the Board of Directors. This would also include all Members of management one level below the executive directors including all functional heads. Senior Management in the Company means and includes the Presidents heading different functions in the Company.

#### 5. ROLE OF THE COMMITTEE

- a) To formulate criteria for identifying Directors and Senior Management employees of the Company.
- b) To recommend to the Board in relation to appointment and removal of Directors and Senior Management.

- c) To formulate criteria for evaluation of Independent Directors on the Board.
- d) To carry out evaluation of the performance of the Directors on the Board.
- e) To formulate and recommend to the Board a policy relating to the remuneration payable to Directors, Key Managerial Personnel and Senior Management employees covered under Clause 4.5.
- f) To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- g) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- h) To ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and variable performance linked payout (PLP) reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- i) To devise a policy on Board diversity.

#### 6. POLICY RELATING TO THE REMUNERATION FOR DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT EMPLOYEES

##### 6.1 General:

- a) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b) Moreover it shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) Remuneration for Directors, Key Managerial Personnel and Senior Management should involve a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- d) The remuneration payable to the Directors of a Company including Managing Director/Whole-time Directors shall be recommended by the Committee to the Board for approval. Such remuneration payment including Commission, if any, shall be in accordance with and subject to the provisions of the Act and approval of

the Members of the Company and Central Government, wherever required, as per the provisions of the Act;

- e) In respect of Key Managerial Personnel, the remuneration as approved by the Board of Directors shall be payable to such KMPs. The annual increment to the KMPs and Senior Management shall be based on the annual appraisal and shall be determined by the Managing Director;
- f) Professional indemnity and liability insurance for Directors, Key Managerial Personnel and Senior Management not to be treated as remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### 6.2 Remuneration to Managing Director/Whole-time Directors:

The remuneration for the Managing Director/Whole-time Director will be governed as per the provisions of the Companies Act, 2013 and the Rules framed there under from time to time.

#### 6.3 Remuneration to Non- Executive & Independent Directors:

- a) The remuneration payable to Non-Executive & Independent Directors will be governed as per the provisions of the Companies Act, 2013 and the Rules framed there under from time to time.
- b) These Directors may receive remuneration by way of fees for attending meetings of the Board or any Committee thereof, provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
- c) Remuneration may be paid by way of commission within the monetary limit approved by Members, subject to the limit as per the applicable provisions of the Companies Act, 2013.
- d) Independent Directors shall not be entitled to any stock options of the Company under the Companies Act, 2013.

#### 6.4 Remuneration to KMP and Senior Management employees:

As mentioned earlier, the remuneration as approved by the Board of Directors shall be payable to KMPs. The annual increment to the KMPs and Senior Management Personnel shall be based on the annual appraisal and shall be determined by the Managing Director.

#### 7. DISCLOSURE OF THE POLICY

The Remuneration Policy and the Evaluation Criteria of the Committee shall be disclosed in the Board's Report forming a part of the Annual Report of the Company.

#### 8. FREQUENCY OF MEETINGS

The meetings of the Committee could be held at such regular intervals as may be required.

#### 9. QUORUM

Minimum two (2) Members shall constitute a quorum for the Committee meeting.

#### 10. CHAIRMAN

In the absence of the Chairman, the Members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting to answer the Members' queries. However it would be upto the Chairman to nominate some other Member to answer the Members' queries.

#### 11. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

#### 12. MINUTES OF THE COMMITTEE MEETINGS

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

#### 13. MISCELLANEOUS:

- (a) In respect of any policy matters relating to Senior Management (excluding KMPs), the Committee may delegate any of its powers to one or more Company representatives occupying Senior Management position.
- (b) This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, Rules made there under, Listing Agreement or any other applicable enactment for the time being in force.

For and on behalf of the Board

Mumbai  
3<sup>rd</sup> August, 2018

**Gautam N. Mehra**  
Managing Director  
(DIN:00296615)

## ANNEXURE TO THE DIRECTORS' REPORT

### Report on Corporate Social Responsibility (CSR) Activities during 2017-2018

- 1. A brief outline of the Company's CSR Policy including overview of the projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes**

The CSR Committee of the Company had framed the Corporate Social responsibility Policy in FY 2014-2015 in terms of the provisions of Section 135 (1) of the Companies Act, 2013.

The Policy aims at serving the community with a focus on Education, Healthcare, Sustainable Livelihood, Infrastructure Development and efforts to bring about effective Social Change. The CSR activities proposed are more aligned with activities specified in Schedule VII of the Companies Act, 2013.

Web-link: <http://www.savita.com/AboutUs/Policies/CorporateSocialResponsibilityPolicy>

- 2. Composition of the CSR Committee**

Mr. Gautam N. Mehra - Promoter Director Chairman  
Mr. C. V. Alexander - Whole-time Director Member  
Mr. S. R. Pandit - Independent Director Member

- 3. Average Net Profit of the Company for last 3 years (2013-2014, 2014-2015 and 2015-2016)**

Financial Year	Net Profit (in ₹)
2014-2015	(404.43) lac
2015-2016	4,209.27 lac
2016-2017	12,868.78 lac
Average net profit of 3 years above	5,557.87 lac

- 4. Prescribed CSR Expenditure (2% of the amount as in Item No.3 above)**

₹ 111.16 lac

- 5. Details of CSR spent during the financial year 2017-2018**

- a) Total amount spent for the financial year: ₹ 22.02 lac  
b) Amount unspent, if any: ₹ 89.14 lac  
c) Manner in which the amount spent during the financial year 2017-2018

No.	CSR project or activity identified	Sector in which the project is covered	Project Programmes where undertaken	Amount outlay	Amount spent on the project/ programmes	Cumulative expenditure upto the reporting period	Amount spent
1	Donation to Federation of Industries Association, Silvassa	Women Empowerment	Silvassa	₹ 1 lac	₹ 1 lac	₹ 1 lac	₹ 1 lac
2	Donation to Diksha Foundation	Education	Mumbai	₹ 22,000/-	₹ 22,000/-	₹ 22,000/-	₹ 22,000/-
3	Donation to National Society for the Blind	Healthcare	Mumbai	₹ 15,000/-	₹ 15,000/-	₹ 15,000/-	₹ 15,000/-
4	Donation to Deeds Public Charitable Trust	Education	Mumbai	₹ 5 lac	₹ 5 lac	₹ 5 lac	₹ 5 lac
5	Donation to Appasaheb Khanwilkar Gramin Vikas Dharmaday Nyas	Tree Plantation	Navi Mumbai	₹ 1.65 lac	₹ 1.65 lac	₹ 1.65 lac	₹ 1.65 lac
6	Donation to Jankalyan Foundation	Education	Mumbai	₹ 1 lac	₹ 1 lac	₹ 1 lac	₹ 1 lac
7	Donation to Institute for the Blind	Healthcare	Amritsar	₹ 5 lac	₹ 5 lac	₹ 5 lac	₹ 5 lac
8	Donation to Habitat for Humanity India Trust	Sanitation	Silvassa	₹ 5 lac	₹ 5 lac	₹ 5 lac	₹ 5 lac
9	Donation to Punjab Kesari Charitable Trust	Healthcare	Navi Mumbai	₹ 3 lac	₹ 3 lac	₹ 3 lac	₹ 3 lac
<b>Total</b>						<b>₹22.02 lac</b>	<b>₹22.02 lac</b>

- 6. Reasons for lower spending**

More projects had to be identified and evaluated by the CSR Committee.

compliance with CSR objectives and Policy of the Company considering the operating circumstances.

- 7. Responsibility Statement**

The Committee hereby confirms that the implementation and monitoring of CSR Policy is in

Mumbai  
3<sup>th</sup> August, 2018

**Gautam N. Mehra**  
Managing Director and  
CSR Committee Chairman  
(DIN:00296615)



## ANNEXURE TO THE DIRECTORS' REPORT

### Information pertaining to remuneration to Managerial Personnel

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and

forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2018:

	Name of Employee	Age	Designation	Gross Remuneration (in ₹)	Qualification	Exp. (in years)	Date of joining	Previous Employment/ Position held
1	Mr. Gautam N. Mehra	57	Managing Director	2,62,24,431	B.E. (Chem), M.B.A., Univ. of California (Berkeley)	35	1.12.1983	Marketing Executive – Mehra Trading & Investment Company Pvt. Ltd.

#### Notes:

1. Remuneration includes basic salary, allowances, commission payable, 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.
5. Information regarding remuneration and particulars

of other employees of the Company will be available for inspection by the Members at the Registered office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting of the Company. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, where upon, a copy would be sent.

For and on behalf of the Board

Mumbai  
3<sup>rd</sup> August, 2018

**Gautam N. Mehra**  
Managing Director  
(DIN:00296615)

## ANNEXURE TO THE DIRECTORS' REPORT

**Details pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2018**

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-2018, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-2018 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

No.	Name of Director/KMP and Designation	% increase/decrease (-) in Remuneration in the Financial Year 2017-2018	Ratio of remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Mr. G. N. Mehra Managing Director	+16.80 %	47.94:1	
2	Mr. C. V. Alexander Whole-time Director	-10.99 %	6.33:1	
3	Mr. S. M. Dixit Whole-time Director & Chief Financial Officer	12.13 %	15.41:1	
4	Mr. Siddharth G. Mehra Whole-time Director	46.05 %	5.41:1	
5	Mrs. M. C. Dalal Independent Director	6.66 %	0.87:1	
6	Mr. N. B. Karpe Independent Director	14.28 %	0.87:1	Net sales increased and there was Net Profit of ₹ 12,620 lac
7	Ms. Simran G. Mehra Director	NA	0.25:1	
8	Mr. H. A. Nagpal Independent Director	33.33 %	0.87:1	
9	Mr. Ravi Pisharody Independent Director	NA	0.25:1	
10	Mr. S. R. Pandit Independent Director	0.00 %	0.82:1	
11	Mr. U. C. Rege Co. Secretary and EVP – Legal	8.77 %	13.67:1	

- ii) The median remuneration of employees of the Company during the financial year was ₹ 5,47,556/-.
- iii) In the financial year, there was an increase of 10.68% in the median remuneration of employees.
- iv) There were 442 permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2018.
- v) Relationship between average increase in remuneration and company performance:- Net sales increased in value terms with net profit of ₹ 12,620 lac and the increase in median remuneration was 10.68%.
- vi) Comparison of Remuneration of the Key Managerial Personnel against the performance of the Company -
- The total remuneration of Key Managerial Personnel increased by 19.87% from ₹ 407.41 lac in 2016-2017 to ₹ 488.35 lac in 2017-2018. The Company in 2017-2018 made a net profit of ₹ 12,620 lac (against ₹ 9,362 lac in 2016-2017).
- vii) a) Variations in the market capitalisation of the Company:
- The market capitalisation as on 31<sup>st</sup> March, 2018 was ₹ 2017.41 crore (₹ 1372 crore as on 31<sup>st</sup> March, 2017).



b) Price Earnings ratio of the Company as at 31<sup>st</sup> March, 2018 was 15.98 and was 14.66 as at 31<sup>st</sup> March, 2017.

c) Percentage increase / decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:-

The Company had come out with initial public offer (IPO) in 1994. The share price of the Company first listed on BSE in October 1994 was ₹ 240 per share of the face value of ₹ 10/- per share. Share price of the Company quoted on BSE on 31<sup>st</sup> March, 2018 was ₹ 1408.60. Increase in the Net-worth of the Company was 12.27% as compared to the previous year.

viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-2018 was 10.68% and the increase in the remuneration of KMPs and senior managerial personnel for the same financial year was 9.53%.

ix) The key parameters for the variable component of remuneration availed are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

x) The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but received remuneration in excess of the highest paid Director during the year – Not Applicable.

xi) Remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board

Mumbai  
3<sup>rd</sup> August, 2018

**Gautam N. Mehra**  
Managing Director  
(DIN:00296615)

## 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 -

For Turbhe Plant –

- 1) Replaced non-efficient Power Transformer with highly efficient Power Transformer.
- 2) Installed 7.5 HP Energy efficient Pump replacing 40 HP Blending pump.
- 3) Installed Jet Bubble Blending System for seven more tanks.
- 4) Replaced ordinary high wattage lamps with low wattage energy efficient LED lamps.
- 5) Maintained Power Factor all the time at unity and availed incentive from MSEB.

For Kharadpada Plant –

- 1) Replaced CFL lamps with more energy efficient LED lamps.
- 2) Maintained Power Factor all the time at unity and availed incentive from Electricity Board.

For Silli Plant –

- 1) 250 watt conventional lights replaced with 80 Watt LED lights.
- 2) Efficient hand operated levers were provided in place of foot operated levers for 3 Nos. TO drum filling machines.

##### b) Impact of the above measures –

- 1) The above energy conservation measures have helped to reduce the overall energy consumption and fuel usage for the Company.

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

Proposed to install a Roof Mounted Solar Energy generation system connected to the Grid.

#### 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's value of export sales (FOB value) stood at ₹ 27,582 lac in the year under review as against ₹ 24,780 lac during the year 2016-2017, showing an increase of 6% in value terms. Your Company has been consolidating its position in current markets and also exploring new strategies to penetrate new markets as an on-going exercise.

#### D. Total Foreign Exchange used and earned

₹ in lac

(i) CIF Value of Imports	1,03,674.20
(ii) Expenditure in Foreign Currency	529.80
(iii) Foreign Exchange earned	27,582.08

#### E. Particulars of Employees

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2018 has been annexed separately.

For and on behalf of the Board

Mumbai  
3<sup>rd</sup> August, 2018

**Gautam N. Mehra**  
Managing Director  
(DIN:00296615)

## FORM - A

## DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

## A. Power and Fuel consumption

Particulars	2017-2018	2016-2017
<b>1. Electricity</b>		
a. Purchased units (million)	2.931	2.873
Total amount (₹ in lac)	170.39	192.49
Average rate/unit (₹)	5.81	6.70
b. Own Generation		
i) Through Diesel Generation	98,439	85,246
Units per litre of diesel oil	2.68	2.84
Average cost/unit (₹)	22.05	19.61
ii) Through Steam Turbine Generators	-	-
iii) Through Wind Turbines	-	-
Units (million)	-	-
Total amount (₹ in lac)	-	-
Average rate/unit (₹)	-	-
<b>2. Coal</b>	-	-
<b>3. Furnace Oil</b>		
Quantity (KL)	32.591	-
Total amount (₹ in lac)	8.36	-
Average rate/unit (₹)	25,664	-
<b>4. Others</b>	-	-

## B. Consumption per Unit of Production

Particulars	Year	Transformer Oil	Liquid Paraffins	Lubricating Oils	Others
Electricity (KWH)	2017-2018	6	17	8	6
	2016-2017	5	16	8	5
Furnace Oil (in litres)	2017-2018	-	-	-	-
	2016-2017	-	-	-	-

For and on behalf of the Board

Mumbai  
3<sup>rd</sup> August, 2018

**Gautam N. Mehra**  
Managing Director  
(DIN:00296615)

## FORM – B

### DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

#### Research and Development

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

- R & D continued to work on developing new formulations for your Company's range of Lubricating Oils, Transformer Oils and White Oils.
- R & D also continued its work on condition monitoring of Lubricating Oils and Transformer Oils.
- Your company also added two more specialty oils to the list of new products – one for agricultural spray oil application and another for textile applications besides making new formulations in the area of White Oils.

##### 2. BENEFITS DERIVED

The R&D work is expected to develop new product lines and hence add new customers for the Company within India and overseas.

##### 3. FUTURE PLAN OF ACTION

As global specifications for Transformer Oil and Lubricating Oils continue to evolve, the R&D Team will continue to endeavour to develop new products that not only meet but exceed global specifications and

customer requirements. Besides developing a range of Engine Oils that meet the stricter fuel efficiency and emission norms, the R&D Team is now working on developing a range of Lubricating Oils that are 'Greener' than the conventional mineral oil based Lubricants.

##### 4. EXPENDITURE ON RESEARCH AND DEVELOPMENT

	₹ In lac
a) Capital	45.06
b) Recurring	169.83
Total	<u>214.89</u>
Total R&D expenditure as % of turnover	0.12

##### 5. TECHNOLOGY ABSORPTION

The R&D work enabled your Company to enhance its product portfolio to service new customers in the areas of Transformer Oil, Lubricating Oils and White Oils.

For and on behalf of the Board

Mumbai  
3<sup>rd</sup> August, 2018

**Gautam N. Mehra**  
Managing Director  
(DIN:00296615)



**FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	

**2. Details of contracts or arrangements or transactions at arm's length basis:**

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<ol style="list-style-type: none"> <li>Savita Polymers Limited</li> <li>Savita Petro Additives Limited</li> <li>Basant Lok Trading Co. (A Private Company)</li> <li>Chemi Pharmex Pvt. Ltd.</li> <li>Khatri Investments Pvt. Ltd.</li> <li>Kurla Trading Co. Pvt. Ltd.</li> <li>Mansukhmal Investment Pvt. Ltd.</li> <li>Naved Investment &amp; Trading Co. Pvt. Ltd.</li> <li>D. C. Mehra Public Charitable Trust</li> <li>Madhu Trust</li> <li>N. K. Mehra Trust</li> <li>NKM Grand Children's Trust</li> <li>Mr. G. N. Mehra</li> <li>Mrs. R. G. Mehra</li> <li>Ms. S. G. Mehra</li> <li>Mr. S. G. Mehra</li> </ol>
b)	Nature of contracts/arrangements/ transactions	<ol style="list-style-type: none"> <li>Sale of goods</li> <li>Sale of fixed assets</li> <li>Purchase of goods</li> <li>Payment of rent</li> <li>Car parking charges</li> <li>Donation</li> </ol>
c)	Duration of the contracts/arrangements/ transactions	From 01.04.2017 to 31.03.2018

d)	Salient terms of the contracts or arrangements or transactions including the value, if any	<ol style="list-style-type: none"> <li>1. Sale of goods to Savita Polymers Limited of ₹ 1,218.47 lac</li> <li>2. Sale of fixed assets to Savita Polymers Limited of ₹ 5.16 lac</li> <li>3. Purchase of goods from Savita Polymers Limited of ₹ 274.33 lac</li> <li>4. Rent paid to               <ul style="list-style-type: none"> <li>-Chemi Pharmex Pvt. Ltd. ₹ 45.06 lac</li> <li>-Savita Polymers Ltd. ₹ 51.97 lac</li> </ul> </li> <li>5. Car parking charges paid to               <ul style="list-style-type: none"> <li>-Basant Lok Trading Co. ₹ 0.15 lac</li> <li>-Chemi Pharmex Pvt. Ltd. ₹ 0.16 lac</li> </ul> </li> <li>6. Donation given to               <ul style="list-style-type: none"> <li>- D. C. Mehra Public Charitable Trust ₹ 40.00 lac</li> <li>- N. K. Mehra Trust ₹ 40.00 lac</li> </ul> </li> </ol>
e)	Date of approval by the Board	29 <sup>th</sup> May, 2017
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board

Mumbai  
3<sup>rd</sup> August, 2018

**Gautam N. Mehra**  
Chairman & Managing Director  
(DIN:00296615)

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**for the financial year ended on 31.03.2018**  
**Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company**  
**(Management & Administration ) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

i	CIN	L24100MH1961PLC012066
ii	Registration Date	19 <sup>th</sup> July, 1961
iii	Name of the Company	Savita Oil Technologies Limited
iv	Category/Sub-category of the Company	Company having Share Capital
v	Address of the Registered office & contact details	66/67, Nariman Bhavan, Nariman Point, Mumbai 400 021 Tel: 91-22-6624 6200 / 6624 6228 Fax: 91-22-2202 9364
vi	Whether listed company	Yes
vii	Name, address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-101, 247 Park, L.B. S. Marg, Vikhroli (W), Mumbai-400 083 Tel: 91-22-49186000 Fax: 91 22 49186060 E-mail : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name & Description of main products/ services	NIC Code of the product /service	% to total turnover of the Company
1	Petroleum Products	19201	97.06
2	Wind Power	35106	2.08

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
NIL	NIL	NIL	NIL	NIL	NIL

**IV. SHAREHOLDING PATTERN (Equity Share Capital break up as % to total Equity)**

(i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	9584570	-	9584570	65.64	9391239	-	9391239	65.57	-0.07
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	867895	-	867895	5.94	867895	-	867895	6.06	0.12
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	10452465	-	10452465	71.58	10259134	-	10259134	71.63	0.05

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (2)	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>10452465</b>	<b>-</b>	<b>10452465</b>	<b>71.58</b>	<b>10259134</b>	<b>-</b>	<b>10259134</b>	<b>71.63</b>	<b>0.05</b>
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	1457464	-	1457464	9.98	1606608	-	1606608	11.22	1.24
b) Banks/Fl	53	499	552	0.00	150	-	150	0.00	0.00
c) Central Govt.	-	-	-	-	34521	-	34521	0.24	0.24
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	0	-	-
g) Flls	821130	-	821130	5.62	658196	-	658196	4.60	-1.03
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1)	2278647	499	2279146	15.61	2299475	-	2299475	16.06	0.45
(2) Non Institutions									
a) Bodies corporates	-	-	-	-	-	-	-	-	-
i) Indian	270173	-	270173	1.85	304822	-	304822	2.13	0.28
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lac	1132802	237127	1369929	9.38	1007887	192073	1199960	8.38	-1.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	229204	-	229204	1.57	258664	-	258664	1.81	0.24
c) Others (specify)- Trusts	1,000	166	1,166	0.01	28	-	28	0.00	-0.01
SUB TOTAL (B)(2):	1633179	237293	1870472	12.81	1571401	192073	1763474	12.31	-0.50
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3911826</b>	<b>237792</b>	<b>4149618</b>	<b>28.42</b>	<b>3870876</b>	<b>192073</b>	<b>4062949</b>	<b>28.37</b>	<b>-0.05</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>14364291</b>	<b>237792</b>	<b>14602083</b>	<b>100.00</b>	<b>14130010</b>	<b>192073</b>	<b>14322083</b>	<b>100.00</b>	

## (ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	% change in share holding during the year
1	Gautam N. Mehra	9,511,656	65.14	0	9318325	65.06	0	-0.08
2	Reshma Mehra	33,416	0.23	0	33,416	0.23	0	0.00
3	Ritu Satsangi	7,749	0.05	0	7,749	0.05	0	0.00
4	Atul Satsangi	666	0.00	0	666	0.00	0	0.00
5	Simran G. Mehra	30,500	0.21	0	30,500	0.21	0	0.00
6	Siddharth Mehra	583	0.00	0	583	0.00	0	0.00
7	Mansukhmal Investments Pvt. Ltd	410,000	2.81	0	410,000	2.86	0	-0.05
8	Khatri Investments Pvt. Ltd.	427,611	2.93	0	427,611	2.99	0	-0.06
9	Kurla Trading Co. Pvt. Ltd.	13,666	0.09	0	13,666	0.10	0	0.00
10	Naved Investment & Trading Co. Pvt. Ltd.	9,452	0.06	0	9,452	0.07	0	0.00
11	Basant Lok Trading Co.	6,166	0.04	0	6,166	0.04	0	0.00
12	Chemi Pharmex Pvt. Ltd.	1,000	0.01	0	1,000	0.01	0	0.00
<b>Total</b>		<b>10,452,465</b>	<b>71.58</b>	<b>0</b>	<b>10,259,134</b>	<b>71.63</b>	<b>0</b>	<b>0.05</b>

## (iii) Change in Promoters' Shareholding (please specify if there is no change):

Sr. No.	Name of the Promoters	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Gautam N. Mehra	9,511,656	65.14	9318325	65.06
2	Reshma Mehra	33,416	0.23	33,416	0.23
3	Ritu Satsangi	7,749	0.05	7,749	0.05
4	Atul Satsangi	666	0.00	666	0.00
5	Simran G. Mehra	30,500	0.21	30,500	0.21
6	Siddharth Mehra	583	0.00	583	0.00
7	Mansukhmal Investments Pvt. Ltd.	410,000	2.81	410,000	2.86
8	Khatri Investments Pvt. Ltd.	427,611	2.93	427,611	2.99
9	Kurla Investment & Trading Co. Pvt. Ltd.	13,666	0.09	13,666	0.10
10	Naved Investment & Trading Co. Pvt. Ltd.	9,452	0.06	9,452	0.07
11	Basant Lok Trading Co.	6,166	0.04	6,166	0.04
12	Chemi Pharmex Pvt. Ltd.	1,000	0.01	1,000	0.01

## Note:

1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 14322083 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	1329732	9.11			1329732	9.28
	Transfer			04 Aug 2017	-1391	1328341	9.27
	Buyback			23 Mar 2018	-22015	1306326	9.12
	AT THE END OF THE YEAR	-	-	-	-	1306326	9.12

2	PARI WASHINGTON INDIA MASTER FUND LTD.	551465	3.78		551465	3.85	
	Buyback	-	-	23 Mar 2018	-9140	542325	3.79
	AT THE END OF THE YEAR			-	-	542325	3.79
3	EAST SAIL	257363	1.76		216685	1.51	
	Transfer	-	-	05 Jan 2018	-2864	254499	1.78
	Transfer	-	-	12 Jan 2018	-109155	145344	1.01
	Transfer	-	-	19 Jan 2018	-1153	144191	1.01
	Transfer	-	-	26 Jan 2018	-4041	140150	0.98
	Transfer	-	-	09 Feb 2018	-8704	131446	0.92
	Transfer	-	-	16 Feb 2018	-6421	125025	0.87
	Transfer	-	-	23 Feb 2018	-3444	121581	0.85
	Transfer	-	-	02 Mar 2018	-6138	115443	0.81
	Transfer	-	-	09 Mar 2018	-3907	111536	0.78
	Buyback	-	-	23 Mar 2018	-2589	108947	0.76
	AT THE END OF THE YEAR	-	-	-	-	108947	0.76
4	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND	127732	0.87	-	-	127732	0.89
	Transfer	-	-	21 Apr 2017	2750	130482	0.91
	Transfer	-	-	28 Apr 2017	4000	134482	0.94
	Transfer	-	-	05 May 2017	2500	136982	0.96
	Transfer	-	-	12 May 2017	1948	138930	0.97
	Transfer	-	-	26 May 2017	2038	140968	0.98
	Transfer	-	-	02 Jun 2017	2523	143491	1.00
	Transfer	-	-	09 Jun 2017	2100	145591	1.02
	Transfer	-	-	16 Jun 2017	6936	152527	1.06
	Transfer	-	-	23 Jun 2017	2749	155276	1.08
	Transfer	-	-	30 Jun 2017	3661	158937	1.11
	Transfer	-	-	07 Jul 2017	5590	164527	1.15
	Transfer	-	-	28 Jul 2017	2307	166834	1.16
	Transfer	-	-	04 Aug 2017	4500	171334	1.20
	Transfer	-	-	11 Aug 2017	3298	174632	1.22
	Transfer	-	-	18 Aug 2017	2000	176632	1.23
	Transfer	-	-	25 Aug 2017	1783	178415	1.25
	Transfer	-	-	01 Sep 2017	432	178847	1.25
	Transfer	-	-	15 Sep 2017	2964	181811	1.27
	Transfer	-	-	22 Sep 2017	2000	183811	1.28
	Transfer	-	-	27 Oct 2017	5472	189283	1.32
	Transfer	-	-	03 Nov 2017	6820	196103	1.37
	Transfer	-	-	10 Nov 2017	13693	209796	1.46
	Transfer	-	-	17 Nov 2017	11299	221095	1.54
	Transfer	-	-	24 Nov 2017	5008	226103	1.58
	Transfer	-	-	01 Dec 2017	480	226583	1.58
	Transfer	-	-	29 Dec 2017	9432	236015	1.65
	Transfer	-	-	05 Jan 2018	4012	240027	1.68
	Transfer	-	-	19 Jan 2018	2000	242027	1.69
	Transfer	-	-	26 Jan 2018	500	242527	1.69
	Transfer	-	-	09 Feb 2018	20677	263204	1.84
	Transfer	-	-	16 Feb 2018	4000	267204	1.87
	Transfer	-	-	23 Feb 2018	10000	277204	1.94
	Transfer	-	-	02 Mar 2018	7686	284890	1.99
	Transfer	-	-	09 Mar 2018	13900	298790	2.09
	Transfer	-	-	16 Mar 2018	3000	301790	2.11
	Buyback	-	-	23 Mar 2018	-3508	298282	2.08
	Transfer	-	-	31 Mar 2018	2000	300282	2.10
	AT THE END OF THE YEAR	-	-	-	-	300282	2.10
5	KCP SUGAR AND INDUSTRIES CORPORATION LIMITED	93862	0.64		93862	0.66	
	Transfer	-	-	23 Jun 2017	-1762	92100	0.64
	Transfer	-	-	18 Aug 2017	100	92200	0.64
	Transfer	-	-	16 Mar 2018	200	92400	0.65
	AT THE END OF THE YEAR	-	-	-	-	92400	0.65





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6	VINOD SETHI	62278	0.43		60528	0.42	
	Transfer	-	-	18 Aug 2017	400	62678	0.44
	Transfer	-	-	25 Aug 2017	400	63078	0.44
	Transfer	-	-	01 Sep 2017	390	63468	0.44
	Transfer	-	-	08 Sep 2017	300	63768	0.45
	Transfer	-	-	15 Sep 2017	400	64168	0.45
	Transfer	-	-	22 Sep 2017	200	64368	0.45
	Transfer	-	-	08 Dec 2017	200	64568	0.45
	Transfer	-	-	02 Feb 2018	100	64668	0.45
	Transfer	-	-	09 Feb 2018	100	64768	0.45
	AT THE END OF THE YEAR	-	-	-	-	64768	0.45
7	SEETHA KUMARI	54510	0.37		54510	0.38	
	Transfer	-	-	29 Dec 2017	30	54540	0.38
	Transfer	-	-	09 Mar 2018	-1331	53209	0.37
	Transfer	-	-	16 Mar 2018	292	53501	0.37
	Transfer	-	-	23 Mar 2018	1092	54593	0.38
	AT THE END OF THE YEAR	-	-	-	-	54593	0.38
8	RANVIR RANJIT SHAH	30342	0.21		30342	0.21	
	Transfer	-	-	29 Sep 2017	600	30942	0.22
	Transfer	-	-	06 Oct 2017	800	31742	0.22
	Transfer	-	-	13 Oct 2017	400	32142	0.22
	Transfer	-	-	08 Dec 2017	200	32342	0.23
	Transfer	-	-	02 Feb 2018	100	32442	0.23
	Transfer	-	-	09 Feb 2018	300	32742	0.23
	Transfer	-	-	16 Feb 2018	300	33042	0.23
	Transfer	-	-	23 Feb 2018	100	33142	0.23
	Transfer	-	-	02 Mar 2018	100	33242	0.23
	Transfer	-	-	09 Mar 2018	400	33642	0.23
	Transfer	-	-	16 Mar 2018	300	33942	0.24
	AT THE END OF THE YEAR (Including 100 shares in a separate demat a/c)	-	-	-	-	34042	0.24
9	INDIA INFOLINE LIMITED	29381	0.20		29381	0.21	
	Transfer	-	-	07 Apr 2017	-1015	28366	0.20
	Transfer	-	-	14 Apr 2017	-2	28364	0.20
	Transfer	-	-	21 Apr 2017	-28193	171	0.00
	Transfer	-	-	28 Apr 2017	28282	28453	0.20
	Transfer	-	-	12 May 2017	499	28952	0.20
	Transfer	-	-	19 May 2017	-28781	171	0.00
	Transfer	-	-	26 May 2017	28271	28442	0.20
	Transfer	-	-	02 Jun 2017	89	28531	0.20
	Transfer	-	-	09 Jun 2017	44	28575	0.20
	Transfer	-	-	16 Jun 2017	-44	28531	0.20
	Transfer	-	-	23 Jun 2017	50	28581	0.20
	Transfer	-	-	30 Jun 2017	-32	28549	0.20
	Transfer	-	-	07 Jul 2017	60	28609	0.20
	Transfer	-	-	14 Jul 2017	4	28613	0.20
	Transfer	-	-	21 Jul 2017	-28442	171	0.00
	Transfer	-	-	28 Jul 2017	28717	28888	0.20
	Transfer	-	-	04 Aug 2017	-413	28475	0.20
	Transfer	-	-	11 Aug 2017	840	29315	0.20
	Transfer	-	-	18 Aug 2017	-877	28438	0.20
	Transfer	-	-	25 Aug 2017	-63	28375	0.20
	Transfer	-	-	01 Sep 2017	94	28469	0.20
	Transfer	-	-	08 Sep 2017	65	28534	0.20
	Transfer	-	-	15 Sep 2017	-65	28469	0.20
	Transfer	-	-	27 Oct 2017	20	28489	0.20
	Transfer	-	-	03 Nov 2017	-28318	171	0.00
	Transfer	-	-	10 Nov 2017	42782	42953	0.30
	Transfer	-	-	17 Nov 2017	13	42966	0.30
	Transfer	-	-	24 Nov 2017	115	43081	0.30
	Transfer	-	-	01 Dec 2017	-123	42958	0.30
	Transfer	-	-	08 Dec 2017	-2	42956	0.30

Transfer	-	-	15 Dec 2017	-3	42953	0.30
Transfer	-	-	12 Jan 2018	81	43034	0.30
Transfer	-	-	19 Jan 2018	-81	42953	0.30
Transfer	-	-	26 Jan 2018	-3962	38991	0.27
Transfer	-	-	02 Feb 2018	-2125	36866	0.26
Transfer	-	-	09 Feb 2018	-36695	171	0.00
Transfer	-	-	16 Feb 2018	58	229	0.00
Transfer	-	-	23 Feb 2018	-51	178	0.00
Transfer	-	-	02 Mar 2018	-7	171	0.00
Transfer	-	-	23 Mar 2018	-171	0	0.00
AT THE END OF THE YEAR	-	-	-	-	0	0.00
10 TEJAS VIDYADHARA RAO SETHI	27705	0.19	-	-	27705	0.19
AT THE END OF THE YEAR	-	-	-	-	27705	0.19
11 YASHOVARDHAN KAMLESH SHAH	0	0.00	-	-	-	-
Transfer	-	-	03 Nov 2017	23030	23030	0.16
AT THE END OF THE YEAR	-	-	-	-	23030	0.16

**Note:**

1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 14322083 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Directors/Key Managerial Personnel	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the Company	No of shares	% of total shares of the Company
Directors					
1	Mr. Gautam N.Mehra	9511656	65.14	9318325	65.06
2	Mr. C. V. Alexander	833	0.01	833	0.01
3	Mr. Siddharth G. Mehra	583	0.00	583	0.00
4	Ms. Simran G. Mehra	30500	0.21	30500	0.21
5	Mr. Suhas M. Dixit	20	0.00	20	0.00
Key Managerial Personnel					
1	Mr. Uday C. Rege	0	0	0	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,386.28	661.67	-	2,047.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9.89	-	-	9.89
Total (i+ii+iii)	<b>1,396.17</b>	<b>661.67</b>	-	<b>2,057.84</b>
Change in Indebtedness during the financial year				
Additions	1.50	-	-	1.50
Reduction	1,192.47	216.77	-	1,409.24
Net Change	<b>(1,190.97)</b>	<b>(216.77)</b>	-	<b>(1,407.74)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	203.70	444.90	-	648.60
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.50	-	-	1.50
Total (i+ii+iii)	<b>205.20</b>	<b>444.90</b>	-	<b>650.10</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AS ON 31<sup>ST</sup> MARCH, 2018

### A. Remuneration to Managing Director, Whole-time Director and/or Manager

(in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD				Total Amount
		Gautam N. Mehra (Managing Director)	C. V. Alexander (Whole-time Director)	Siddharth G. Mehra (Whole-time Director)	Suhas M. Dixit (Whole-time Director)	
	Gross Salary					
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	9,498,258	3,211,174	3,042,120	8,057,186	36,677,528
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	201,915	32,400	39,600	34,200	308,115
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit	12,868,790	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>22,568,963</b>	<b>3,243,574</b>	<b>3,081,720</b>	<b>8,091,386</b>	<b>36,985,643</b>
	Ceiling as per the Act	As per Schedule V	As per Schedule V	As per Schedule V	As per Schedule V	As per Schedule V

### B. Remuneration to Other Directors

(in ₹)

Particulars of Remuneration	Independent Directors				Non-Executive Director	
	S. R. Pandit	N. B. Karpe	H. A. Nagpal	M. C. Dalal	Ravindra Pisharody	Simran G. Mehra
(a) Fee for attending Board Meetings	150,000	180,000	180,000	180,000	60,000	60,000
(b) Commission	300,000	300,000	300,000	300,000	75,000	75,000
(c) Others, please specify	0	0	0	0	0	0
<b>Total Managerial Remuneration</b>	<b>450,000</b>	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>	<b>135,000</b>	<b>135,000</b>
Overall Ceiling as per the Act	As per Schedule V	As per Schedule V	As per Schedule V	As per Schedule V	As per Schedule V	As per Schedule V

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
	Gross Salary	
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	15,237,784
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	66,600
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	
2	Stock Option	-
3	Sweat Equity	-
	Commission	
4	- % of profit	-
	- others, specify	
5	Others, please specify	-
	<b>Total</b>	<b>15,304,384</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

- NIL -

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**Savita Oil Technologies Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Savita Oil Technologies Limited** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by **Savita Oil Technologies Limited** (“the Company”) for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (v) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings [Applicable only to the extent of External Commercial Borrowings].
- (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that

1. *The Company’s Corporate Social Responsibility spending in pursuance to the Corporate Social Responsibility Policy is less than 2% of the average net profits of the company made during the three immediately preceding financial years.*

2. *The Company has not published notice convening Board meeting dated February 3, 2018 as required under Regulation 47 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.*

**We further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company-

- (a) The Petroleum Act, 1934 and Rules made thereunder;
- (b) Maharashtra Solvents, Reffinate and Slop (Licence) Order, 2007;
- (c) Lubricating Oils & Greases (Processing, Supply & Distribution) Order, 1987.

**We further report that,** there were no events/ actions in pursuance of:

- a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously as recorded in the minutes of meetings of the Board of Directors.

**We further report that** as represented by the Company and relied upon by us, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no specific events/ actions having a major bearing on the Company's affairs.

For **MP & Associates**  
**Company Secretaries**

**Manish S. Raut**  
**Partner**  
**FCS No.8962**  
**C P No.: 10404**

**Place:** Thane

**Date:** 25/07/2018

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.





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## ANNEXURE A

To,

The Members,

**Savita Oil Technologies Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **MP & Associates**  
**Company Secretaries**

**Manish S. Raut**  
**Partner**  
**FCS No.8962**  
**C P No.: 10404**

**Place:** Thane

**Date:** 25/07/2018

# CORPORATE GOVERNANCE

Report on Corporate Governance for the year 2017-2018 is as under-

## 1. PHILOSOPHY ON CORPORATE GOVERNANCE

The Company believes in delivering value to all its stakeholders including shareholders, customers, partners, employees and the society at large. As a responsible corporate citizen, the Company practices highest level of ethics. The Company adopts integrity, fairness and transparency in all its dealings. The Board of Directors is responsible for implementation and supervision of Corporate Governance principles of the Company.

The Company has complied with the requirements of Corporate Governance in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as are amended and applicable to the Company. A detailed report on the compliance with the principles of Corporate Governance as prescribed, follows.

## 2. BOARD OF DIRECTORS

The composition of the Board is in conformity with the provisions of the SEBI Regulations which inter alia stipulate that the Board should have an optimum combination of Executive and Non-Executive Directors with at least one Woman Director and at least 50% of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

During the FY 2017-2018, the Company had 10 Directors on Board who are experienced professionals with a Managing Director heading the business, one Promoter-Executive Director, two non-Promoter Executive Directors, one Promoter-non-Executive Director and five non-Promoter non-Executive Independent Directors. All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking, insurance and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

As mandated under SEBI Listing Regulations, the Independent Directors on the Board of the Company:

- are persons of integrity and possess relevant expertise and experience;
- are not the Promoters of the Company or its holding, subsidiary or associate company;
- are not related to Promoters or Directors of the Company, its Holding, Subsidiary or Associate Companies;
- Apart from receiving Directors remuneration and sitting fees, do not have any material pecuniary relationships or transactions with the Company, its holding, subsidiary or associate company or their Promoters or Directors, during the two immediately preceding financial years or during the current financial year;
- None of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company or their Promoters, or Directors, amounting to 2% or more of its gross turnover or total income or 50 lac or such higher amount as prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither themselves nor any of their relatives hold or have held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in the immediately preceding three financial years i.e. FY 2014-2015, 2015-2016 and 2016-2017;
- Are not partner(s) or executive(s) or were not partner(s) or executive(s) during the preceding three years, of any of the following:
  - i. Statutory audit firm or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company;
  - ii. Legal firm(s) and consulting firm(s) that have a transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- Are not holding together with their relatives 2% or more of the total voting power of the Company;

- Are not the CEO or Director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its Promoters, Directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company;
- Are not material supplier(s), service provider(s)

or customer(s) or lessor(s) or lessee(s) of the Company, which may affect their independence as a Director;

- Are not less than 21 years of age.

The details of the familiarization programme for Independent Directors has been posted on the website of the Company [www.savita.com](http://www.savita.com).

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

Director	Category	No. of outside Directorships	No. of Directorships in outside public companies	No. of outside Committee Memberships
Mr. G. N. Mehra DIN:00296615	Executive-CMD/Promoter	10	3	-
Ms. Simran G. Mehra DIN:06449809	Promoter/Non-Executive	2	1	-
Mr. Siddharth G. Mehra DIN:06454215	Promoter/Executive	6	1	-
Mr. C. V. Alexander DIN:00253736	Non-Promoter-Executive	2	1	-
Mr. N. B. Karpe DIN:00030971	Non-Promoter Non-Executive-Independent	8	4	6
Mr. S. R. Pandit DIN:00131424	Non-Promoter Non-Executive-Independent	1	0	0
Mr. H. A. Nagpal DIN:00481307	Non-Promoter Non-Executive-Independent	2	1	1
Mrs. M. C. Dalal DIN:00087178	Non-Promoter Non-Executive-Independent	1	0	-
Mr. Ravindra Pisharody DIN:01875848	Non-Promoter Non-Executive-Independent	2	1	-
Mr. Suhas M. Dixit DIN:02359138	Non-Promoter Executive	1	1	-

### Particulars of Directors seeking re-appointment are given below-

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 35 years in the industry	Over 54 years in service
Other Directorships	1 Savita Polymers Ltd. 2 Savita Petro-Additives Ltd. 3 Savita Finance Corporation Ltd. 4 Khatri Investments Pvt. Ltd. 5 Mansukhmal Investments Pvt. Ltd. 6 Naved Investment & Trading Co. Pvt. Ltd. 7 Kurla Trading Co. Pvt. Ltd. 8 Basant Lok Trading Co. 9 Chemi Pharmex Pvt. Ltd. 10 Manufacturers of Petroleum Specialties Association	1 Savita Polymers Ltd. 2 Kurla Trading Co. Pvt. Ltd.

### Number of Board Meetings with dates

During the period 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018, the Board met 6 times. The Board Meetings were

held on 27<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 16<sup>th</sup> August, 2017, 30<sup>th</sup> October, 2017, 23<sup>rd</sup> January, 2018 and 3<sup>rd</sup> February, 2018.

### Attendance of Directors at the Board Meetings held during 2017-2018 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	6	6	Yes
Ms. Simran G. Mehra	2	2	NA
Mr. Siddharth G. Mehra	5	3	Yes
Mr. N. B. Karpe	6	6	Yes
Mr. S. R. Pandit	6	5	Yes
Mr. C. V. Alexander	6	6	Yes
Mr. H. A. Nagpal	6	6	No
Mrs. M. C. Dalal	6	6	Yes
Mr. Ravindra Pisharody	2	2	NA
Mr. S. M. Dixit	5	4	Yes

### 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 3<sup>rd</sup> August, 2018 re-appointed Mr. Gautam N. Mehra as the Managing Director of the Company for a period from 1<sup>st</sup> October, 2018 to 30<sup>th</sup> September, 2023 and Mr. C. V. Alexander as the Whole-time Director of the Company for a period from 1<sup>st</sup> October, 2018 to 30<sup>th</sup> April, 2019 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 have been detailed in the Notice and Explanatory Statements thereto.

### Information placed before the Board

A detailed agenda folder is sent to each Director in advance of the Board Meetings. As a policy, all major decisions involving investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. Inter alia, the following information, as may be applicable and required, if any is provided to the Board as a part of the agenda papers –

- Annual operating plans and budgets and any updates.
- Capital budget-purchase and disposal of plant, machinery and equipment.

- Quarterly, Half yearly and Annual Results of the Company.
- Minutes of the Meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the Board level.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or environmental pollution related matters.
- Any material default in financial obligations to and by the Company, or substantial non-payments by clients.
- Any issue, which involves possible public or product liability/claims of substantial nature, including any judgments or orders which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture agreement or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.

- Significant labour problems and their proposed solutions. Any significant development in human resources or on the industrial relations front such as signing of wage agreement, etc.
- Sale of material nature, of investments, subsidiaries, assets, which are not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by the Management to limit the risk of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and members' service such as non-payment of dividend, delay in share transfer, etc.
- The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Management as well as steps taken by the Company to rectify instances of non-compliances, if any.

### 3. COMMITTEES OF THE BOARD

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

#### A) Audit Committee

The Audit Committee consists of the following Directors –

Mr. S. R. Pandit	- Chairman (Non-Executive Independent Director)
Mr. Harit A. Nagpal	- Member (Non-Executive Independent Director)
Mrs. Meghana C. Dalal	- Member (Non-Executive Independent Director)

The terms of reference of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by the Management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing with the Management, quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;

- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with the internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism/Vigil mechanism.
- Carrying out any other functions as specified in the terms of reference, as amended from time to time;
- Besides the above, the role of the Audit Committee includes mandatory review of the following information -
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by Management;
  - Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Internal Auditor.

The Audit Committee met five times (27<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 16<sup>th</sup> August, 2017, 30<sup>th</sup> October, 2017 and 3<sup>rd</sup> February, 2018) during the year 2017-2018.

### Attendance of Director Members at the Audit Committee Meetings

Names of Director Members	Attended
Mr. S. R. Pandit	5
Mr. H. A. Nagpal	5
Mrs. Meghana C. Dalal	5

### B) Stakeholders' Relationship Committee

The following are the members of this Committee-

- Mr. N. B. Karpe - Chairman (Non-Executive Independent Director)
- Mr. G. N. Mehra - Member (Managing Director)
- Mr. C. V. Alexander - Member (Whole-time Director)
- Mr. U. C. Rege, Company Secretary & Executive VP - Legal is the Compliance Officer of the Committee.

The Committee deals with the following matters:

- Noting transfer/transmission of shares.
- Review of dematerialised/re-materialised shares and all other related matters.
- Monitors expeditious redressal of Investor grievance matters received from Stock Exchanges, SEBI, ROC, etc.
- Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of Annual Report, dividend etc.
- All other matters related to shares. In accordance with Section 178(5) of the Companies Act, 2013, the Stakeholders Relationship Committee shall in addition to the above role, also consider and resolve the grievances of deposit holders and other security holders of the Company, if any.

The Stakeholders' Relationship Committee met four times (27<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 30<sup>th</sup> October, 2017 and 3<sup>rd</sup> February, 2018) during the year 2017-2018.

### Attendance of Director Members at the Meetings

Names of Director Members	Attended
Mr. N. B. Karpe	4
Mr. G. N. Mehra	4
Mr. C. V. Alexander	4

## Details of Shareholders' Grievances and their redressal

Sr. No.	Type	Received	Cleared
1.	Transfers/Transmissions/Name Correction	53	53
2.	Non-receipt of Dividend Warrants	6	6
3.	De-materialisation	0	0
4.	Others	325	325

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 2017-2018 except in cases which are constrained by disputes and/or legal impediments.

### C) Corporate Social Responsibility Committee

The following are the Members of this Committee –

Mr. G. N. Mehra	- Chairman (Managing Director)
Mr. C. V. Alexander	- Member (Whole-time Director)
Mr. S. R. Pandit	- Member (Non-Executive Independent Director)

The role of the Committee is as under:

- Review the Corporate Social Responsibility Policy for taking up activities by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy.
- Monitor the CSR Policy of the Company and its implementation from time to time.
- Such other functions as the Board may deem fit from time to time.

The Corporate Social Responsibility Committee met four times (27<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 30<sup>th</sup> October, 2017 and 3<sup>rd</sup> February, 2018) during the year 2017-2018.

### Attendance of Director Members at the Corporate Social Responsibility Committee Meetings

Names of Director Members	Attended
Mr. G. N. Mehra	4
Mr. C. V. Alexander	4
Mr. S. R. Pandit	4

### D) Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following Directors –

Mr. H. A. Nagpal	- Chairman (Non-Executive Independent Director)
Mr. N. B. Karpe	- Member (Non-Executive Independent Director)
Mrs. Meghana C. Dalal	- Member (Non-Executive Independent Director)

The Nomination and Remuneration Committee met four times (27<sup>th</sup> May, 2017, 28<sup>th</sup> July, 2017, 16<sup>th</sup> August, 2017 and 18<sup>th</sup> December, 2017) during the year 2017-2018.

### Attendance of Director Members at the Nomination and Remuneration Committee Meetings

Names of Director Members	Attended
Mr. H. A. Nagpal	4
Mr. N. B. Karpe	4
Mrs. Meghana C. Dalal	4

In accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations, the role of the Nomination and Remuneration Committee of the Company is as under:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity.



The Remuneration Policy adopted by the Company is attached as a separate annexure to the Directors' Report.

The performance of the Independent Directors as well as Executive Directors was evaluated by the Board in its meeting held on 11<sup>th</sup> May, 2018.

### Details of remuneration paid/to be paid (₹ in lac) to the Directors for the year 2017-2018

Director	All elements of remuneration package taken together	Sitting fees	Commission*
<b>Managing Director</b>			
Mr. G. N. Mehra			
Salary	54.33		
Perquisites	42.67		
Contribution to PF	6.08	-	158.62
<b>Executive Directors</b>			
Mr. Siddharth G. Mehra			
Salary	12.78	-	
Perquisites	18.04		
Contribution to PF	1.53		
Mr. C. V. Alexander			
Salary	19.22		
Perquisites	13.22		
Contribution to PF	2.21		
Mr. S. M. Dixit			
Salary	28.35		
Perquisites	43.46		
Contribution to PF	3.40		
<b>Non-executive Directors</b>			
Mr. N. B. Karpe		1.80	3.00
Mr. S. R. Pandit		1.50	3.00
Mr. H. A. Nagpal		1.80	3.00
Mrs. M. C. Dalal		1.80	3.00
Ms. Simran G. Mehra		0.60	0.75
Mr. Ravindra Pisharody		0.60	0.75

\*Subject to approval of shareholders.

The Board has re-appointed Mr. Gautam N. Mehra as the Managing Director of the Company for a period from 1<sup>st</sup> October, 2018 upto 30<sup>th</sup> September, 2023 vide an agreement dated 3<sup>rd</sup> August, 2018 and Mr. C. V. Alexander as the Whole-time Director of the Company for a period from 1<sup>st</sup> October, 2018 upto 30<sup>th</sup> April, 2019 vide an agreement dated 3<sup>rd</sup> August, 2018, subject to approval of Members at the ensuing AGM.

### E) Risk Management Committee

The Risk Management Committee consists of the following Directors –

Mr. G. N. Mehra	- Chairman (Managing Director)
Mr. S. R. Pandit	- Member (Non-Executive Independent Director)
Mr. C. V. Alexander	- Member (Whole-time Director)
Mr. S. M. Dixit	- Member (Whole-time Director)

The Risk Management Committee met two times (27<sup>th</sup> May, 2017 and 28<sup>th</sup> July, 2017) during the year 2017-2018.

### Attendance of Members at the Risk Management Committee Meetings

Names of Members	Attended
Mr. G. N. Mehra	2
Mr. S. R. Pandit	2
Mr. C. V. Alexander	2
Mr. S. M. Dixit	1

The Company has in place a suitable risk management framework concerning its working. The Board of

Directors of the Company at its Meeting held on 31<sup>st</sup> October, 2014 had approved the Risk Management Policy. The Risk Management Committee has been delegated the authority by the Board to review and monitor the implementation of the Risk Management Policy of the Company. Under this framework, risks are identified across all possible business processes of the Company on a continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks. To address these risks in a comprehensive manner, each risk is mapped to the concerned department for further action. The Risk Management Policy has been posted on the website of the Company [www.savita.com](http://www.savita.com).

## 4. GENERAL BODY MEETINGS AND SPECIAL RESOLUTIONS

Date, place, time with special resolutions passed at the General Body Meetings held in the last three years are:-

Year	AGM Date, Place & Time	Special Resolution
2016-2017	29.09.2017 M. C. Ghia Hall, Mumbai 2.30 PM	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. C. V. Alexander as the Whole-time Director from 1<sup>st</sup> October, 2017 up to 30<sup>th</sup> September, 2018.</li> <li>2. Appointment of Mr. Siddharth G. Mehra as the Whole-time Director of the Company upto 30<sup>th</sup> September, 2021.</li> <li>3. Appointment of Mr. Suhas M. Dixit as the Whole-time Director of the Company upto 30<sup>th</sup> September, 2020.</li> </ol>
2015-2016	24.09.2016 M. C. Ghia Hall, Mumbai 2.30 PM	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. C. V. Alexander as the Whole-time Director from 1<sup>st</sup> October, 2016 up to 30<sup>th</sup> September, 2017.</li> </ol>
2014-2015	12.9.2015 M. C. Ghia Hall, Mumbai 11.00 AM	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. G. N. Mehra as the Managing Director from 1<sup>st</sup> October, 2015 up to 30<sup>th</sup> September, 2018.</li> <li>2. Re-appointment of Mr. C. V. Alexander as the Whole-time Director from 1<sup>st</sup> October, 2015 up to 30<sup>th</sup> September, 2016.</li> <li>3. Waiver of excess remuneration of ₹ 30,12,468/- paid to Mr. Gautam N. Mehra for the financial year 2014-2015.</li> <li>4. Appointment of Mr. Siddharth G. Mehra, relative of Mr. Gautam N. Mehra, Managing Director, as General Manager – Business Development of the Company w.e.f. 1<sup>st</sup> October, 2015.</li> <li>5. Approval under Section 180 (1) (a) regarding consent to mortgage, hypothecate, pledge moveable / immoveable properties of the Company.</li> <li>6. Enhancement of Borrowing Power to ₹ 500 Crore under Section 180 (1) (c).</li> </ol>

No special resolutions were put through postal ballot in the last year and no special resolutions are proposed to be passed through postal ballot as on date.

## 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

All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During 2017-2018, there were no material related party transactions entered by the Company that had a potential conflict with the interests of the Company. As required under SEBI Listing Regulations, the Company has formulated a Related Party Transactions Policy which is available on the website of the Company [www.savita.com](http://www.savita.com).

## 6. COMPLIANCE

### (a) Details of non-compliance, if any

The Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed or passed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.

### (b) Compliance with mandatory requirements

The Company is fully compliant with the applicable mandatory requirements of SEBI Listing Regulations with the Stock Exchanges, relating to Corporate Governance.

### (c) CEO/CFO Certification

As required under SEBI Listing Regulations with the Stock Exchanges, the Chairman & Managing Director and the Chief Financial Officer of the Company have certified regarding the Financial Statements for the year ended March 31, 2018 which is annexed to this Report.

### (d) Practising Company Secretaries' Certificate on Corporate Governance

The Company has obtained a Certificate from Practising Company Secretaries regarding compliance

of the conditions of Corporate Governance, as stipulated in SEBI Listing Regulations which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the Members of the Company and the Stock Exchanges along with the Annual Report of the Company.

## 7. DISCLOSURE UNDER SEBI LISTING REGULATIONS REGARDING CERTAIN AGREEMENTS WITH THE MEDIA COMPANIES:

Pursuant to the requirement of SEBI Listing Regulations, no agreement(s) have been entered with media companies and/or their associates which has resulted/will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. Nor has the Company entered into any other back to back treaties/ contracts/agreements/ MOUs or similar instruments with media companies and/or their associates.

## 8. CODE FOR PREVENTION OF INSIDER TRADING

The Company has instituted a comprehensive Code for prevention of Insider Trading, for its Directors and designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The objective of this Code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and designated employees are completely prohibited from dealing in the Company's shares when the Trading Window is closed. Further the Code specifies the procedures to be followed and disclosures to be made by Directors and the designated employees, while dealing with the shares of the Company and enlists the consequences of any violations. Mr. U. C. Rege, Company Secretary & Executive VP - Legal functions as the Compliance Officer under this Code.

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

## 9. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations.

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

## 10. 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 - Mumbai) daily newspapers.

The financial results are also displayed on the Company's Website [www.savita.com](http://www.savita.com)

## 11. GENERAL SHAREHOLDER INFORMATION

- |  |  |
|--|--|
| A. Date of Book closure                | : 22.09.2018 to 29.09.2018   |
| B. Date and venue of AGM               | : 29.09.2018 at 11.00 a.m. at Suryavanshi Banquet, 3 <sup>rd</sup> floor, 300 Veer Savarkar Marg, Opp. Dadar Catering College, Near Shivaji Park, Dadar (West), Mumbai 400 028   |
| C. Dividend Payment (Equity)           | : Final Dividend @ 25% on Equity shares. Warrants for final dividend will be dispatched before 28.10.2018 if the Dividend is approved at the Annual General Meeting.   |
| D. Listing on Stock Exchanges in India | : BSE Limited<br>Phiroze Jeejeebhoy Towers, Dalal street, Mumbai – 400 001<br>Stock Code: 524667<br><br>National Stock Exchange of India Limited<br>Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051<br>Stock Code: SOTL – EQ   |
| E. Status of Listing Fees              | : Paid to BSE Limited and National Stock Exchange of India Limited for 2018-2019.  |
| F. Registered office                   | : 66/67, Nariman Bhavan,<br>Nariman Point, Mumbai – 400 021<br>Tel. No.: 91-22-6624 6200 / 6624 6228<br>Fax: 91-22-2202 9364   |
| G. Manufacturing Facilities            | : 17/17A, Thane Belapur Road,<br>Turbhe, Navi Mumbai – 400 705<br>Tel: 91-22-2768 1521 / 6768 3500<br>Fax: 91-22-2768 2024<br><br>Survey No.10/2 Kharadpada,<br>Post Naroli, Silvassa,<br>Dadra and Nagar Haveli – 396 230<br>Tel: 0260-320 4003<br>Fax: 0260-265 0182<br><br>Survey No.140/1, Village Kuvapada,<br>Silli, P.O. Kilwani, Silvassa,<br>Dadra and Nagar Haveli – 396 230<br>Tel: 0260-301 3199 |
| H. Depositories                        | : National Securities Depository Ltd.<br>4 <sup>th</sup> Floor, Trade World,<br>Kamala Mills Compound,<br>Senapati Bapat Marg,<br>Lower Parel, Mumbai-400 013<br><br>Central Depository Services (India) Limited<br>25 <sup>th</sup> Floor, Marathon Futurex,<br>N M Joshi Marg, Lower Parel (East),<br>Mumbai – 400 013.  |

## 12. 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

Link Intime India Pvt. Ltd.  
C-101, 247 Park  
L. B. S. Marg, Vikhroli (West)  
Mumbai – 400 083  
Tel. No.: 91-22-49186000  
Fax: 91-22-49186060  
E-mail: rent.helpdesk@linkintime.co.in

## 13. SHARE TRANSFER SYSTEM

Transfer of Shares in physical form is generally registered and certificates are returned within a period of 15 days from the date of receipt of the documents clear in all respects. Similarly, the dematerialisation requests are also processed within

a period of 15 days. The Shareholders' Grievances/ Stakeholders' Relationship Committee meets as often as required. The total number of shares transferred in physical and dematerialised form during the year 2017-2018 are as follows:

Category	Requests received	Requests attended	Shares received	Shares processed and settled
Physical	26	13	3688	1694
Dematerialised	116	77	17391	11796

## 14. DISTRIBUTION OF SHAREHOLDINGS AS ON 31<sup>ST</sup> MARCH, 2018

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
1 to 500	7675	94.79	712445	4.97
501-1,000	223	2.75	169717	1.19
1,001-2,000	96	1.19	136600	0.95
2,001-3,000	21	0.26	53218	0.37
3,001-4,000	20	0.25	68482	0.48
4,001-5,000	5	0.06	23857	0.17
5,001-10,000	27	0.33	191761	1.34
10,001-Above	30	0.37	12966003	90.53
<b>Total</b>	<b>8097 #</b>	<b>100.00</b>	<b>14322083</b>	<b>100.00</b>

## 15. CATEGORIES OF SHAREHOLDINGS AS ON 31<sup>ST</sup> MARCH, 2018

Category	No. of Share Holders	Voting Strength %	No. of Shares held
Overseas Corporate Bodies	-	-	-
Non-resident Individuals			
On non-repatriable basis	48	0.11	16,084
On repatriable basis	89	0.22	30,873
Government Companies	1	0.24	34,521
FIs	11	4.60	6,58,196
Promoters, Directors	24	71.63	1,02,59,134
Banks/Mutual Funds/Public			
Financial Institutions/Trusts/	6	11.22	16,06,786
Other Bodies Corporate	131	2.13	3,04,822
Resident Individuals	7,787	9.85	14,11,667
<b>Total</b>	<b>8,097#</b>	<b>100.00</b>	<b>1,43,22,083</b>

# Data provided is without PAN clubbing.

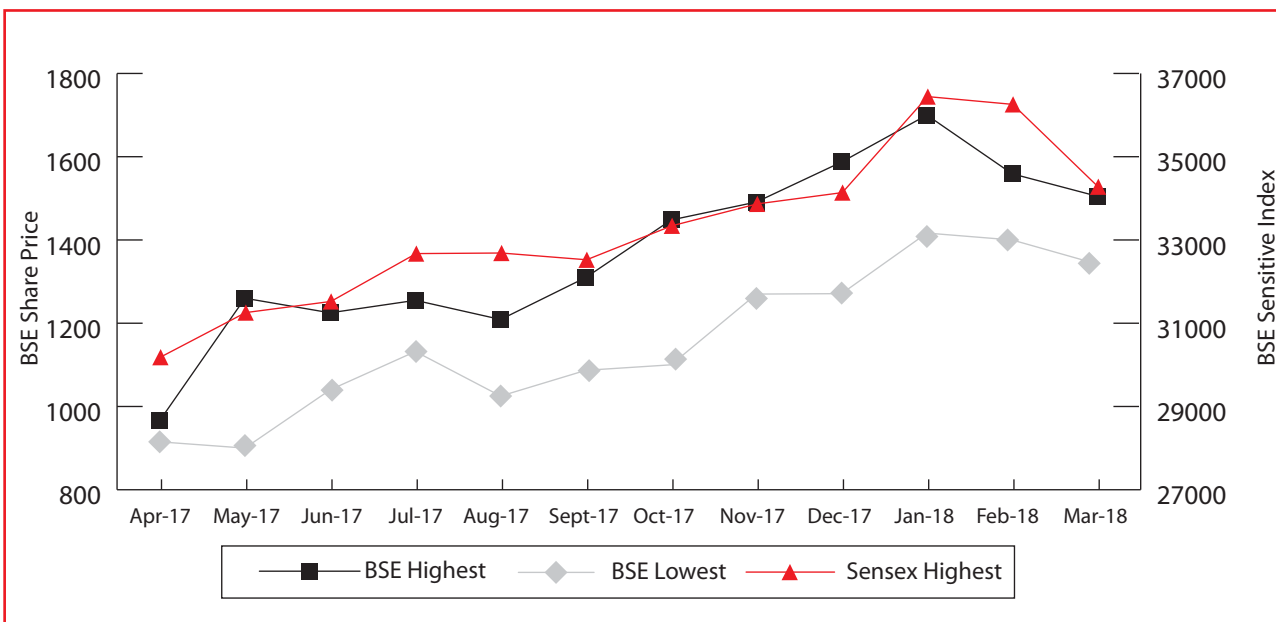
## 16. DEMATERIALISATION OF SHARES

The Company's shares are compulsorily traded in dematerialised form as per SEBI guidelines. As on

31<sup>st</sup> March 2018, 1,41,30,010 shares aggregating to 98.66% of equity shares of the Company have been dematerialised. The Company's ISIN is INE035D01012.

## 17. STOCK MARKET PRICES

Month	BSE		NSE		BSE SENSEX	
	Highest (₹)	Lowest (₹)	Highest (₹)	Lowest (₹)	Highest	Lowest
April 2017	966.00	915.10	966.95	903.35	30184.22	29241.48
May 2017	1260.00	900.05	1268.00	905.00	31255.28	29804.12
June 2017	1225.00	1040.00	1214.95	1051.55	31522.87	30680.66
July 2017	1255.00	1132.05	1270.00	1140.00	32672.66	31017.11
August 2017	1208.95	1025.00	1219.65	1015.00	32686.48	31128.02
September 2017	1310.00	1086.90	1300.00	1105.00	32524.11	31081.83
October 2017	1448.00	1100.10	1474.00	1109.00	33340.17	31440.48
November 2017	1491.15	1270.00	1478.00	1262.05	33865.95	32683.59
December 2017	1587.30	1271.05	1586.25	1341.80	34137.97	32565.16
January 2018	1700.00	1416.60	1739.95	1416.10	36443.98	33703.37
February 2018	1559.00	1400.00	1558.90	1404.00	36256.83	33482.81
March 2018	1504.95	1342.05	1520.10	1330.00	34278.63	32483.84





## 18. FINANCIAL CALENDAR 2018-2019

Financial Reporting for the first quarter ending June 30, 2018 – 1<sup>st</sup> half of August, 2018.

Financial Reporting for the second quarter and half year ending September 30, 2018 - last week of October, 2018.

Financial Reporting for the third quarter ending December 31, 2018 - last week of January, 2019.

Financial Reporting for the fourth quarter ending March 31, 2019 – Month of May, 2019.

Audited Accounts for the year ending March 31, 2019 - Month of May, 2019.

Annual General Meeting for the year ending March, 2019 – first/second week of August/ September, 2019.

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

For and on behalf of the Board

Mumbai  
3<sup>rd</sup> August, 2018

**Gautam N. Mehra**  
Managing Director  
(DIN:00296615)

## CERTIFICATION BY THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER (CFO)

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

1. We have reviewed the Balance Sheet and Profit and Loss Account along with all its Schedules and Notes on Accounts, Cash Flow Statements and the Directors' Report for the FY 2017-2018;
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, 2018. 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  
3<sup>rd</sup> August, 2018

Suhas M. Dixit  
Chief Financial Officer & Director  
(DIN:02359138)

Gautam N. Mehra  
Managing Director  
(DIN:00296615)

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of Savita Oil Technologies Ltd.**

We have examined the compliance of the conditions of Corporate Governance by Savita Oil Technologies Ltd. ("the Company") for the year ended on March 31, 2018 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

For MP & Associates  
Company Secretaries

Manish S. Raut  
Partner  
(FCS 8962 COP 10404)

Place: Thane

Date: 25<sup>th</sup> July, 2018

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis covering segment-wise performance and outlook is given below:

### A. INDUSTRY STRUCTURE AND DEVELOPMENT

#### I. Petroleum Products:

Transformers are required for generation, transmission and distribution of power and are filled with Transformer Oil which functions as an insulating medium. The market for transformer oils is based on the growth of installed power generation capacity, grid and distribution infrastructure. Hydrocarbon mineral oil is mainly used to fill the transformers. There are two major types of transformer oil used in the industry; naphthenic and paraffinic based. Bio based and ester based transformer oils have already gathered attention due to stringent safety and environmental issues but their usage is hampered because of higher prices.

Liquid paraffins are highly-refined mineral oils that are suitable for personal care product such as hair oils, body lotions, skin creams, etc. and even for oral ingestion. White Oils are manufactured from highly refined Base Oils. They are commonly used as blending base for cosmetics, personal care and pharmaceutical products. They lubricate, smoothen, soften, extend and resist moisture in many formulations. Demand for cosmetics, pharmaceutical and personal care products determine the demand for White Oil.

The lubricating oil market in the country, currently estimated to be 2.5 million tons, is now growing at a CAGR of 2.5% to 3%. It's the 3rd largest lube market after US & China. The growth of the market is squarely dependent on the economic and industrial growth in the country. Automotive market in India registered a good growth of 13.9% in 2017-2018 as compared to previous year. All segments, namely Passenger Cars (11%), Motorcycle & Scooter (14.5%) and Commercial Vehicles (19%) contributed handsomely.

However, Automotive and Lubricant Industry is faced with uphill task of meeting time lines for implementation of BS-VI norms. The Auto industry is responding to this challenge through designing more compact engines and this then creates a challenge for the lubricant manufacturers, since they are required to develop lubricants that last longer.

The Lubricant market in India is dominated by Automotive applications, which is estimated to be

at 51% and Industrial application and Institutional business like Rail, Defence, ASRTUs, etc contribute to the extent of 49%. With the upgradation of hardware, Lubricants specifications are also getting upgraded. Higher Performance requirement, environment related issues, fuel economy & high drain intervals are key to development of new generation lubricants.

#### II. Wind Power:

It is important to note that massive burning of fossil fuels has been one of the key attributes to global warming. The resultant impact on the climate is unmistakable. A large part of global pollution comes from energy production during the burning of coal, oil and gas. For decades it has been clear that a transition from fossil fuels to renewable energy is critical in protecting the world from extreme weather conditions. Renewable energy sources play a critical role in addressing growing energy security and climate challenges. Presently, India's energy basket is dominated by coal. Government is working towards increasing the share of renewables in its energy basket. India in its goal to arrest climate change, targets installation of 175 GW of renewable energy capacity by 2022 (including 100 GW of solar and 60 GW of wind capacity). Industries need to step up their efforts to address the climate change issues, commit to decreasing their carbon footprint and rely more on renewable energy sources.

During the year, India added 1.77 GW of wind power capacity against 5.2 GW capacity addition during previous year. This steep reduction is attributed due to transition of sector from feed-in tariff regime to tariff-based competitive auctions. The cumulative installed capacity as on 31.03.2018 for wind power in India now stands at 34.04 GW.

### B. OPPORTUNITIES AND THREATS

#### I. Petroleum Products:

The Transformer Oil market globally is going to be driven by increasing demand for electricity in the emerging and developed countries, along with the increasing infrastructure investment for energy access. In India, rapid growth in rural electrification due to various government initiatives like "Power for All" which is expected to ensure continuous and

uninterrupted electricity supply to all households, industries and commercial establishments is expected to impel the growth in demand of transformers which is subsequently projected to drive the demand for Transformer Oil.

The Indian Economy is expected to expand at a decent rate. Indian Government is investing and has also committed large sums in developing infrastructure, especially State and National highways. This is a clear stimulus to increased vehicle sales and Industrial production, which in turn will result in growing lubricant consumption. Higher GDP, Industrial growth, buoyant rural spending, power and higher infrastructural related investments all offer huge opportunities to lubricant industry in the coming days.

However, a constant threat to lubricant demand as well as Indian economy is the rising price of Crude Oil and the volatility of US Dollar rate. Higher Crude price impacts balance of payment for the country and would in turn impact economy which then impacts all sectors. These two factors also impact input costs of the lubricants. Electric vehicles will remain to be a future threat.

## **II. Wind Power:**

As India grapples with power shortage problems, Government believes renewable energy will be a feed-in for power sector. The potential for on-shore and off-shore is tremendous in India. With better technology and MW series, CUF has increased substantially. The National Institute of Wind Energy's (NIWE) latest estimate for India's wind power potential is 302 GW at 100 metre hub height. Aerodynamics is the key to maximizing output from wind turbines and there is ongoing advancement in aerodynamics and material technology. Immense opportunity lies in repowering of old wind turbines at high wind sites. These can be repowered with technological advancements to maximize the potential of site for higher energy yield. The industry is also looking at setting up solar-wind-hybrids.

Distribution segment remains the weakest link in the power sector. Capacity additions on the generation side will fail to make the right impact if no distribution reforms are undertaken. Policy uncertainty is also a major challenge for the sector. Other challenges for most onshore installations in the country are land

acquisition, clear title land, poor financial health with payment delays of up to one year or more by DISCOMs, non-availability of good wind potential sites, in-ordinate delays in signing power purchase agreements, etc.

## **C. SEGMENT WISE PERFORMANCE**

### **I. Petroleum Products:**

Your Company's sales turnover during the year 2017-2018 stood at ₹ 1,80,861 lac against ₹ 1,66,838 lac in the year 2016-2017, showing an increase of 8.4% in value terms. The sales volume stood at 3,00,304 KLS/MTs during the year 2017-2018 against 2,89,356 KLS/MTs during 2016-2017. In line with increased value and volume, the net profit of your Company increased from ₹ 9,362 lac for the previous year to ₹ 12,613 lac during the year under review.

### **II. Wind Power:**

During the year 2017-2018, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated 90.37 MU against 103.40 MU generated in the previous year. The generation during the year was affected largely due to low wind compared to previous year.

## **D. FUTURE OUTLOOK**

### **I. Petroleum Products:**

Economic growth is expected to revive after the temporary disruption due to demonetisation & GST. Further, the resolution of bad loans under the Bankruptcy Code, implementation of a bank recapitalization package for public sector banks and further liberalization of FDI scheme is expected to boost GDP growth. This strong GDP growth rate, increasing population & urbanization of households, and strong demand from energy consuming sectors is expected to fuel energy demand in India.

Having said that, the present geo-political uncertainties coupled with ongoing trade sanctions and counter sanctions are going to hurt every economy and India will not be an exception. These global developments could result in further uncertainty in Crude Oil and in turn Base Oil prices, depreciating rupee and growing inflation, all of which may adversely hit the overall demand.



## II. Wind Power:

Wind power is one of the more mature sources of renewable energy. This stability along with the shift to competitive bidding from feed-in-tariff regime is helping the country move rapidly towards the 60 GW of Wind Power capacity by 2022. This transition has changed the sector dynamics. As the good wind sites are obsolete, the market is compelled to innovate and create better technology to harness untapped potential. The Ujwal Discom Assurance Yojna (UDAY) is launched for financial turnaround and revival package for state electricity distribution companies (DISCOMs). Forecasting and scheduling is a step towards better grid integration and stability. The need of the hour in India is a clean and renewable source of energy, in which offshore wind power can play a major role supported by country's vast coastline of 7600 km.

## E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Having a strong internal control system is a pre-requisite for any growing organisation. Your Company had recognized this need a long time ago and had put in place internal control systems to monitor and evaluate compliances with operating systems, accounting processes and procedures. To strengthen this implementation, help from external expert auditing agencies is sought from time to time and the developments and reports resulting out of

this exercise are reported to the Audit Committee for its scrutiny and timely remedial measures. The Audit Committee after in-depth scrutiny of such reports decides on the remedial measures through various agencies and departments within your Company to strengthen the internal control systems.

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

Your Company has always given prime importance to existence of harmonious industrial relation within the organisation and the year under review was no exception. Your Company has always preferred to work within the budgeted manpower, optimising the resources made available from time to time. The employee performance management system introduced some years back has started showing positive results in all working spheres of your Company. Not to say the least, training and development are other areas where a constant focus is provided by the management of your Company.

For and on behalf of the Board

Mumbai  
3<sup>rd</sup> August, 2018

**Gautam N. Mehra**  
Managing Director  
(DIN:00296615)



# Auditor's Report

## To the Members of Savita Oil Technologies Limited Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **SAVITA OIL TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity ("The Financial Statements") for the year then ended and the summary of the significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs, financial performance (including Other Comprehensive Income), cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be

included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2018, and its profit (financial performance including total comprehensive income), its cash flows and the statement of changes in equity for the year ended on that date.

## EMPHASIS OF MATTER

We draw your attention to the:

Note No. 26 which relates to payment of remuneration in excess of amount payable as per the provisions of sec 197 of the Act to the Chairman and Managing Director

aggregating to ₹ 30.12 lacs for the financial year 2014-15. The Company's previous application for waiver of excess remuneration was rejected by Ministry of Corporate Affairs stating that the Company had failed to submit required information / documents. The Company has replied to the Ministry with evidence that all the information / documents requisitioned was / were furnished to the Ministry from time to time. The Approval from Ministry in this regard is awaited.

Our opinion is not modified in respect of these matters.

## OTHER MATTERS

The comparative financial information of the Company for the year ended on 31<sup>st</sup> March, 2018 are based on previously issued Statutory Financial Statements prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, audited by predecessor auditor for the year ended on 31<sup>st</sup> March, 2017 dated 27<sup>th</sup> May, 2017, expressed an Unmodified opinion on those Standalone Ind AS Financial Statements.

Our opinion is not modified in respect of these matters.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Ind AS specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 read with Notification No G.S.R 307(E) dated 30.3.2017, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note No. 28 to the Standalone Ind AS Financial Statements.
  - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For G. D. Apte & Co.  
Chartered Accountants  
Firm's Registration No: 100515W

Place : Mumbai  
Dated : 11<sup>th</sup> May, 2018

Chetan R. Sapre  
Partner  
Membership No: 116952

## ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS OF SAVITA OIL TECHNOLOGIES LIMITED

(Referred to in paragraph I under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Savita Oil Technologies Limited on the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March, 2018)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (b) As informed to us, the fixed assets having substantive value have been physically verified by the management during the period 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) According to the information and explanations given to us and based on the records produced, the title deeds of the immovable properties held by the Company are in the name of the Company.
- (ii) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material, having regard to the size of the operations of the Company and the same have been properly dealt with.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of sub clauses (a), (b), (c) of clause (iii) of the order are not applicable to the company.
- (iv) The Company has not granted any loans or under section 185, made any investment, provided any guarantee or security. Accordingly, the provisions of clause (iv) of the order are not applicable to the company.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, to the extent applicable. We are informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal in this regard.
- (vi) 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 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.
- (vii) (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, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, duty of Custom, duty of Excise, Value Added Tax, 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, 2018 for a period of more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Sales Tax, Service Tax, Goods and Service Tax and Value Added Tax which have not been deposited on account of any dispute except the following:

Name of the statute	Nature of the dues	Forum where the case is pending	Period to which the amount relates (Financial Year)	Gross amount involved	Amount paid in protest	Amount unpaid
Central Excise Act, 1944	Excise Duty	Superintendent, Assistant/ Deputy/ Joint/ Additional Commissioner and Commissioner of Central Excise Department	2002-2016	257.80	16.81	241.00
		Commissioner of Central Excise (Appeals)	2006-2017	420.94	15.70	405.24
		Customs, Excise and Service Tax Appellate Tribunal	1999-2002 2004-2017	595.35	17.86	577.48
		Total (A)			1,274.09	50.37
Finance Act, 1994	Service Tax	Commissioner of Central Excise (Appeals)	2006-2011	20.16	-	20.16
		Total (B)			20.16	-
Customs Act, 1962	Customs Duty	Commissioner of Customs (Imports)	1992-1993 2006-2007	402.63	-	402.63
		Total (C)			402.63	-
Central Sales Tax Act & Sales Tax Act of various Acts	Central Sales Tax	Commercial Tax Officer (Assessing Authority)	2005-2006 2008-2009	7.44	-	7.44
		Assistant/ Additional Deputy Commissioner of Commercial Taxes	2000-2001 2003-2004	0.21	-	0.21
		Deputy/ Joint/ Additional Commissioner (Appeal)	2002-2009 2010-2016	2,067.72	38.42	2,029.30
		Sales Tax Tribunal	1998-1999	0.75	0.25	0.50
Total (D)			2,076.12	38.67	2,037.45	
Tamil Nadu Panchayat Act, 1994	House Tax	Thadichery Panchayat, Theni	2012-2013	33.49	-	33.49
		Total (E)			33.49	-
Grand Total ( A + B + C + D + E )				3,806.49	89.04	3,717.45

- (viii) We have been informed that the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and Government. The Company has not raised any funds through debentures.
- (ix) According to the information and explanations given to us and on the basis of examination of records, the Company has neither obtained new term loans nor raised any money by way of initial public offer or further public offer of shares and / or debt instruments during the year. Therefore, the provisions of clause (ix) of the Order are not applicable to the Company.
- (x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Standalone

Financial Statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- (xi) The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act. As stated in note no. 26 and as stated in the Emphasis of Matter para of our main report, the payment of remuneration in excess of amount payable as per the provision of the Act to the Managing Director aggregating to ₹ 30.12 lacs for the financial year 2014-

2015. The Company's previous application for waiver of excess remuneration was rejected by Ministry of Corporate Affairs stating that the Company had failed to submit required information / documents. The Company has replied to the Ministry with evidence that all the information / documents requisitioned was / were furnished to the Ministry from time to time. The Approval from Ministry in this regard is awaited.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the provisions of clause (xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of records of the Company, the transactions entered with related parties are in compliance with provisions of section 177 and 188 of the Act, where applicable and the details of such transactions are disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company during the year has not

made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly the provisions of clause (xiv) of the Order are not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us and based on our examination of records of the Company, the Company during the year has not entered into any non-cash transactions with directors or persons connected with the directors covered under the provisions of sec 192 of the Act and accordingly the provisions of clause (xv) of the Order are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. D. Apte & Co.  
Chartered Accountants  
Firm's Registration No: 100515W

Chetan R. Sapre  
Partner  
Membership No: 116952

Place : Mumbai  
Dated : 11<sup>th</sup> May, 2018

## **ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE IND AS FINANCIAL STATEMENTS OF SAVITA OIL TECHNOLOGIES LIMITED**

**(Referred to in paragraph I (h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Savita Oil Technologies Limited on the Standalone Ind AS Financial Statements for the year ended 31<sup>st</sup> March, 2018)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Savita Oil Technologies Limited** ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include

the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material aspects.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures

of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For G. D. Apte & Co.  
Chartered Accountants  
Firm's Registration No: 100515W

Place : Mumbai  
Dated : 11<sup>th</sup> May, 2018

Chetan R. Sapre  
Partner  
Membership No: 116952



# Balance Sheet

as at 31<sup>st</sup> March, 2018

	Notes	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
<b>ASSETS</b>			
<b>1. Non-current Assets</b>			
a. Property, Plant and Equipment	3	19,838.87	21,820.25
b. Capital Work-in-Progress	3	210.75	121.55
c. Investment Property	4	1,081.57	1,136.88
d. Other Intangible Assets	5	67.61	55.02
e. Financial Assets	6		
(i) Investments	6.1	505.62	98.21
(ii) Loans	6.3	23.53	22.59
f. Other Non-current Assets	8	709.33	682.42
<b>2. Current Assets</b>			
a. Inventories	7	41,505.23	40,588.82
b. Financial Assets	6		
(i) Investments	6.1	1,865.43	1,814.86
(ii) Trade Receivables	6.2	53,907.52	42,267.92
(iii) Cash and cash equivalents	6.5	2,326.34	1,049.66
(iv) Bank balances other than (iii) above	6.6	202.38	218.49
(v) Loans	6.3	30.17	39.50
(vi) Others	6.4	568.97	695.55
c. Current Tax Assets (Net)	15	754.01	1,068.90
d. Other Current Assets	8	4,837.69	2,728.21
e. Assets classified as held for sale		-	-
<b>Total Assets</b>		<b>128,435.02</b>	<b>114,408.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital	9	1,432.21	1,460.21
b. Other Equity	10	72,798.72	64,656.03
		<b>74,230.93</b>	<b>66,116.24</b>
<b>Liabilities</b>			
<b>1. Non-current Liabilities</b>			
a. Financial Liabilities	11		
(i) Borrowings	11.1	215.82	547.17
b. Provisions	12	492.83	462.71
c. Deferred Tax Liabilities (Net)	13	973.80	1,318.02
d. Other Non-current Liabilities	14	26.35	55.55
<b>2. Current Liabilities</b>			
a. Financial Liabilities	11		
(i) Borrowings	11.2	6.36	277.42
(ii) Trade Payables	11.3	46,026.92	37,887.49
(iii) Other Financial Liabilities (other than those specified in (c) below)	11.4	1,882.34	2,635.24
b. Other Current Liabilities	14	3,720.35	3,777.44
c. Provisions	12	268.48	342.19
d. Current Tax Liabilities (Net)	15	590.84	989.36
<b>Total Equity and Liabilities</b>		<b>128,435.02</b>	<b>114,408.83</b>
<b>Significant Accounting Policies</b>			
	2		

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

As per our report of the even date.

For G. D. Apte & Co.  
Chartered Accountants  
Firm's Registration No.: 100515W

**Chetan R. Sapre**  
Partner  
Membership No.: 116952

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

**S. M. Dixit** (DIN:02359138)  
Chief Financial Officer and  
Whole-time Director

For and on behalf of the Board

**G. N. Mehra** (DIN:00296615) Chairman and  
Managing Director

**C. V. Alexander** (DIN:00253736) Whole-time Director

**S. R. Pandit** (DIN:00131424) Non-Executive Director

Mumbai,  
11<sup>th</sup> May, 2018

# Statement of Profit and Loss

## for the year ended 31<sup>st</sup> March, 2018

	Notes	Year ended 31.3.2018 ₹ in lacs	Year ended 31.3.2017 ₹ in lacs
<b>Income</b>			
Revenue from Operations	16	182,462.75	168,326.98
Other Income	17	955.29	1,304.78
<b>Total Income</b>		<b>183,418.04</b>	<b>169,631.76</b>
<b>Expenditure</b>			
Cost of Materials Consumed	18	130,840.03	110,290.47
Purchase of Stock-in-trade	19	677.89	1,029.80
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	916.34	(1,985.92)
Excise Duty		4,192.66	18,609.81
Employee Benefits Expense	21	4,676.94	4,060.23
Finance Costs	22	1,375.19	1,371.08
Depreciation and Amortisation Expense	23	2,588.27	2,828.80
Other Expenses	24	22,542.94	20,811.66
<b>Total Expenditure</b>		<b>167,810.26</b>	<b>157,015.93</b>
Profit for the year before tax		15,607.78	12,615.83
<b>Tax Expenses</b>			
Current Tax	35	4,825.00	3,875.00
Deferred Tax	35	(338.45)	(621.12)
Provision for taxation no longer required	35	(1,498.36)	-
<b>Total Tax Expenses</b>		<b>2,988.19</b>	<b>3,253.88</b>
<b>Profit for the year from continuing operations</b>		<b>12,619.59</b>	<b>9,361.95</b>
<b>Other Comprehensive Income</b>			
a) Items that will not be reclassified to profit or loss:			
i) Re-measurement gains / (losses) on defined benefit plans	35	(16.67)	(83.69)
ii) Income tax related to such items	35	5.77	28.96
<b>Total Comprehensive Income for the period</b>		<b>12,608.69</b>	<b>9,307.22</b>
Basic and Diluted earnings per share in ₹ (face value of ₹ 10 each)		88.11	64.11
Significant Accounting Policies	2		

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

As per our report of the even date.

For G. D. Apte & Co.  
Chartered Accountants  
Firm's Registration No.: 100515W

**Chetan R. Sapre**  
Partner  
Membership No.: 116952

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

**S. M. Dixit** (DIN:02359138)  
Chief Financial Officer and  
Whole-time Director

For and on behalf of the Board

**G. N. Mehra** (DIN:00296615) Chairman and  
Managing Director

**C. V. Alexander** (DIN:00253736) Whole-time Director

**S. R. Pandit** (DIN:00131424) Non-Executive Director

Mumbai,  
11<sup>th</sup> May, 2018

# Statement of changes in Equity

## for the year ended 31<sup>st</sup> March, 2018

Equity Share Capital	₹ in lacs
Balance as at 1 <sup>st</sup> April, 2016	1,460.56
Changes in equity share capital during the year (Refer note 9(e))	(0.35)
Balance as at 31 <sup>st</sup> March, 2017	1,460.21
Changes in equity share capital during the year (Refer Note 9(d))	(28.00)
Balance as at 31 <sup>st</sup> March, 2018	<b>1,432.21</b>

Other Equity	₹ in lacs						
	Reserves and Surplus						
	Capital reserve - forfeited shares	Capital reserve - others	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings	Total amount
<b>Balance at 1<sup>st</sup> April, 2016</b>	-	<b>118.87</b>	-	<b>1,723.60</b>	<b>13,715.00</b>	<b>42,163.59</b>	<b>57,721.06</b>
Profit for the year	-	-	-	-	-	9,361.95	9,361.95
Other comprehensive income	-	-	-	-	-	(54.74)	(54.74)
Shares forfeited (Refer note 9(e))	0.35	-	-	-	-	-	0.35
Total comprehensive income for the year	0.35	118.87	-	1,723.60	13,715.00	51,470.80	67,028.62
Interim Dividend	-	-	-	-	-	(1,971.28)	(1,971.28)
Tax on Interim Dividend	-	-	-	-	-	(401.31)	(401.31)
Transfer from retained earnings / Transfer to General Reserve	-	-	-	-	1,000.00	(1,000.00)	-
<b>Balance at 31<sup>st</sup> March, 2017</b>	<b>0.35</b>	<b>118.87</b>	-	<b>1,723.60</b>	<b>14,715.00</b>	<b>48,098.21</b>	<b>64,656.03</b>
Profit for the year	-	-	-	-	-	12,619.59	12,619.59
Other comprehensive income	-	-	-	-	-	(10.90)	(10.90)
Utilisation for Buy-back of equity shares (Refer note 9(d))	-	-	-	(1,723.60)	(2,742.40)	-	(4,466.00)
Transfer from General Reserve / Transfer to Capital Redemption Reserve (Refer note 9(d))	-	-	28.00	-	(28.00)	-	-
Total comprehensive income for the year	0.35	118.87	28.00	-	11,944.60	60,706.90	72,798.72
Transfer from retained earnings / Transfer to General Reserve	-	-	-	-	1,270.00	(1,270.00)	-
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>0.35</b>	<b>118.87</b>	<b>28.00</b>	-	<b>13,214.60</b>	<b>59,436.90</b>	<b>72,798.72</b>



01-12

Corporate Overview



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**Notes :**

The Board of Directors have recommended dividend @ 25 %, i.e., ₹ 2.50 per Equity Share (face value ₹ 10 each) aggregating to ₹ 430.94 lacs (including dividend distribution tax) for the year ended 31<sup>st</sup> March, 2018.

Capital Reserve - Others	: This reserve represents compensation received for breach of contract during the year 1994-95.
Securities Premium	: Premium collected on issue of securities is accumulated as part of securities premium. Utilisation of such premium is restricted by the Companies Act, 2013. During the current year, entire amount in Securities Premium account has been utilised for buy-back of equity shares.
Capital Redemption Reserve	: This reserve is created u/s 69 of the Companies Act, 2013 by transferring an amount equal to the nominal value of shares bought back by the Company. The same is permitted to be used for issuing fully paid bonus shares.
General Reserve	: General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend.
Retained Earning	: This represents profits remaining after all appropriations. This is free reserve and can be used for distribution as dividend.

As per our report of the even date.

For G. D. Apte & Co.  
Chartered Accountants  
Firm's Registration No.: 100515W

**Chetan R. Sapre**  
Partner  
Membership No.: 116952

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

**S. M. Dixit** (DIN:02359138)  
Chief Financial Officer and  
Whole-time Director

Mumbai,  
11<sup>th</sup> May, 2018

For and on behalf of the Board

**G. N. Mehra** (DIN:00296615) Chairman and  
Managing Director

**C. V. Alexander** (DIN:00253736) Whole-time Director

**S. R. Pandit** (DIN:00131424) Non-Executive Director

# Cash Flow Statement

## for the year ended 31<sup>st</sup> March, 2018

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
<b>A. Cash Flow from Operating Activities :</b>		
Profit before tax from continuing operations	15,607.78	12,615.83
<b>Adjustments for -</b>		
Depreciation on property, plant and equipment and investment property	2,570.09	2,812.48
Amortisation of intangible assets	18.18	16.32
Finance costs	1,330.33	1,308.13
Interest on sales tax deferment loan	44.86	62.95
(Profit) / loss on sale of property, plant and equipment (net)	(38.96)	6.58
(Profit) / loss on sale of current investments (net)	(68.51)	(109.64)
Fair valuation of the non-current investments	(7.41)	-
Fair valuation of the current investments	(3.59)	(0.39)
Interest income	(295.05)	(119.59)
Dividend income	(36.32)	(1.50)
Lease rental	10.01	10.03
Bad debts, provision for doubtful debts and advances	407.92	872.91
Balance written off	19.11	15.98
Unrealised exchange loss / (gain) (net)	183.90	155.53
Operating profit before working capital changes	19,742.34	17,645.62
<b>Changes in working capital:</b>		
Increase / (Decrease) in trade payables	7,907.98	3,263.05
Increase / (Decrease) in long-term provisions	30.12	68.41
Increase / (Decrease) in short-term provisions	(90.38)	(82.48)
Increase / (Decrease) in other long-term liabilities	42.50	34.75
Increase / (Decrease) in other current liabilities	155.06	663.22
(Increase) / Decrease in trade receivables	(11,964.79)	(4,372.45)
(Increase) / Decrease in inventories	(916.41)	(9,369.05)
(Increase) / Decrease in long-term loans	(95.58)	(75.18)
(Increase) / Decrease in short-term loans	(1,992.46)	703.28
(Increase) / Decrease in other current assets	18.92	22.63
Cash generated from operations	12,837.30	8,501.80
Interest received	282.86	103.91
Income tax paid	(3,410.27)	(3,140.28)
<b>Net cash from Operating Activities</b>	<b>9,709.89</b>	<b>5,465.43</b>

# Cash Flow Statement

## for the year ended 31<sup>st</sup> March, 2018

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
<b>B. Cash Flow from Investing Activities:</b>		
Additions to property, plant and equipment and investment property	(652.28)	(993.90)
Additions to intangible assets	(30.76)	(2.54)
Sale of property, plant and equipment	68.64	15.13
Purchase of non-current investments	(400.00)	-
Purchase of current investments	(48,911.82)	(42,407.94)
Sale of current investments	48,933.35	43,057.32
Interest received	12.16	15.69
Dividend received	36.32	1.50
<b>Net cash used in Investing Activities</b>	<b>(944.39)</b>	<b>(314.74)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from short-term borrowings	-	225.61
Repayment of long-term borrowings	(1,333.23)	(2,017.23)
Repayment of short-term borrowings	(271.06)	-
Shares bought back	(4,494.00)	-
(Increase) / Decrease in earmarked bank balances (net)	16.11	3.01
Interest paid	(1,383.58)	(1,383.92)
Dividend paid	(23.06)	(1,971.86)
Dividend tax paid	-	(401.31)
<b>Net cash used in Financing Activities</b>	<b>(7,488.82)</b>	<b>(5,545.70)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>1,276.68</b>	<b>(395.01)</b>
<b>Cash and Cash Equivalents - Beginning of the year</b>	<b>1,049.66</b>	<b>1,444.67</b>
<b>Cash and Cash Equivalents - End of the year</b>	<b>2,326.34</b>	<b>1,049.66</b>
<b>Net Cash and Cash Equivalents</b>	<b>(1,276.68)</b>	<b>395.01</b>

### Notes:

Cash Flow statement has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act, 2013.

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. D. Apte & Co.  
Chartered Accountants  
Firm's Registration No.: 100515W

**Chetan R. Sapre**  
Partner  
Membership No.: 116952

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

**S. M. Dixit** (DIN:02359138)  
Chief Financial Officer and  
Whole-time Director

Mumbai,  
11<sup>th</sup> May, 2018

For and on behalf of the Board

**G. N. Mehra** (DIN:00296615) Chairman and  
Managing Director

**C. V. Alexander** (DIN:00253736) Whole-time Director

**S. R. Pandit** (DIN:00131424) Non-Executive Director



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March, 2018

## 1 CORPORATE INFORMATION

Savita Oil Technologies Limited (“the Company”) is a Public Limited Company incorporated under the Companies Act, 1956 and domiciled in India. Its equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The Company is principally engaged in two segments, namely, manufacturing of petroleum speciality products and generation of electricity through wind power plants.

### Authorization of financial statements

The standalone financial statements were authorized for issue in accordance with a resolution of the Board of Directors passed on 11<sup>th</sup> May, 2018.

## 2 SIGNIFICANT ACCOUNTING POLICIES:

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

### (A) Basis of Preparation of Financial Statements:

- i. **Compliance with Ind AS:** The standalone financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013.
- ii. **Classification of assets and liabilities:** All assets and liabilities have been classified as current or non-current based on the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.  
  
For the above purposes, the Company has determined the operating cycle as twelve months based on the nature of products and the time between the acquisition of inputs for manufacturing and their realisation in cash and cash equivalents.
- iii. **Historical cost convention:** The financial statements have been prepared on going concern

basis under the historical cost convention except:

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

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

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

- v. **Fair value measurement:** The Company measures certain financial assets and financial liabilities including derivatives and defined benefit plans at fair value.

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

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

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

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

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

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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

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

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

### (B) Property, Plant and Equipment

- (i) Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any, and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.
- (ii) Lease arrangements for land are identified as finance lease, in case such arrangements result in transfer of the related risks and rewards to the Company. Accordingly, the Company classifies land lease arrangement with a term in excess of 99 years as a finance lease.
- (iii) Stores and spares which meet the definition of property, plant and equipment and satisfy the

recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

- (iv) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- (v) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognised.
- (vi) In line with the provisions of Schedule II to the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.
- (vii) Depreciation on property, plant and equipment is provided as per written down value method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.  
The property, plant and equipment acquired under finance lease are depreciated over the period of lease. Depreciation on stores and spares specific to an item of property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the stores and spares are depreciated over their estimated useful life based on the internal technical inputs.
- (viii) The residual values and useful life of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted prospectively.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### (C) Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purpose). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit and Loss in the period in which the property is derecognised.

Depreciation on investment property is provided as per written down value method based on estimated useful life which is considered at 60 years based on internal technical inputs.

### (D) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

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

Estimated lives of Computer Software is 5 to 7 years.

### (E) Borrowing Costs

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

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

### (F) Impairment of Non-financial Assets

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

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

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

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

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

### (G) Non-current Assets held for sale

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

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

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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### (H) Inventories

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

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

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

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

### (I) Revenue Recognition

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

- a) **Sale of goods:** Sales are accounted on passing of significant risks, rewards and control of ownership attached to the goods to customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, applicable discounts and allowances and is inclusive of excise duty wherever applicable.
- b) **Processing income:** Revenue from services is recognized as and when the services are rendered on proportionate completion method.
- c) **Rental income:** Rental income arising from operating leases of investment properties is accounted for on a straight-line basis over the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in other income in the Statement of Profit and Loss.

- d) **Incentives based on renewable energy generation:** Incentives for renewable energy generation are recognised as income on passing of significant risks, rewards and control of ownership attached with such incentive.
- e) **Interest income:** Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.
- f) **Dividend income:** Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- g) **Others:** Income in respect of export incentives, insurance / other claims, etc. is recognised when it is reasonably certain that the ultimate collection will be made.

### (J) Expenditure on Research and Development

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss under the appropriate heads of expenses. Expenditure relating to property, plant and equipment are capitalised under respective heads.

Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate the following :

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) its intention to complete the asset;
- c) its ability to use or sell the asset;
- d) how the asset will generate future economic benefits;

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

- e) the availability of adequate resources to complete the development and use or sell the asset and
- f) the ability to measure reliably the expenditure attributable to the intangible asset during development.

### (K) Foreign Currency Transactions

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

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

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

### (L) Employee Benefits

#### Short-term obligations

Short-term employee benefits (benefits which are payable within twelve months after the end of the period in which employees render service) are measured at an undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

#### Post-employment obligations

The Company operates the following post-employment schemes

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

#### Defined benefit plan – Gratuity obligation

Post-employment benefits (benefits which are payable on completion of employment) are measured

on a discounted basis by the Projected Unit Credit Method on the basis of actuarial valuation carried out at each reporting data.

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

#### Defined benefit costs are categorised as follows:

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

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

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

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

#### Defined contribution plan

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

#### Other long-term employee benefit obligations

The eligible employees can accumulate unavailed privilege leave and are entitled to encash the same either while in employment, on termination or on retirement in accordance with the Company's policy. The present value of such unavailed leave is measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. The benefits are discounted using the market yields at the end of the reporting period that have terms

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

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

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

### (M) Leases

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

#### a) As a lessee

- i) **Finance lease:** Agreements are classified as finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the lessee. Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as finance lease obligation. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
- ii) **Operating lease:** 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 on a straight-line basis over the period of the lease unless

the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in revenue in the Statement of Profit and Loss due to its operating nature.

#### b) As a Lessor

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

### (N) Government Grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the initial fair value of loan based on prevailing market interest rates.

Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

### (O) Taxation

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

- (a) **Current Tax:** Current tax expense is determined as the amount of tax payable in respect of taxable income for the year.



# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

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

- (b) Deferred Tax:** Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

### (P) Segment Reporting

The Chairman and Managing Director (CMD) monitors the operating results of its business segments separately for the purpose of making decisions about resources allocation and performance assessment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

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

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

### (Q) 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.

### (R) Provisions

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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

of past events, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

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

Contingent liabilities are disclosed in the case of:

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

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

### (S) Financial Instruments

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

#### I. Financial Assets

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

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

##### B. Subsequent measurement:

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

- (i) Debt instruments at amortised cost

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

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

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

- (ii) Debt instruments included within the Fair Value Through Profit or Loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.
- (iii) All equity instruments within the scope of Ind-AS 109 are measured at fair value. Equity instruments which are classified as held for trading are measured at FVTPL. For all other equity instruments, the Company decides to measure the same either at Fair Value Through Other Comprehensive Income (FVTOCI) or FVTPL. The Company makes such selection on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

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

### C. De-recognition:

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

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - (i) the Company has transferred substantially all the risks and rewards of the asset, or
  - (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### D. Impairment of financial assets:

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

## II. Financial Liabilities

### A. Initial recognition and measurement:

Financial liabilities are classified at initial recognition as :

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

The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

### B. Subsequent measurement :

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

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

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

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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

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

(iii) **Derivative financial instruments:** The Company uses derivative financial instruments, such as foreign exchange forward contracts, currency options and interest rate swaps to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### Hedge accounting :

The Company designates certain hedging instruments which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges or hedges of net investments in foreign operations. At the inception of the hedge relationship, the Company documents the relationship between the hedging instruments and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

### C. De-recognition

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

### D. Offsetting of financial instruments

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

### Significant Accounting Judgements, Estimates and Assumptions

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

### Judgements

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

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

### Estimates and Assumptions

The following are the key assumptions concerning the future, and other key sources of estimation

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year :

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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### 3 PROPERTY, PLANT AND EQUIPMENTS

Sr. No.	Particulars	Land-Freehold	Buildings	Wind Power Plant	Plant and Machinery	Laboratory Equipment	Electrical Installation and Equipments	Computer and Data Processing	Furniture and Fittings	Office Equipments	Vehicles	Total	Capital Work-in-Progress
<b>I. Gross Carrying Amount</b>													
	Balance as at 1 <sup>st</sup> April, 2017	2,193.13	5,826.57	11,608.33	6,479.88	220.24	341.99	131.37	320.73	95.48	288.50	27,506.22	121.55
	Additions	-	112.55	-	200.48	92.00	-	35.04	22.72	22.45	77.84	563.08	177.27
	Deletions	-	0.65	-	15.26	-	-	0.68	-	0.57	32.76	49.92	88.08
	Balance as at 31 <sup>st</sup> March, 2018	2,193.13	5,938.47	11,608.33	6,665.10	312.24	341.99	165.73	343.45	117.36	333.58	28,019.38	210.75
<b>II. Accumulated Depreciation and Impairment</b>													
	Balance as at 1 <sup>st</sup> April, 2017	-	796.12	2,701.48	1,636.87	73.23	130.53	57.36	133.57	51.60	105.21	5,685.97	-
	Depreciation for the year	-	363.27	1,103.22	766.76	44.72	54.73	48.23	50.36	20.92	62.57	2,514.78	-
	Accumulated depreciation on deletions	-	0.21	-	2.83	-	-	-	-	0.45	16.75	20.24	-
	Balance as at 31 <sup>st</sup> March, 2018	-	1,159.18	3,804.70	2,400.80	117.95	185.26	105.59	183.93	72.07	151.03	8,180.51	-
<b>III. Net Carrying Amount as at 31<sup>st</sup> March, 2018</b>		<b>2,193.13</b>	<b>4,779.29</b>	<b>7,803.63</b>	<b>4,264.30</b>	<b>194.29</b>	<b>156.73</b>	<b>60.14</b>	<b>159.52</b>	<b>45.29</b>	<b>182.55</b>	<b>19,838.87</b>	<b>210.75</b>
<b>IV. Net Carrying Amount as at 31<sup>st</sup> March, 2017</b>		2,193.13	5,030.45	8,906.85	4,843.01	147.01	211.46	74.01	187.16	43.88	183.29	21,820.25	121.55

#### Notes:

- Buildings include cost of shares amounting to ₹ 0.03 lacs (Previous year ₹ 0.03 lacs).
- Additions during the year include Research and Development capital expenditure amounting to ₹ 40.31 lacs (Previous year ₹ 0.75 lacs) in Laboratory Equipment, ₹ 4.38 lacs (Previous year ₹ Nil) in Plant and Machinery, ₹ 0.38 lacs (Previous year ₹ Nil) in Computer and Data Processing and ₹ Nil (Previous year ₹ 0.58 lacs) in Office Equipments.
- Certain property, plant and equipments have been mortgaged for borrowing facilities availed by the Company (Refer Note 31).



# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### 4 INVESTMENT PROPERTY

	₹ in lacs
	<b>Buildings</b>
<b>I. Gross Carrying Amount</b>	
Balance as at 1 <sup>st</sup> April, 2017	1,255.78
Additions	-
Deletions	-
Balance as at 31 <sup>st</sup> March, 2018	1,255.78
<b>II. Accumulated Depreciation and Impairment</b>	
Balance as at 1 <sup>st</sup> April, 2017	118.90
Depreciation for the year	55.31
Accumulated depreciation on deletions	-
Balance as at 31 <sup>st</sup> March, 2018	174.21
<b>III. Net Carrying Amount as at 31<sup>st</sup> March, 2018</b>	<b>1,081.57</b>
<b>IV. Net Carrying Amount as at 31<sup>st</sup> March, 2017</b>	<b>1,136.88</b>

#### Notes:

- Buildings include cost of shares amounting to ₹ 0.01 lacs (Previous year ₹ 0.01 lacs).
- Certain investment properties have been mortgaged for borrowing facilities availed by the Company (Refer Note 31).

#### 4.1 Information regarding income and expenditure of Investment Property

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
Rental income derived from investment properties	153.66	168.75
Direct operating expenses (including repairs and maintenance) that generate rental income	(12.90)	(12.95)
Direct operating expenses (including repairs and maintenance) that do not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	140.76	155.80
Less : Depreciation	(55.31)	(58.15)
Profit arising from investment properties before indirect expenses	<b>85.45</b>	<b>97.65</b>

The Company has no restrictions on the realisability of its investment properties or remittance of income and proceeds of disposal. Further, there are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

#### 4.2 Fair value of the Company's investment properties

The fair value of the Company's investment properties as at 31<sup>st</sup> March, 2017 was arrived at on the basis of a valuation carried out by independent registered valuers not related to the Company. The Company has adopted policy of revaluing investment property generally every three years unless there are any significant changes in the circumstances requiring earlier revaluation. Accordingly, the Company has continued with the same valuation for the year ended 31<sup>st</sup> March, 2018.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### 4.3 a) Details of the Company's investment properties and information about their fair value hierarchy

Valuation as at	Fair value measurement using Level 2	
	31.3.2018 ₹ in lacs	31.3.2017 ₹ in lacs
	3,016.80	3,016.80

### b) Reconciliation of fair value

	₹ in lacs
Opening balance as at 1 <sup>st</sup> April, 2017	3,016.80
Fair value difference	-
Purchases / Reclassification	-
Closing balance as at 31 <sup>st</sup> March, 2018	3,016.80

### c) Description of valuation techniques used and key inputs to valuation on investment properties

The investment properties have been valued at Fair Market Value. It is the value of the property at which it can be sold in open market at a particular time free from forced value or sentimental value. Prevailing market value is a result of demand / supply, merits / demerits of properties and various locational, social, economical, political factors and circumstances. Prevailing market value can be estimated through market survey, through dependable data / sale instances, local estate developers / brokers, real estate portal enquiries and verbal enquiries in neighbourhood area.

## 5 OTHER INTANGIBLE ASSETS

	₹ in lacs
<b>I. Gross Carrying Amount</b>	
Balance as at 1 <sup>st</sup> April, 2017	88.11
Additions	30.77
Deletions	-
Balance as at 31 <sup>st</sup> March, 2018	118.88
<b>II. Accumulated Depreciation and Impairment</b>	
Balance as at 1 <sup>st</sup> April, 2017	33.09
Depreciation for the year	18.18
Accumulated depreciation on deletions	-
Balance as at 31 <sup>st</sup> March, 2018	51.27
<b>III. Net Carrying Amount as at 31<sup>st</sup> March, 2018</b>	<b>67.61</b>
<b>IV. Net Carrying Amount as at 31<sup>st</sup> March, 2017</b>	<b>55.02</b>

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

	₹ in lacs		
	0 to 5 years	6 to 10 years	Total WDV
Computer Software	60.46	7.15	67.61
	<b>60.46</b>	<b>7.15</b>	<b>67.61</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### 6 FINANCIAL ASSETS

#### 6.1 Non - Current Investments (fully paid up) (at FVTPL)

	Face Value ₹	As at 31.3.2018 Quantity Nos.	As at 31.3.2017 Quantity Nos.	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
<b>Unquoted</b>					
<b>Investments in Equity Instruments</b>					
Kavini Ispat Ltd. [ at cost less impairment in value ₹ 48.79 lacs (Previous year ₹ 48.79 lacs)]	10	106,100	106,100	-	-
Savita Petro-Additives Ltd. (Refer Note 33)	10	40	40	0.16	0.16
Savita Polymers Ltd. (Refer Note 33)	10	10,000	10,000	104.08	98.05
				<b>104.24</b>	<b>98.21</b>
<b>Equity Oriented Mutual Funds</b>					
Reliance Regular Savings Fund - Balanced	10	1,85,265	-	98.81	-
L&T India Prudence Fund - Growth	10	3,88,410	-	99.32	-
Motilal Oswal Most Focused Dynamic Equity Fund - Regular Growth	10	16,90,146	-	203.25	-
				<b>401.38</b>	<b>-</b>
				<b>505.62</b>	<b>98.21</b>
Aggregate amount of Unquoted Investments - gross				<b>554.41</b>	<b>147.00</b>
Aggregate amount of impairment in value of investments				<b>48.79</b>	<b>48.79</b>
Aggregate amount of Unquoted Investments - net				<b>505.62</b>	<b>98.21</b>

#### Current Investments (at FVTPL)

<b>Unquoted Mutual Funds</b>					
Birla Sun Life Cash Plus - Growth - Regular Plan	100	-	95,991	-	250.07
HDFC Liquid Fund -Growth	1,000	14,685	12,510	500.83	400.26
Kotak Liquid Scheme Plan A - Growth	1,000	8,553	12,159	300.45	400.11
SBI Premier Liquid Fund - Regular Plan - Growth	1,000	14,760	19,657	400.83	500.42
SBI Magnum Insta Cash Fund	1,000	1,646	1,646	62.97	59.01
Tata Liquid Fund - Growth	1,000	-	6,856	-	204.99
Tata Ultra Short Term Fund Regular Plan - Growth	1,000	11,396	-	300.17	-
Aditya Birla Sun Life Savings Fund - Growth - Regular Plan	100	87,795	-	300.18	-
				<b>1,865.43</b>	<b>1,814.86</b>
Aggregate amount of Unquoted Investments - gross				<b>1,865.43</b>	<b>1,814.86</b>
Aggregate amount of impairment in value of investments				-	-
Aggregate amount of Unquoted Investments - net				<b>1,865.43</b>	<b>1,814.86</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### 6.2 Trade Receivables

#### Current

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
Unsecured, Considered good	53,978.96	42,669.03
Considered doubtful	2,179.72	1,728.77
	56,158.68	44,397.80
Allowance for doubtful debts	(2,179.72)	(1,728.77)
	53,978.96	42,669.03
Less: Impairment under expected credit loss	(71.44)	(401.11)
	<b>53,907.52</b>	<b>42,267.92</b>

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

Ageing	Expected credit loss (%)
0-90 days past due	0.04
91-180 days past due	0.42
181-270 days past due	1.01
More than 270 days past due	3.29

Age of receivables *	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
0-90 days past due	47,924.82	36,375.57
91-180 days past due	4,211.46	3,145.79
181-270 days past due	1,068.85	1,537.43
More than 270 days past due	773.83	1,610.24

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

Movement in the expected credit loss allowance		
Balance at the beginning of the year	401.11	330.42
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(329.67)	70.69
Balance at the end of the year	<b>71.44</b>	<b>401.11</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
<b>6.3 Loans</b>		
<b>Non-current</b>		
Other Loans		
Unsecured, considered good	23.53	22.59
	<b>23.53</b>	<b>22.59</b>
<b>Current</b>		
Other Loans		
Unsecured, considered good	30.17	39.50
	<b>30.17</b>	<b>39.50</b>
	<b>53.70</b>	<b>62.09</b>
<b>6.4 Other Financial Assets</b>		
<b>Current</b>		
Security Deposits	490.64	475.88
Derivative Asset	63.93	186.38
Other Financial Assets	14.40	33.29
	<b>568.97</b>	<b>695.55</b>
<b>6.5 Cash and Cash Equivalents</b>		
Balances with banks		
On current accounts	2,306.98	1,033.52
Cash on hand	19.36	16.14
	<b>2,326.34</b>	<b>1,049.66</b>
<b>6.6 Other Bank Balances</b>		
Deposit accounts with more than 3 months but less than 12 months maturity	3.89	-
Security against guarantee / margin money deposits	117.94	114.88
Unpaid dividend accounts	80.55	103.61
	<b>202.38</b>	<b>218.49</b>

## 7 INVENTORIES

Raw and Packing Materials :		
on hand	23,557.18	15,584.78
in transit	7,325.64	13,510.13
Work-in-Process	1,338.48	895.26
Finished Goods :		
on hand	7,450.72	8,874.30
in transit	1,541.86	1,342.51
Stock-in-trade	120.88	256.21
Stores and Spares	170.47	125.63
	<b>41,505.23</b>	<b>40,588.82</b>

During the year ended 31<sup>st</sup> March, 2018, ₹ 256.64 lacs ( Previous year ₹ 329.80 lacs) was recognised as an expense for inventories carried at net realisable value.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
<b>8 OTHER ASSETS</b>		
<b>Non-current</b>		
Capital Advances	74.14	39.68
Prepaid Lease Rental - Land	272.16	282.17
Others including duties and taxes receivable (other than cenvat balances)	636.49	595.42
Less: Provision for doubtful advances	(273.46)	(234.85)
	<b>709.33</b>	<b>682.42</b>
<b>Current</b>		
Cenvat balances	3,148.64	1,526.08
Advances to vendors	219.57	453.52
Prepaid Lease Rental - Land	10.02	10.02
Other loans and advances including duties and taxes receivable (other than cenvat balances)	1,459.46	738.59
	<b>4,837.69</b>	<b>2,728.21</b>
	<b>5,547.02</b>	<b>3,410.63</b>

## 9 EQUITY SHARE CAPITAL

### Authorised shares

3,00,00,000 (As at 31 <sup>st</sup> March, 2017: 3,00,00,000) Equity shares of ₹ 10 each	3,000.00	3,000.00
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### Issued shares

1,43,22,083 (As at 31 <sup>st</sup> March, 2017: 1,46,02,083) Equity shares of ₹ 10 each	1,432.21	1,460.21
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### Subscribed and fully paid-up shares

1,43,22,083 (As at 31 <sup>st</sup> March, 2017: 1,46,02,083) Equity shares of ₹ 10 each	1,432.21	1,460.21
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### a) Reconciliation of number of shares

	Nos.	₹ in lacs
<b>As at 1.4.2016</b>	1,46,02,083	1,460.21
Issued during the year	-	-
<b>As at 31.3.2017</b>	1,46,02,083	1,460.21
Issued during the year	-	-
Buy back during the year	(280,000)	(28.00)
<b>As at 31.3.2018</b>	1,43,22,083	1,432.21

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

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



# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

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

	As at 31.3.2018		As at 31.3.2017	
	Nos.	% of holding	Nos.	% of holding
Gautam N. Mehra*	93,91,239	65.57	95,11,656	65.14
HDFC Trustees Company Ltd.	13,06,326	9.12	13,29,732	9.11

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

\* Includes 93,18,408 (As at 31<sup>st</sup> March, 2017: 94,38,825) equity shares held as member of Association of Persons and HUFs, wherein Mr. Gautam N. Mehra is one of the beneficiaries, and as a trustee of family trusts.

### d) Buy-back of equity shares

During the year ended 31<sup>st</sup> March 2018, the Company purchased its own 2,80,000 equity shares of ₹ 10 each at ₹ 1,605 each resulting in cash outflow of ₹ 4,494 lacs. The buy-back of these equity shares was completed by utilising its Security Premium Account and General Reserve to the extent of ₹ 1,723.60 lacs and ₹ 2,742.40 lacs respectively. The Company has transferred ₹ 28 lacs, equal to the nominal value of such shares, to Capital Redemption Reserve account. Consequent to the buy-back of shares, the Paid-up Equity share capital of the Company stands reduced by ₹ 28 lacs to ₹ 1,432.21 lacs.

### e) Forfeited equity shares

	As at 31.3.2018	As at 31.3.2017
No. of shares forfeited	-	-
Amount received for share capital forfeited ( ₹ in lacs)	-	-
Amount of share premium forfeited ( ₹ in lacs)	-	2.49

During the year 2016-17, the Company cancelled 7,100 forfeited shares. Accordingly, an amount of ₹ 0.35 lacs received against such shares has been transferred to Capital Reserve.

## 10 OTHER EQUITY

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
<b>Capital Reserve - Forfeited Shares</b>		
Balance at the beginning of the year	0.35	-
Add: Forfeiture of Shares (Refer Note 9(e))	-	0.35
	<b>0.35</b>	<b>0.35</b>
<b>Capital Reserve - Others</b>		
Balance at the beginning of the year	118.87	118.87
<b>Security Premium Account</b>		
Balance at the beginning of the year	1,723.60	1,723.60
Less: Utilised for buy-back of shares (Refer note 9(d))	(1,723.60)	-
	<b>-</b>	<b>1,723.60</b>
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	-	-
Add: Transfer from General Reserve (Refer note 9(d))	28.00	-
	<b>28.00</b>	<b>-</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
<b>General Reserve</b>		
Balance at the beginning of the year	14,715.00	13,715.00
Add: Transfer from surplus in the Statement of Profit and Loss	1,270.00	1,000.00
Less: Transfer to Capital Redemption Reserve (Refer note 9(d))	(28.00)	-
Less: Utilised for buy-back of shares (Refer note 9(d))	(2,742.40)	-
	<b>13,214.60</b>	<b>14,715.00</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	48,098.21	42,163.59
Less: Depreciation relating to assets having completed their useful life	-	-
Add: Profit for the year	12,619.59	9,361.95
Add: Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	(10.90)	(54.74)
	<b>60,706.90</b>	<b>51,470.80</b>
<b>Less: Appropriations</b>		
Interim Dividend for 2016-17 (amount per share ₹ 13.50)	-	1,971.28
Tax on Interim Dividend 2016-17	-	401.31
Transfer to General Reserve	1,270.00	1,000.00
Total Appropriations	<b>1,270.00</b>	<b>3,372.59</b>
Net Retained Earning	<b>59,436.90</b>	<b>48,098.21</b>
	<b>72,798.72</b>	<b>64,656.03</b>

### Notes:

- Capital Reserve - Others : This reserve represents compensation received for breach of contract during the year 1994-95.
- Securities Premium : Premium collected on issue of securities is accumulated as part of securities premium. Utilisation of such premium is restricted by the Companies Act, 2013. During the current year, entire amount in Securities Premium account has been utilised for buy-back of equity shares.
- Capital Redemption Reserve : This reserve is created u/s 69 of the Companies Act, 2013 by transferring an amount equal to the nominal value of shares bought back by the Company. The same is permitted to be used for issuing fully paid bonus shares.
- General Reserve : General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend.
- Retained Earning : This represents profits remaining after all appropriations. This is free reserve and can be used for distribution as dividend.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### 11 FINANCIAL LIABILITIES

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
<b>11.1 Long-term Borrowings</b>		
<b>Non-current</b>		
<b>Term Loans from Banks - Secured</b>		
Foreign Currency Loans	-	202.68
<b>Deferred Payment Liability - Unsecured</b>		
Sales Tax Deferment	215.82	344.49
	<b>215.82</b>	<b>547.17</b>
<b>Current</b>		
<b>Term Loans from Banks - Secured</b>		
Foreign Currency Loans	203.70	1,183.60
<b>Deferred Payment Liability - Unsecured</b>		
Sales Tax Deferment	173.53	216.77
	<b>377.23</b>	<b>1,400.37</b>
Less : Amount clubbed under "Other current financial liabilities"	<b>377.23</b>	<b>1,400.37</b>
Net current borrowing	-	-
<b>11.1.1 Government grants</b>		
Balance at the beginning of the year	100.41	163.36
Released to the statement of profit and loss	(44.86)	(62.95)
	<b>55.55</b>	<b>100.41</b>
Current	29.20	44.86
Non-current	26.35	55.55
	<b>55.55</b>	<b>100.41</b>

**Note:**

In terms of the scheme of Government of Maharashtra, the Company was entitled to defer the payment of sales tax liability in certain years. Such deferral is without payment of interest. The grant represents the difference between the carrying amount as on the date of transition and the present value. The grant income is recognised in the Statement of Profit and Loss on a systematic basis.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

Details of Secured Loans and Securities	Rate of Interest	Date of loan	Tenure of loan	No. of installments (post moratorium)
<b>Foreign Currency Loans</b>				
i) ₹ Nil (Previous year ₹ 372.92 lacs) secured by exclusive hypothecation of all movable fixed assets at Silli, Silvassa and certain Wind Power Plants at District Sangli, Maharashtra.	3 months Libor Plus 2.5% p.a.	30.8.2012	5 years	16 quarterly
ii) ₹ 203.70 lacs (Previous year ₹ 1,013.36 lacs) secured by exclusive hypothecation of certain Wind Power Plants at District Sangli, Maharashtra.	3 months Libor Plus 2.5% p.a.	30.5.2013	5 years	16 quarterly

For details of carrying amounts of assets pledged / hypothecated for borrowing facilities, refer Note 31.

### Details of Deferred Payment Liability

Deferred Payment Liabilities (without considering the present value) amounting to ₹ 444.90 lacs (Previous year ₹ 661.67 lacs) are interest free sales tax deferments repayable in 5 equal installments after 10 years from the respective year of availment.

Year of deferral	Deferral Amount ₹ in lacs as at	
	31.3.2018	31.3.2017
2002-2003	-	55.74
2003-2004	43.05	86.10
2004-2005	80.04	120.07
2005-2006	157.57	210.09
2006-2007	101.74	127.17
2007-2008	62.50	62.50
<b>Total</b>	<b>444.90</b>	<b>661.67</b>

### 11.2 Short-term Borrowings (Secured)

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
Loans Repayable on demand		
Cash Credits from banks	6.36	277.42
Secured by ;		
i) hypothecation of inventories, receivables and other current assets and		
ii) first pari-passu charge by way of equitable mortgage by deposit of title deeds of the Company's certain immovable properties at Silvassa, Navi Mumbai and Mumbai.		
	<b>6.36</b>	<b>277.42</b>

For details of carrying amounts of assets pledged / hypothecated for borrowing facilities, refer Note 31.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
<b>11.3 Trade Payables and Acceptances</b>		
<b>Current</b>		
Trade Payables		
Micro and Small Enterprises	-	-
Other than Micro and Small Enterprises	21,437.99	20,918.93
Acceptances	24,588.93	16,968.56
	<b>46,026.92</b>	<b>37,887.49</b>

(Refer Note 27 for details of dues to micro and small enterprises)

### 11.4 Other Financial Liabilities

<b>Current</b>		
<b>Financial liabilities at FVTPL</b>		
Derivative liabilities carried at fair value	-	155.54
Interest accrued but not due on borrowings	1.50	9.89
Current maturities of long-term borrowings- Term loan	203.70	1,183.60
<b>Other financial liabilities at amortised cost</b>		
Current maturities of long-term borrowings- Sales tax deferment	173.53	216.77
Unpaid dividends	80.55	103.61
Security deposit	588.24	545.74
Employee benefits	174.51	161.03
Other payables	660.31	259.06
	<b>1,882.34</b>	<b>2,635.24</b>

Note: There are no amounts due and outstanding in respect of Investor Education and Protection Fund as on 31<sup>st</sup> March, 2018 (Previous year Nil).

## 12 PROVISIONS

### Non-current

#### Provisions in respect of employee benefits

Leave encashment	492.83	462.71
	<b>492.83</b>	<b>462.71</b>

### Current

#### Provisions in respect of employee benefits

Leave encashment	181.60	223.12
Gratuity (Refer Note 32)	86.88	119.07
	<b>268.48</b>	<b>342.19</b>
	<b>761.31</b>	<b>804.90</b>



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## for the year ended 31<sup>st</sup> March, 2018

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
<b>13 DEFERRED TAX LIABILITY (NET)</b>		
Deferred Tax Liability	2,110.33	2,529.64
Deferred Tax Assets	1,136.53	1,211.62
<b>Net Deferred Tax Liability</b>	<b>973.80</b>	<b>1,318.02</b>
<b>Deductible temporary differences</b>		
Option contract	-	53.83
Deferred grant	19.22	34.75
Provision for doubtful debts and advances	873.72	818.40
Defined benefit obligation	233.40	237.35
Borrowings	10.19	67.29
	<b>1,136.53</b>	<b>1,211.62</b>
<b>Taxable temporary differences</b>		
Property, plant and equipment and investment property	2,030.59	2,396.46
Borrowings	19.22	34.75
Investments	38.40	33.93
Derivative Assets	22.12	64.50
	<b>2,110.33</b>	<b>2,529.64</b>
	<b>973.80</b>	<b>1,318.02</b>
<b>14 OTHER LIABILITIES</b>		
<b>Non-current</b>		
Deferred revenue arising from government grant	26.35	55.55
	<b>26.35</b>	<b>55.55</b>
<b>Current</b>		
Deferred revenue arising from government grant	29.20	44.86
Income tax deducted at source	310.68	316.72
Duties and taxes	595.52	2,033.20
Advances from customers	439.32	358.34
Other payables	2,345.63	1,024.32
	<b>3,720.35</b>	<b>3,777.44</b>



# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### 15 CURRENT TAX ASSETS AND LIABILITIES

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
<b>Current tax assets</b>		
Tax refund receivable	754.01	1,068.90
	<b>754.01</b>	<b>1,068.90</b>
<b>Current tax liabilities</b>		
Income tax payable	590.84	989.36
	<b>590.84</b>	<b>989.36</b>

### 16 REVENUE FROM OPERATIONS

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
<b>Sale of products (Gross of Excise Duty)</b>		
Finished and traded products	180,860.95	166,838.38
<b>Other operating revenue</b>		
Processing income	0.80	15.48
<b>Government Grants</b>		
Export incentives	1,249.33	1,167.08
Incentives for renewable energy generation	351.67	306.04
<b>Revenue from Operations</b>	<b>182,462.75</b>	<b>168,326.98</b>

### 17 OTHER INCOME

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
Interest income	295.05	119.59
Dividend income	36.32	1.50
Net gain on sale of investments - Current	68.20	109.64
Compensation for wind power generation loss	45.00	-
Grant income	44.86	62.96
Gain on fair valuation of investments	11.02	0.39
Gain on Foreign Currency Transactions and Translation (net)	8.42	590.62
Profit on sale of property, plant and equipments (net)	38.96	-
Miscellaneous income	407.46	420.08
	<b>955.29</b>	<b>1,304.78</b>



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## for the year ended 31<sup>st</sup> March, 2018

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
<b>18 COST OF MATERIALS CONSUMED</b>		
Base oils	113,247.25	92,963.46
Process chemicals / solvents	7,736.82	7,562.55
Packing materials	8,904.71	8,641.39
Others	951.25	1,123.07
	<b>130,840.03</b>	<b>110,290.47</b>
<b>19 PURCHASE OF TRADED GOODS</b>		
Base oils	424.35	722.63
Lubricating oils / Greases	164.21	201.65
Others	89.33	105.52
	<b>677.89</b>	<b>1,029.80</b>
<b>20 (INCREASE) / DECREASE IN INVENTORIES</b>		
<b>Inventories at the end of the year</b>		
Finished Goods	8,992.58	10,216.81
Work-in-Process	1,338.48	895.26
Traded Goods	120.88	256.21
	<b>10,451.94</b>	<b>11,368.28</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	10,216.81	8,382.66
Work-in-Process	895.26	721.88
Traded Goods	256.21	277.82
	<b>11,368.28</b>	<b>9,382.36</b>
	<b>916.34</b>	<b>(1,985.92)</b>
<b>21 EMPLOYEE BENEFITS EXPENSE (REFER NOTE 32)</b>		
Salaries, Wages and Bonus	4,213.10	3,645.89
Contribution to employees' provident and other funds	323.48	285.59
Staff welfare expenses	140.36	128.75
	<b>4,676.94</b>	<b>4,060.23</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
<b>22 FINANCE COSTS</b>		
Interest and finance charges on financial liabilities not at FVTPL		
Interest on loan	62.78	193.03
Interest on sales tax deferment loan	44.86	62.95
<b>Other borrowing costs</b>		
Interest	547.48	257.78
Net loss on currency fluctuation	360.85	283.46
Other borrowing costs and bank charges	359.22	573.86
	<b>1,375.19</b>	<b>1,371.08</b>
<b>23 DEPRECIATION / AMORTISATION (REFER NOTE 3, 4 AND 5)</b>		
Depreciation on property, plant and equipment	2,514.78	2,754.33
Depreciation on investment property	55.31	58.15
Amortisation of intangible assets	18.18	16.32
	<b>2,588.27</b>	<b>2,828.80</b>
<b>24 OTHER EXPENSES</b>		
Stores and spares consumed	189.77	179.57
Fuel and power	267.77	273.91
Rent	1,107.67	1,239.78
Lease rentals on leasehold land	10.02	10.02
Freight	4,702.15	4,125.73
Rates, taxes and octroi	67.74	144.25
Insurance	366.32	335.08
Commission on sales	1,473.63	1,461.00
Donations	80.00	50.22
Repairs and maintenance:		
Buildings	95.26	25.25
Plant and Machinery	952.06	842.17
Others	127.79	119.62
Discounts	115.48	124.77
Royalty	9,862.16	7,898.10
Advertisement and sales promotion	251.72	942.94
Loss on sale of property, plant and equipments (net)	-	6.58
Bad debts	248.05	668.98
Provision for doubtful debts and advances (net)	159.87	203.93
Corporate Social Responsibility	22.02	46.10
Miscellaneous expenses	2,443.46	2,113.66
	<b>22,542.94</b>	<b>20,811.66</b>

The Company's R & D expenses that are not eligible for capitalisation have been expensed in the period incurred ₹ 169.83 lacs (Previous year ₹ 139.56 lacs) and they are recognised in other expenses.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### Payment to auditors

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
a) Audit fees	20.00	16.50
b) Other services	5.98	4.11
c) Out of pocket expenses	0.46	0.37

- 25** The Company has spent ₹ 22.02 lacs (Previous year ₹ 46.10 lacs) towards Corporate Social Responsibility expenditure (including capital expenditure ₹ Nil, Previous year ₹ Nil) and debited the same to the Statement of Profit and Loss as against ₹ 111.16 lacs (Previous year ₹ 113.58 lacs) computed as per the provisions of section 135(5) of the Companies Act, 2013.
- 26** The Company's application for waiver of excess remuneration of ₹ 30.12 lacs paid to the Chairman and Managing Director for the year ended 31<sup>st</sup> March, 2015 was rejected by Ministry of Corporate Affairs stating that the Company had failed to submit required information / documents. The Company has replied to the Ministry with evidence that all the information / documents requisitioned was / were furnished to the Ministry from time to time. Further response from the Ministry in this regard is awaited.
- 27** Disclosure of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 (as available with the Company) (Refer Note 11.3)

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

### 28 CONTINGENT LIABILITIES NOT PROVIDED FOR

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
a) Disputed demands		
i) Excise and Customs	1,685.99	1,949.84
ii) Sales Tax	2,051.27	1,458.10
iii) Others	38.14	33.49
b) Claims not acknowledged as debt	210.00	200.00

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### 29 COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 376.90 lacs (Previous year ₹ 71.16 lacs).
- The Company has set up wind power projects in the states of Maharashtra, Karnataka and Tamilnadu. The Company, in case of specific projects, 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.

### 30 LEASES

The Company has entered into agreements for operating leases in respect of residential and office premises, 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 ₹ 1,107.44 lacs (Previous year ₹ 1,240.91 lacs)  
Income ₹ 153.66 lacs (Previous year ₹ 168.75 lacs)
- 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.

### 31 ASSETS HYPOTHECATED / PLEDGED AS SECURITY

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

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs
<b>Non-current Borrowings</b>		
Exclusive Hypothecation of certain		
Property, plant and equipment	-	5,729.66
(Refer Note 11.1)	-	5,729.66
<b>Current Borrowings</b>		
Exclusive Hypothecation of certain		
Property, plant and equipment	1,987.08	-
(Refer Note 11.1)	<b>1,987.08</b>	-
Hypothecation of		
i) Inventories	41,505.23	40,588.82
ii) Trade receivables	53,907.52	42,267.92
iii) Current assets other than inventories and trade receivables	10,584.99	7,615.17
	<b>105,997.74</b>	<b>90,471.91</b>
<b>First charge on</b>		
Property, plant and equipment	8,881.45	6,960.19
Investment Property	2.10	2.20
	<b>8,883.55</b>	<b>6,962.39</b>
<b>Second charge on</b>		
Property, plant and equipment	-	2,680.22
	-	2,680.22
(Refer Note 11.2)	<b>116,868.37</b>	<b>100,114.52</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### 32 EMPLOYEE BENEFITS: (REFER NOTES 12 AND 21)

#### i) Defined Contribution Plan:

Company's contribution to Provident Fund ₹ 207.52 lacs (Previous year ₹ 192.14 lacs).

The company also contributes to the following:

- National Pension Scheme (NPS) : ₹ 29.58 lacs (Previous year ₹ 17.69 lacs)
- Labour Welfare Fund : ₹ 0.04 lacs (Previous year ₹ 0.04 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 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs	As at 31.3.2016 ₹ in lacs	As at 1.4.2015 ₹ in lacs
<b>a) Change in the obligation benefits:</b>				
Projected benefit obligation at the beginning of the year	1,123.22	1,047.38	868.77	895.10
Service cost	61.55	51.09	46.55	50.31
Interest cost	81.65	85.05	69.07	83.69
Actuarial (Gains) / Losses on Obligations - Due to Change in Demographic Assumptions	-	-	-	-
Actuarial (Gains) / Losses on Obligations - Due to Change in Financial Assumptions	(29.43)	45.96	(9.66)	(26.03)
Actuarial (Gains) / Losses on Obligations - Due to Experience	37.56	38.52	117.42	(63.46)
Benefits paid	(171.77)	(144.78)	(44.76)	(70.84)
Projected benefit obligation at the end of the year	1,102.78	1,123.22	1,047.39	868.77
<b>b) Change in the plan assets:</b>				
Fair value of the plan assets at the beginning of the year	1,004.15	963.26	927.06	854.74
Expected return on plan assets	73.00	78.22	73.70	79.92
Employer's contribution	119.07	106.62	15.25	71.84
Benefits paid	(171.77)	(144.78)	(44.76)	(70.84)
Return on plan assets, excluding interest income	(8.54)	0.83	(7.99)	(8.61)
Fair value of the plan assets at the end of the year	1,015.91	1,004.15	963.26	927.05
Funded status [Surplus / (Deficit)]	(86.87)	(119.07)	(84.13)	58.28
<b>c) Net Gratuity and other cost:</b>				
Service cost	61.55	51.09	46.55	50.31
Interest on defined benefit obligation	81.65	85.05	69.07	83.69
Interest income	(73.00)	(78.22)	(73.70)	(79.92)
Net gratuity cost	70.20	57.92	41.92	54.08

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

	As at 31.3.2018 ₹ in lacs	As at 31.3.2017 ₹ in lacs	As at 31.3.2016 ₹ in lacs	As at 1.4.2015 ₹ in lacs
<b>d) Amounts recognised in the statement of other comprehensive income:</b>				
Actuarial Gains / (Losses)	(8.13)	(84.52)	(107.75)	-
Return on plan assets, excluding interest income	(8.54)	0.83	(7.99)	-
Net income / (expense) for the period recognised in other comprehensive income	(16.67)	(83.69)	(115.74)	-
<b>e) Category of Assets:</b>				
Corporate Bonds	0.36	0.36	0.36	0.36
Special Deposits Scheme	43.66	43.66	43.66	43.66
Others	971.89	960.13	919.24	883.03
	1,015.91	1,004.15	963.26	927.05
<b>f) Assumptions used in accounting for the Gratuity Plan:</b>				
	%	%	%	%
Discount rate	7.27	8.12	8.12	7.95
Expected rate of return on plan assets	7.27	8.12	8.12	7.95
<b>g) Maturity analysis of the benefit payments : from the fund</b>				
Projected benefits payable in future years from the date of reporting				
1 <sup>st</sup> Following Year	307.40	363.85	328.59	328.59
2 <sup>nd</sup> Following Year	121.05	35.89	52.92	52.92
3 <sup>rd</sup> Following Year	88.37	132.94	95.71	95.71
4 <sup>th</sup> Following Year	100.19	87.64	53.66	53.66
5 <sup>th</sup> Following Year	81.78	95.92	145.05	145.05
Sum of years 6 to 10	353.91	316.31	483.30	483.30
As at 31 <sup>st</sup> March 2018, the weighted average duration of the defined benefit obligation was 6 years (Previous year 6 years).				
The estimates of future salary increases considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.				
Sensitivity analysis:				
Projected benefit obligation on current assumptions	1,102.78	1,123.22	1,047.38	868.78
Delta effect of +1% change in rate of discounting	(52.50)	(53.58)	(44.89)	133.72
Delta effect of -1% change in rate of discounting	59.60	60.90	50.86	229.46
Delta effect of +1% change in rate of salary increase	58.89	59.87	50.42	229.03
Delta effect of -1% change in rate of salary increase	(52.86)	(53.71)	(45.33)	133.27
Delta effect of +1% change in rate of employee turnover	(1.49)	(3.23)	(0.13)	178.48
Delta effect of -1% change in rate of employee turnover	1.59	3.54	0.10	178.70



# Notes to Financial Statements

for the year ended 31<sup>st</sup> March, 2018

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

### Key Management Personnel:

Mr. G. N. Mehra	Mr. C. V. Alexander	Mr. S. R. Pandit
Mr. H. A. Nagpal	Mr. N. B. Karpe	Mrs. M. C. Dalal
Mr. S. M. Dixit	Mr. S. G. Mehra	Ms. S. G. Mehra
Mr. R. N. Pisharody	Mr. U. C. Rege	

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

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

### Relatives of key management personnel and relationship

Mrs. R. G. Mehra – Wife of Mr. G. N. Mehra

### Details of transactions during the year:

		2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
<b>A. Enterprises</b>			
Sale of goods	- Savita Polymers Ltd.	1,218.47	490.36
Sale of property, plant and equipment	- Savita Polymers Ltd.	5.16	1.37
Purchase of goods	- Savita Polymers Ltd.	274.33	181.47
Dividend received	- Savita Polymers Ltd.	-	1.50
	- Savita Petro-Additives Ltd.	-	0.01
Dividend paid	- Basant Lok Trading Co. Pvt. Ltd.	-	0.83
	- Chemi Pharmex Pvt. Ltd.	-	0.14
	- Khatri Investments Pvt. Ltd.	-	57.73
	- Kurla Trading Co. Pvt. Ltd.	-	1.84
	- Mansukhmal Investment Pvt. Ltd.	-	55.35
	- Naved Investment & Trading Co. Pvt. Ltd.	-	1.28
Rent Paid	- Chemi Pharmex Pvt. Ltd.	45.06	44.15
	- Savita Polymers Ltd.	51.97	49.73
Car Parking charges	- Basant Lok Trading Co. Pvt. Ltd.	0.15	0.15
	- Chemi Pharmex Pvt. Ltd.	0.16	0.09
Donations	- D. C. Mehra Public Charitable Trust	40.00	25.00
	- N. K. Mehra Trust	40.00	25.00

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March, 2018

		2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
<b>B. Key management personnel</b>			
Dividend	- Mr. G. N. Mehra	-	1,284.07
	- Ms. S. G. Mehra	-	4.12
	- Mr. S. G. Mehra	-	0.08
Remuneration	- Mr. G. N. Mehra *		
	Short term employee benefits	255.66	218.07
	Post employment benefits	6.08	5.58
	Medical benefits	0.50	0.87
	- Mr. C. V. Alexander *		
	Short term employee benefits	31.67	35.55
	Post employment benefits	2.21	2.02
	Medical benefits	0.92	1.35
	- Mr. S. M. Dixit *		
	Short term employee benefits	81.05	73.90
	Post employment benefits	3.40	2.97
	Medical benefits	3.74	1.30
	- Mr. S. G. Mehra *		
	Short term employee benefits	31.16	19.44
	Post employment benefits	1.53	1.12
	Medical benefits	-	-
	- Mr. U. C. Rege *		
	Short term employee benefits	71.51	68.47
	Post employment benefits	2.99	2.69
	Medical benefits	0.29	0.30
Commission and sitting fees to non-executive directors			
	- Mr. S. R. Pandit	4.50	4.50
	- Mr. H. A. Nagpal	4.80	3.60
	- Mr. N. B. Karpe	4.80	4.20
	- Mrs. M. C. Dalal	4.80	4.50
	- Ms. S. G. Mehra	1.35	-
	- Mr. R. N. Pisharody	1.35	-
<b>C. Relatives of key management personnel:</b>			
Dividend paid	- Mrs. R. G. Mehra	-	4.51

## Balance outstanding

	As at 31.3.2018 ₹ in lacs		As at 31.3.2017 ₹ in lacs	
	Debit	Credit	Debit	Credit
<b>Enterprises:</b>				
Basant Lok Trading Co. Pvt. Ltd.	3.50	-	3.50	-
Chemi Pharmex Pvt. Ltd.	1.00	-	1.00	-
Savita Polymers Ltd.	360.44	0.62	92.62	0.51
<b>Key management personnel:</b>				
Mr. G. N. Mehra	-	158.62	-	128.69
Mr. S. R. Pandit	-	3.00	-	3.00
Mr. H. A. Nagpal	-	3.00	-	3.00
Mr. N. B. Karpe	-	3.00	-	3.00
Mrs. M. C. Dalal	-	3.00	-	3.00
Ms. S. G. Mehra	-	0.75	-	-
Mr. R. N. Pisharody	-	0.75	-	-

\* Note - As the liabilities for gratuity and leave encashment are provided on an actuarial basis for company as a whole, the amounts pertaining to the key managerial personnel are not included.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### 34 DETAILS OF SEGMENT REPORTING:

#### A. Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, the Company is organised into segments based on the nature of products / services and has two reportable segments, as follows:

- manufacturing of petroleum speciality products including transformer oils, white oils, mineral oils, liquid paraffins and lubricating oils;
- electricity generation through wind power plants.

The Chairman and Managing Director (CMD) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CMD reviews revenue and gross profit as the performance indicator for all of the operating segments. However, the Company's finance (including finance cost and finance income) and income taxes are managed on a company as a whole basis and are not allocated to any segment.

#### B. Information about reportable segments

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
<b>(a) Segment Revenue:</b>		
Petroleum Products	179,024.79	164,840.44
Wind Power	4,167.45	4,672.77
Other unallocated revenue	225.80	118.55
Net Income from Operations	183,418.04	169,631.76

#### (b) Segment Results:

<b>Profit before taxation and interest for each segment</b>		
Petroleum Products	16,414.94	13,228.25
Wind Power	1,994.98	2,439.25
	18,409.92	15,667.50
Less: i) Finance Costs	1,375.19	1,371.08
ii) Other unallocated expenditure	1,426.95	1,680.59
	2,802.14	3,051.67
Profit before tax	15,607.78	12,615.83

#### (c) Segment Assets:

	31.3.2018 ₹ in lacs	31.3.2017 ₹ in lacs
Petroleum Products	109,578.95	95,724.49
Wind Power	11,482.87	12,462.34
Unallocated	7,373.20	6,222.00
	128,435.02	114,408.83

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March, 2018

	31.3.2018 ₹ in lacs	31.3.2017 ₹ in lacs
<b>(d) Segment Liabilities:</b>		
Petroleum Products	52,208.03	44,469.75
Wind Power	425.06	1,238.04
Unallocated	1,571.00	2,584.80
	54,204.09	48,292.59

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
<b>(e) Secondary Business Segment:</b>		
Revenue by Geographical Segment		
Domestic	154,063.71	142,061.91
Export	29,354.33	27,569.85
	183,418.04	169,631.76

## 35 TAX EXPENSE

	Year ended 31.3.2018 ₹ in lacs	Year ended 31.3.2017 ₹ in lacs
<b>(a) Amounts recognised in the Statement of Profit and Loss</b>		
<b>Current tax expense</b>		
Current year	4,825.00	3,875.00
Changes in estimates relating to prior years	-	-
	4,825.00	3,875.00
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(338.45)	(644.66)
Change in tax rate	-	23.54
Adjustment recognised in the period for current tax of prior periods	(1,498.36)	-
	(1,836.81)	(621.12)
<b>Tax expense recognised in the statement of profit and loss</b>	2,988.19	3,253.88

	Year ended 31.3.2018		
	Before tax	Tax (expense) / benefit	Net of tax
<b>(b) Amounts recognised in Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss:			
a) Re-measurements of the defined benefit plans	(16.67)	5.77	(10.90)
b) Equity instruments through Other Comprehensive Income	-	-	-
	(16.67)	5.77	(10.90)

₹ in lacs

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

₹ in lacs

	Year ended 31.3.2017		
	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss:			
a) Re-measurements of the defined benefit plans	(83.69)	28.96	(54.73)
b) Equity instruments through Other Comprehensive Income	-	-	-
	<b>(83.69)</b>	<b>28.96</b>	<b>(54.73)</b>

	Year ended 31.3.2018 ₹ in lacs	Year ended 31.3.2017 ₹ in lacs
<b>(c) Reconciliation of effective tax rate</b>		
Profit before tax	15,607.78	12,615.83
Tax using the Company's domestic tax rate	5,401.54	4,366.09
Increase due to change in tax rate	-	23.54
<b>Tax effect of:</b>		
Non-deductible tax expenses / disallowances under Income Tax Act	24.91	27.32
Tax-exempt income and deductions under Chapter VI A of Income Tax Act	(928.36)	(1,024.08)
Allowable income tax on indexation of investment property	(42.67)	(122.77)
Temporary difference recognised in deferred taxes	(13.25)	(50.65)
Others	38.61	5.47
Excess provision of tax of prior periods	(1,498.36)	-
Amounts recognised in other comprehensive income	5.77	28.96
<b>Tax expense recognised in the Statement of Profit and Loss</b>	<b>2,988.19</b>	<b>3,253.88</b>

₹ in lacs

	Net balance 1.4.2017	Recognised in profit or loss	Recognised in OCI	Net balance 31.3.2018	Deferred tax asset	Deferred tax liability
<b>(d) Movement in deferred tax balances</b>						
Derivative Liability - Option contracts for imports	53.83	53.83	-	-	-	-
External Commercial Borrowings (ECB) Loans	67.30	57.11	-	10.19	10.19	-
Leave encashment	237.35	3.95	-	233.40	233.40	-
Property, plant and equipment and intangible assets and Investment property	(2,396.46)	(365.87)	-	(2,030.59)	-	2,030.59
Investment in unquoted equity instruments	(32.38)	2.75	-	(35.13)	-	35.13
Investment in equity oriented mutual funds	-	0.48	-	(0.48)	-	0.48
Current investments	(1.55)	1.24	-	(2.79)	-	2.79
Provision for doubtful debts and advances	818.39	(55.33)	-	873.72	873.72	-
Derivative Asset - Option contracts for External Commercial Borrowings (ECB) Loans and Import Purchases	(64.50)	(42.38)	-	(22.12)	-	22.12
Deferred grant	34.75	15.53	-	19.22	19.22	-
Borrowings	(34.75)	(15.53)	-	(19.22)	-	19.22
<b>Tax assets / (liabilities)</b>	<b>(1,318.02)</b>	<b>(344.22)</b>	<b>-</b>	<b>(973.80)</b>	<b>1,136.53</b>	<b>2,110.33</b>

# Notes to Financial Statements

for the year ended 31<sup>st</sup> March, 2018

## 36 FINANCIAL INSTRUMENTS : ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

### (i) Accounting classifications

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

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

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

### (ii) Fair value measurements

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

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

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

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

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

As at 31<sup>st</sup> March, 2018

₹ in lacs								
	Note	Carrying Value	Classification			Fair Value		
			FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets								
Investments								
Investment in equity shares (unquoted)	6.1	104.24	104.24	-	-	-	104.24	-
Investment in equity oriented mutual funds	6.1	401.38	401.38	-	-	401.38	-	-
Investment in mutual funds	6.1	1,865.43	1,865.43	-	-	1,865.43	-	-
Trade receivables	6.2	53,907.52	-	-	53,907.52	-	-	-
Loans and advances								
Loans to employees	6.3	53.70	53.70	-	-	-	53.70	-
Other financial assets								
Derivative instruments	6.4	63.93	63.93	-	-	-	63.93	-
Other receivables (current)	6.4	505.04	-	-	505.04	-	-	-
Cash and cash equivalents	6.5	2,326.34	-	-	2,326.34	-	-	-
Bank balances	6.6	202.38	-	-	202.38	-	-	-
		59,429.96	2,488.68	-	56,941.28	2,266.81	221.87	-
Financial liabilities								
Borrowings								
Loans from foreign banks	11.1	203.70	203.70	-	-	-	203.70	-
Interest free sales tax deferral loans	11.1	389.35	-	-	389.35	-	389.35	-
Short term loan from bank	11.2	6.36	-	-	6.36	-	-	-
Trade payables and acceptances	11.3	46,026.92	-	-	46,026.92	-	-	-
Other financial liabilities								
Derivative instruments	11.4	-	-	-	-	-	-	-
Others	11.4	1,505.11	-	-	1,505.11	-	-	-
		48,131.44	203.70	-	47,927.74	-	593.05	-

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

As at 31<sup>st</sup> March, 2017

₹ in lacs

	Note	Carrying Value	Classification			Fair Value		
			FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
Financial assets								
Investments								
Investment in equity shares (unquoted)	6.1	98.21	98.21	-	-	-	98.21	-
Investment in mutual funds	6.1	1,814.86	1,814.86	-	-	1,814.86	-	-
Trade receivables	6.2	42,267.92	-	-	42,267.92	-	-	-
Loans and advances								
Loans to employees	6.3	62.09	62.09	-	-	-	62.09	-
Other financial assets								
Derivative instruments	6.4	186.38	186.38	-	-	-	186.38	-
Bank deposits with more than 12 months maturity	6.4	-	-	-	-	-	-	-
Other receivables (current)	6.4	509.17	-	-	509.17	-	-	-
Cash and cash equivalents	6.5	1,049.66	-	-	1,049.66	-	-	-
Bank balances	6.6	218.49	-	-	218.49	-	-	-
		46,206.78	2,161.54	-	44,045.24	1,814.86	346.68	-
Financial liabilities								
Borrowings								
Loans from foreign banks	11.1	1,386.28	1,386.28	-	-	-	1,386.28	-
Interest free sales tax deferral loans	11.1	561.26	-	-	561.26	-	561.26	-
Short term loan from bank	11.2	277.42	-	-	277.42	-	-	-
Trade payables and acceptances	11.3	37,887.49	-	-	37,887.49	-	-	-
Other financial liabilities								
Derivative instruments	11.4	155.54	155.54	-	-	-	155.54	-
Others	11.4	1,079.33	-	-	1,079.33	-	-	-
		41,347.32	1,541.82	-	39,805.50	-	2,103.08	-

During the reporting period ending 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into and out of Level 3 fair value measurements.

### (iii) Description of significant observable inputs to valuation:

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

Type	Valuation technique
Investments in equity shares (unquoted)	Based on book value
Investment in mutual fund	Based on NAV
Loan to employees	Based on prevailing market interest rate
Loans from foreign banks	Fair value based on prevailing exchange rate at each closing date
Interest-free sales tax deferral loans	Discounted cash flows. The valuation model considers the present value of expected payments discounted using appropriate discounting rates.
Derivative instruments	Based on quotes from banks and financial institutions



# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### 37 FINANCIAL RISK MANAGEMENT

#### Risk management framework

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

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

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

#### (i) Credit risk

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

#### Trade receivables

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

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

**Wind Energy Segment** – Since the sale of wind energy is mostly to State Electricity Boards and reputed private big corporates mostly against performance bank guarantees, the Company is of the view that the risk is highly mitigated.

As at 31.3.2018, the Company's most significant customer accounted for ₹ 3,344.26 lacs of the trade receivables carrying amount (Previous year ₹ 2,700.30 lacs).

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

₹ in lacs				
Ageing	Gross Carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-90 days past due	47,924.82	0.04%	17.64	47,907.18
91-180 days past due	4,211.46	0.42%	17.52	4,193.94
181-270 days past due	1,068.85	1.01%	10.82	1,058.03
More than 270 days past due	773.83	3.29%	25.46	748.37
	<b>53,978.96</b>		<b>71.44</b>	<b>53,907.52</b>

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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 2,326.34 lacs at 31.3.2018 (Previous year ₹ 1,049.66 lacs). The cash and cash equivalents are held with banks with good credit ratings.

### Derivatives

The option contracts, forwards and interest rate swaps were entered into with banks having an investment grade rating and exposure to counterparties is closely monitored and kept within the approved limits.

### Investments

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

### Security Deposit

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

### (ii) Liquidity risk

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

#### a) Financing arrangements

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

#### b) Maturities of financial liabilities

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

₹ in lacs				
As at 31.3.2018	Less than one year	1 to 5 years	More than five years	Total
Borrowings (including current maturities of long-term debts)	347.78	271.37	-	619.15
Interest accrued but not due on borrowings	1.50	-	-	1.50
Trade payables	46,026.92	-	-	46,026.92
Other financial liabilities (other than derivative liabilities)	1,503.61	-	-	1,503.61
Total	47,879.81	271.37	-	48,151.18

₹ in lacs				
As at 31.3.2017	Less than one year	1 to 5 years	More than five years	Total
Borrowings (including current maturities of long-term debts)	1,234.33	619.15	-	1,853.48
Interest accrued but not due on borrowings	9.89	-	-	9.89
Trade payables	37,887.49	-	-	37,887.49
Other financial liabilities (other than derivative liabilities)	1,069.44	-	-	1,069.44
Derivative liabilities	155.54	-	-	155.54
Total	40,356.69	619.15	-	40,975.84

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### (iii) Market Risk

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

#### a) Currency Risk

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

Following are the derivative financial instruments to hedge the foreign exchange rate risk as of dates:

Category	Instrument	Currency	Cross Currency
Hedges of recognised assets and liabilities	Forward / Option contracts	USD	INR

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

	As at 31.3.2018		As at 31.3.2017	
	₹ in lacs	Exposure in USD (INR terms)	₹ in lacs	Exposure in USD (INR terms)
<b>Financial assets</b>				
Trade and other receivables	5,655.28	88,29,072	3,659.18	55,61,286
Cash and cash equivalents	525.00	805,555	57.14	88,131
Derivative assets	28.89	44,317	186.38	287,380
<b>Net exposure for assets - A</b>	<b>6,209.17</b>	<b>96,78,944</b>	<b>3,902.70</b>	<b>59,36,796</b>
<b>Financial liabilities</b>				
Long term borrowings and interest thereon	205.15	315,116	1,396.17	21,55,245
Trade payables	36,337.45	5,57,47,252	27,897.54	4,28,76,327
Other financial liabilities	287.23	440,654	212.17	327,150
Less: Foreign currency forward exchange contracts	7,001.69	1,07,93,183	12,487.96	1,90,00,120
<b>Net exposure for liabilities - B</b>	<b>29,828.14</b>	<b>4,57,09,839</b>	<b>17,017.92</b>	<b>2,63,58,602</b>
<b>Net exposure (A-B)</b>	<b>(23,618.97)</b>	<b>(3,60,30,895)</b>	<b>(13,115.22)</b>	<b>(2,04,21,806)</b>

	As at 31.3.2018		As at 31.3.2017	
	₹ in lacs	Exposure in Other Foreign Currencies (INR terms)	₹ in lacs	Exposure in Other Foreign Currencies (INR terms)
<b>Financial assets</b>				
Trade and other receivables	660.22	830,454	195.38	277,773
Cash and cash equivalents	0.30	409	18.59	26,778
<b>Net exposure for assets - A</b>	<b>660.52</b>	<b>830,863</b>	<b>213.97</b>	<b>304,551</b>
<b>Financial liabilities</b>				
Trade payables	(2.36)	(2,915)	(2.36)	(2,994)
Other financial liabilities	55.04	155,980	21.42	114,809
Less: Foreign currency forward exchange contracts	-	-	-	-
<b>Net exposure for liabilities - B</b>	<b>52.68</b>	<b>153,066</b>	<b>19.06</b>	<b>111,815</b>
<b>Net exposure (A-B)</b>	<b>607.84</b>	<b>677,797</b>	<b>194.91</b>	<b>192,736</b>

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

	31.3.2018 ₹	31.3.2017 ₹
USD 1	65.18	64.86

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### Sensitivity analysis

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

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

	2017-18		2016-17	
	Increase	(Decrease)	Increase	(Decrease)
Movement	1%	1%	1%	1%
USD	234.85	(234.85)	132.46	(132.46)

₹ in lacs

### b) Interest rate risk

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

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

Following is the outstanding derivative financial instruments to hedge currency and the interest rate risk as of dates

Category	Purpose	Currency	Cross Currency	₹ in lacs		
				31.3.2018	31.3.2017	Buy/Sell
Forwards contracts / Options Contracts	Imports	USD	INR	6,860.46	11,122.63	Buy
Currency and Interest Rates Swaps	External Commercial Borrowings	USD	INR	174.25	1,191.81	Buy

### Interest rate risk exposure:

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

Carrying amount as at	31.3.2018 ₹ in lacs	31.3.2017 ₹ in lacs
<b>Fixed-rate instruments</b>		
Financial assets	-	-
Financial liabilities	203.70	1,386.28
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	24,595.29	17,245.98

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

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

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

	2017-2018 ₹ in lacs	2016-2017 ₹ in lacs
Floating rate borrowings	61.49	43.11

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2018

### c) Commodity Risk

#### Raw Material Risk

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

Wind Energy Segment - Availability of good windy sites, delays in land acquisitions and forest land approvals, right of way issues, weak Renewal Purchase Obligation enforcement, resistance to Open Access by State Electricity Boards, lack of adequate transmission infrastructure can effect the decisions to invest and to operate this segment. The Company tries its best to carry out a thorough feasibility study before embarking on investment in this segment. The Company also explores the possibility of scattering its investments over various states and over a period of time.

#### Capital management

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

### i) Debt Equity Ratio

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

	31.3.2018 ₹ in lacs	31.3.2017 ₹ in lacs
Total borrowings (Refer note 11.1 and 11.2)	599.41	2,224.96
Total equity (Refer note 9 and 10)	74,230.93	66,116.24
Debt to Equity ratio	0.01	0.03

### ii) Dividends

Dividends paid during the year

	Year ended 31.3.2018	Year ended 31.3.2017
Interim Dividend	-	13.50
Rate per share ₹	-	-
Amount (₹ in lacs)	-	1971.28

## 38 BASIC AND DILUTED EARNINGS PER SHARE:

	2017-2018	2016-2017
Profit for the year after tax (₹ in lacs)	12,619.59	9,361.95
Number of ordinary shares outstanding (Nos.)	1,43,22,083	1,46,02,083
Nominal value of the share ₹	10	10
Basic and diluted earnings per share ₹	88.11	64.11

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

As per our report of the even date.

For G. D. Apte & Co.  
Chartered Accountants  
Firm's Registration No.: 100515W

**Chetan R. Sapre**  
Partner  
Membership No.: 116952

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

**S. M. Dixit** (DIN:02359138)  
Chief Financial Officer and  
Whole-time Director

For and on behalf of the Board

**G. N. Mehra** (DIN:00296615) Chairman and  
Managing Director

**C. V. Alexander** (DIN:00253736) Whole-time Director

**S. R. Pandit** (DIN:00131424) Non-Executive Director

Mumbai,  
11<sup>th</sup> May, 2018



# Savita Oil Technologies Limited

CIN - L24100MH1961PLC012066

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

T: 91 22 6624 6200 F: 91 22 2202 9364 Email: legal@savita.com Website: www.savita.com

## PROXY FORM

### 57<sup>TH</sup> ANNUAL GENERAL MEETING – 29<sup>TH</sup> SEPTEMBER, 2018

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/Client Id:

DP ID:

I/We, being the member (s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

(1) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him;

(2) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him;

(3) Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 57<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 29<sup>th</sup> September, 2018 at 11.00 A.M. at Suryavanshi Banquet, 3<sup>rd</sup> floor, 300 Veer Savarkar Marg, Opp. Dadar Catering College, Near Shivaji Park, Dadar (West), Mumbai 400 028.

Sr. No.	Resolution	Resolution Type	For	Against	Abstain
Ordinary Business -					
1	Consideration and adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2018 together with the Reports of the Board of Directors and the Auditors thereon	Ordinary			
2	Consideration of payment of Dividend	Ordinary			
3	Appointment of Director in place of Mr. C. V. Alexander, who retires by rotation, and being eligible, offers himself for re-appointment	Ordinary			
4	Appointment of Director in place of Mr. Suhas M. Dixit, who retires by rotation, and being eligible, offers himself for re-appointment	Ordinary			
Special Business -					
5	Appointment of Mr. Gautam N. Mehra as the Managing Director of the Company and to fix his remuneration	Special			
6	Appointment of Mr. C. V. Alexander as the Whole-time Director of the Company and to fix his remuneration	Special			
7	Appointment of Mr. Ravindra Pisharody as the Director of the Company	Ordinary			
8	Appointment of Cost Auditors and to fix their remuneration	Ordinary			

Signed this ..... day of ....., 2018.

Signature of Shareholder : .....

Affix 1 Rupee  
Revenue  
Stamp

Signature of Proxy holder(s) : .....

**Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**







## Savita Oil Technologies Limited

### Registered Office:

66/67, Nariman Bhavan, Nariman Point,  
Mumbai - 400 021, India.

Tel.: +91-22-2288 3061-64 / 6624 6200

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CIN: L24100MH1961PLC012066

[www.savita.com](http://www.savita.com) | [www.savsol.com](http://www.savsol.com)