



**SKILLING INDIA**  
Ushering **sustainable** growth



*“The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.”*

*- Alvin Toffler*

Everyone knows that the world is changing, yet few are willing, able or capable to change according to the needs of time. Yet this inability or lack of opportunity to learn and imbibe new, marketable skills will result in people becoming “unemployable”, while depriving the industry of talent that can be put to productive use. This is eminently true for the Indian industry as a whole and the automobile and infrastructure industry in particular.

At SAVITA, we address this concern with dedicated focus and determination. Our Mission 5K Skill India initiatives are not limited to developing the skills of people, but also contribute to ensuring employability and continuous skill upgradation through familiarization with new-age technology tools.

**This initiative is in keeping with our belief in inclusive growth that will benefit all stakeholders, while being a net contributor to society.**

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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. S. M. Dixit  
*CFO & Whole-time Director*

Mr. S. G. Mehra  
*Whole-time Director*

Mrs. M. C. Dalal  
*Independent Director*

Mr. C. R. Gupte  
*Independent Director  
up to 09-08-2019*

Ms. S. G. Mehra  
*Non-Executive Director*

Mr. R. N. Pisharody  
*Independent Director*

Mr. H. Sunder  
*Independent Director  
w.e.f. 28-01-2019*

Mr. C. V. Alexander  
*Whole-time Director  
retired on 30-04-2019*

Mr. N. B. Karpe  
*Independent Director  
retired on 31-03-2019*

Mr. H. A. Nagpal  
*Independent Director  
retired on 31-03-2019*

Mr. S. R. Pandit  
*Independent Director  
retired on 31-03-2019*

## Company Secretary & Executive VP – Legal

Mr. U. C. Rege

## Bankers

State Bank of India

Bank of Baroda

Citibank N. A.

DBS Bank Limited

ICICI Bank Limited

Standard Chartered Bank

Union Bank of India

## Auditors

G. D. Apte & Co.  
Chartered Accountants

## 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

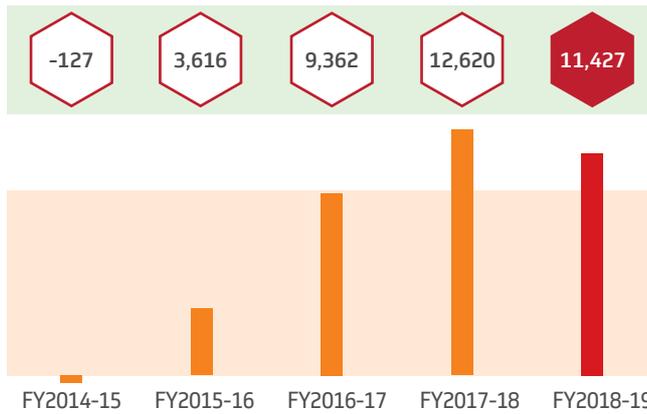
Survey No. 140/1, Village Kuvapada,  
Silli, P.O. Kilwani, Silvassa,  
Dadra and Nagar Haveli - 396 230

## Share Transfer Agent

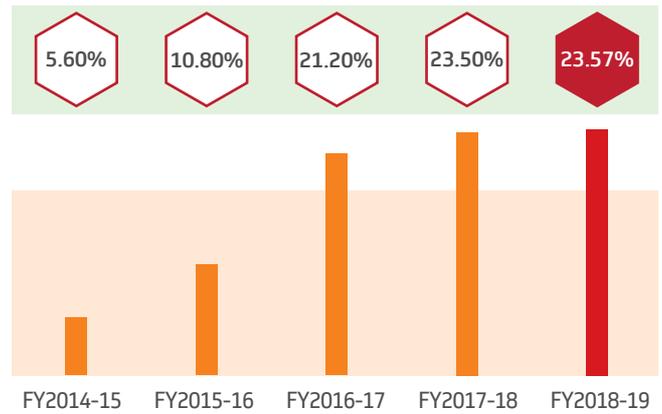
Link Intime India Pvt. Ltd.  
C-101, 247 Park,  
L. B. S. Marg, Vikhroli (West),  
Mumbai - 400 083  
Tel.: 91-22-4918 6000  
Fax: 91-22-4918 6060  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

# Financial Highlights

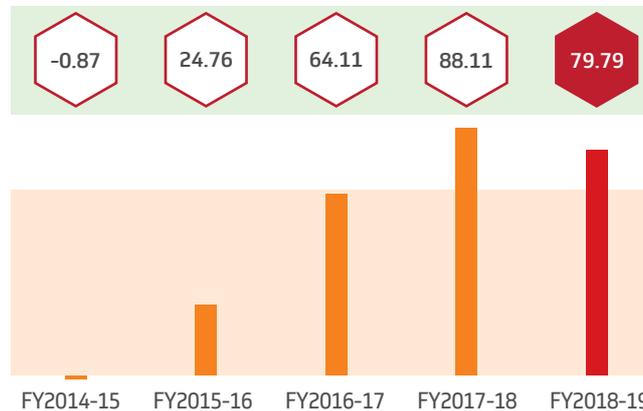
## PROFIT AFTER TAX (₹ in lac)



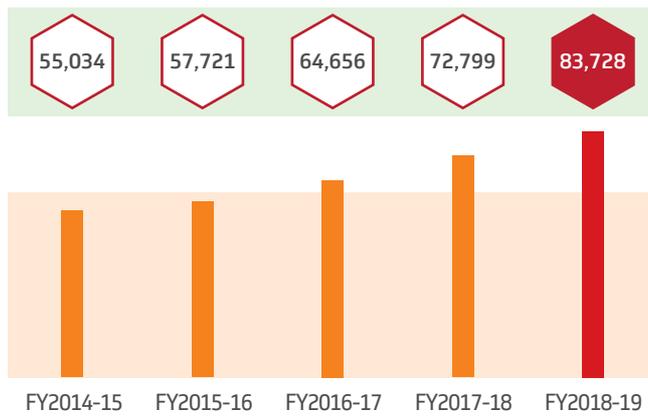
## Return On Average Capital Employed (ROACE)



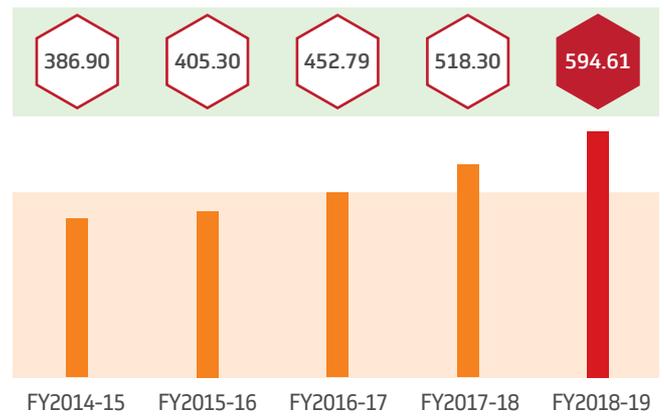
## EARNINGS PER SHARE (EPS) (₹)



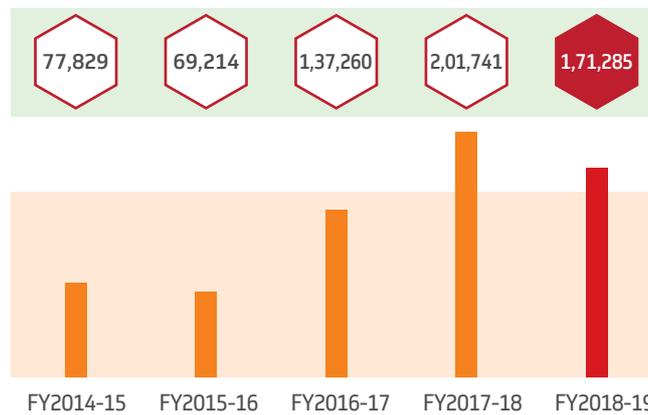
### Reserves and Surplus Growth (₹ in lac)



### Book Value per Share (₹)



### Market Capitalization (₹ in lac)



# Who We Are

**Savita Oil Technologies Limited** (SAVITA or the Company) is a home-grown specialty petroleum products company established by the eminent late Mr. N. K. Mehra in 1961. We have developed and manufactured a wide range of products including Transformer Oils, Liquid Paraffins, White Oils, Automotive and Industrial Lubricants, Coolants and Greases among others, in India.

We are an innovation-driven company and our R&D facility is crucial for developing innovative products and solutions.

With our comprehensive product portfolio, we serve diverse industries such as Power Generation and Distribution, Automotive, Thermoplastic Rubbers, FMCG, Plastics, Pharmaceutical, Agriculture, Refrigeration, Polymers, among others. In addition to catering to a sizeable B2B clientele, our popular range of lubricants, greases and coolants are sold to retail customers under the brand SAVSOL.

We are headquartered in Mumbai and our world-class manufacturing facilities are situated in the state of Maharashtra and at Silvassa in the Union Territory of Dadra and Nagar Haveli.



**#1**

Indian petroleum specialties company to be Carbon Positive



**#1**

Automotive lubricant brand in Fortune Next 500 rankings, as per Fortune India's #FortuneIndiaNext500



**44**

Stock points



**5,100+**

Franchise dealers/Workshops



**450+**

Dealers and distributors



**21,000+**

Retailers



**SAVSOL** - Our flagship brand of lubricating oils - delivers world-class performance with minimal impact on the environment



**VISION AND VALUES**

**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 Values**

★ **Integrity**

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

★ **Accountability**

To recognize and be conscious of our impact on the community that 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 in meeting commitments, and to be responsible and accountable for the same.

★ **Continuous Improvement**

To constantly adapt to customer needs and changing environments and to improve current processes in order to maximize value.

★ **Simplicity and Humility**

To maintain a friendly attitude with all stakeholders and stay true to our belief 'Bonds build Businesses'.

**BUSINESS VERTICALS:**



**Transformer Oils**

Transformer Oils are electrical insulating oils used in Distribution & Power Transformers, Switchgears and Circuit Breakers.



**Automotive and Industrial Lubricants**

Lubricants reduce friction between surfaces that are in contact with each other. Our range of lubricants have applications in the automotive, industrial, aviation and marine sectors.



**White and Mineral Oils**

White Oils are manufactured from highly refined Base Oils. They are used as key ingredients in the manufacturing of Cosmetics, Pharmaceuticals, Plastics, Rubbers and several other processing applications.



**Wind Energy**

The Company has an installed capacity to produce 53.80 MW of wind powered electricity. Our windmills are located at 18 sites in the states of Maharashtra, Tamil Nadu and Karnataka.

# What Sets Us Apart

We were one of the earliest private sector oil companies to set up a dedicated R&D unit certified by the Govt. of India's Department of Science and Technology way back in 1976. Innovative technology has been the hallmark of our growth. We ensure high standards in quality, technological advancement and customer engagement. It is this persistent focus and application that has delivered profitable and sustainable growth. We maintain strong relationships with our customers and suppliers and we leverage their practical feedback to develop value-added products.



**Our commitment to protecting the environment led us to set up the Renewable Energy division in 1998-99**

## KEY PRODUCT LINES



### Transformer Oils

Transformer Oils are used as insulating and cooling mediums in distribution & power transformers, instrumentation transformers, switchgears and circuit breakers. Our Transformer Oils adhere to both international and national specifications.



### White and Mineral Oils

Savonol and Technol are two grades of White Mineral Oils that we offer. These highly refined specialty mineral oil-based products have applications in pharmaceuticals, plastics, agriculture, food lubricants, personal care and cosmetic industries.



### Automotive Oils

SAVITA's wide variety of oils include Motorcycles and Scooter Engine Oils (4T and 2T), Heavy Duty Diesel Engine Oils, Gear Oils, Automatic Transmission Fluids, Tractors and Farm Oils, Greases and Coolants, Equipment Oils and Passenger Car Motor Oils.





### Industrial Range of Oils

SAVITA's R&D breakthroughs have led to the manufacturing of Thermic and Heat Exchange Oils, Greases, Metal Working Fluids, Industrial Gear Oils, Refrigeration, Compressor Oils, Quenching Oils and Hydraulic Oils.



## OUR MANUFACTURING CAPABILITIES

We are a future-focused and innovation-driven company with three world-class manufacturing facilities – one of them located in Maharashtra and the other two in Silvassa. We are known for our capability to develop and manufacture world-class products. Our newest plant in Silli, Silvassa is fully automated. Our laboratories are accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL). These facilities have the capability to customize the product mix as per customer demand.



## Chairman's Message



### **DEAR SHAREHOLDERS,**

It is a great pleasure to connect with you at the end of another eventful year. We live in fast-changing times, and the more responsive we are to these changes, the better prepared we will be for the future. Our Hon'ble Prime Minister has set an ambitious target of making India a USD 5 trillion economy by 2025. To achieve this target, our economy will have to shift gears and grow at over 9% a year for the next six years. In addition to the massive amount of investment required to achieve this higher growth, our country will also need a large pool of skilled manpower who are trained in the skill sets that the industry requires. This year's Annual Report explains how your Company is providing upskilling and reskilling opportunities to meet evolving needs, along with presenting our performance highlights.

### **PURSUING A HIGH GROWTH TRAJECTORY**

I am delighted to share that we continue to grow from strength to strength. In the previous year, we had crossed an important landmark of 3,00,000 KL in sales volume. This year, we have sustained that momentum by clocking over 3,46,000 KL in sales volume, a surge in excess of 15%. Our rate of growth was nearly twice that of our end-user industry, a testament to the



**In the knowledge-centric world that we live in, adapting to new technologies and embracing change are essential for survival and growth.**

underlying demand for our brands and products. Though our Profit before Tax (PBT) was higher on a year-on-year basis, we recorded a lower Profit after Tax (PAT) over the same period due to higher tax incidence. The volatility in the forex market during the first half of the financial year also impacted our bottom line.

### LEVERAGING R&D FOR A GREENER TOMORROW

As always, our R&D contributed significantly to introducing innovative, differentiated products that promote environmental sustainability. We developed a greener version of our coolants that contain less glycol and are free from silicates and phosphates. These are more environment-friendly than traditional coolants. We also developed a range of chain sprays that are used to lubricate motorcycle chain drives. These sprays not only extend the life of the vehicle's chain by providing corrosion protection and friction wear but also contribute to reducing noise and vibration. Our R&D team is also working to develop lubricating oils that conform to the BS-VI specifications coming into effect from 1<sup>st</sup> April, 2020 in the Automotive industry.

### MAINTAINING STATE-OF-THE-ART FACILITIES

Equipping our manufacturing units with the latest technologies and enhancing capabilities to meet market requirements is a continual endeavor at our Company. Work is on to increase the capacity of our plant at Silvassa (Silli), as it is nearing 100% capacity utilization. Our Silvassa (Kharadpada) plant is now IATF 16949:2016 approved, which is the International Standard for Automotive Quality Management Systems. This well-recognized certification will strengthen our credentials in reaching out to leading Global Automotive OEMs. We take pride in being the only Carbon Positive Specialty Oil manufacturer in India. To further advance our green agenda, we are implementing a project to increase the production of solar-powered energy at our Turbhe plant.

### PARTNERING THE SKILL INDIA INITIATIVE

The Skill India Mission, a flagship scheme launched in 2015 by the Hon'ble Prime Minister, aims to train over 40 crore people in India in different skills by 2022. The objective is to provide industry-relevant skill training to the Indian youth for helping them to secure a more meaningful livelihood.

As a part of our CSR initiative, we decided to contribute to this Government endeavor by rolling out a nationwide program – Mission 5K. Our goal is to upskill 5,000 mechanics by providing them with requisite training and re-training in a workshop environment. We are confident that while our steps are small, it will create a ripple effect of empowerment for the larger good.

### FUTURE OUTLOOK

We remain confident in the medium and long-term prospects for our Company. In keeping with the Government's plan to increase the power generation capacity from 356GW to 479GW by 2023, we foresee robust demand for transformer oils. Similarly, we expect to see consistent growth in the demand for white oil due to rapid urbanization and rising disposable incomes. While the automobile sector is presently experiencing a slowdown due to the forthcoming BS-VI norms, we envisage that momentum will accelerate once this transition period is over.

### ACKNOWLEDGEMENTS

I want to place on record our heartfelt appreciation of the efforts of our Whole-time Director Mr. C. V. Alexander and Independent Directors Mr. S. R. Pandit, Mr. N. B. Karpe and Mr. H. A. Nagpal, who all retired in March and May, 2019. Mr. Alexander has been an authority on Company Law and Taxation matters and has been the driving force on these issues within the Company for more than five decades. The 3 Independent Directors were associated with the Company for more than a decade. I would like to place on record our appreciation of their valuable guidance and inputs to the overall growth of the Company.

I am also thankful for the unstinting support of the Board of Directors, our Senior Management and team members across hierarchy, bankers, vendors and customers. Last but not the least, I thank you dear Shareholders for your continued support. Together, we have built a company that plays a positive role in our industry and society. With the continued support of all our stakeholders, we will strive to work towards reaching new heights and for the common good of our great country.

Best wishes

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

## Board of Directors



**GAUTAM N. MEHRA**

Chairman and Managing Director

Gautam N. Mehra is a Chemical Engineer and an MBA from University of California (Berkeley). He has a total experience of nearly three decades in the industry. He has successfully led the core business of Petroleum Specialties of the Company to new heights year after year.



**SUHAS M. DIXIT**

CFO and Wholetime Director

Suhas M. Dixit is a Member of the Institute of Chartered Accountants of India as well as a Member of the Institute of Cost Accountants of India. He has three decades of experience in the fields of Finance and Taxation. He is also the Chief Financial Officer of the Company.



**SIDDHARTH G. MEHRA**

Wholetime Director

Siddharth G. Mehra is a Bachelor of Science in Technical Systems Management from University of Illinois. He also holds a Master's degree of Science in Management from London School of Economics and Political Science.



**MEGHANA DALAL**

Independent Director

Meghana Dalal is a commerce graduate and a Fellow Member of the Institute of Chartered Accountants of India. Her professional practice spans over three decades and she specializes in Management of Corporate Emoluments across various Industries.

She is also a Director of Chetan Dalal Investigation and Management Services Private Limited.

Currently, she is the Chairperson of the Audit Committee of the Company.



**SIMRAN G. MEHRA**  
Non-Executive Director

Simran G. Mehra is a Bachelor of Science in Business Administration from Boston University, USA and she has completed a Management Program offered by Indian School of Business, Hyderabad, Telangana. She has expert knowledge in business administration and project management.



**RAVINDRA PISHARODY**  
Independent Director

Ravindra Pisharody holds a Bachelor's degree in Technology (B. Tech) from IIT, Kharagpur and Post-Graduate Diploma in Management (PGDM) from IIM, Calcutta.

He 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 Philips India, British Petroleum/Castrol including Executive Director – Commercial Vehicles of Tata Motors.



**HARIHARAN SUNDER**  
Independent Director

Hariharan Sunder is a Bachelor of Commerce and a Chartered Accountant. He has over 30 years of experience in finance, taxation, accounts, legal, secretarial, international business and general corporate management including stints with Raymond Limited, and Jost's Engineering Company Limited among others.



# Giving Back: Mission 5K

At SAVITA, we constantly focus on creating value for all our stakeholders. Simultaneously, as a responsible organization, we recognize the need to give back to society. We realize our contributions should be goal oriented so as to ensure successful outcomes. We take care that our contributions should be such that they benefit our entire ecosystem.

## OUR PHILOSOPHY

Our founder Late N. K. Mehra held that Education empowers as it equips people to take control of their lives. As former UN Secretary General Kofi Annan rightly said, “Education is the premise of progress, in every society, in every family.” It is in keeping with this reasoning, that this year, we delivered education that creates employability- i.e. skill development.

## THE GROWING NEED

India's booming economy is facing a growing skill gap. The expected shortfall of skilled workers by industry in 2022 is projected to touch millions especially for the infrastructure and auto industry. The automotive industry is one of the fastest growing sectors of the economy and there is a good number of certified persons available. However, their employability is a cause for concern. With the industry itself in the throes of change, it will need differently skilled people in the future. Rapid technological advancements in manufacturing and the growing popularity of hybrid and electric vehicles will pose some serious challenges to the existing workforce. An EY report titled 'Future of Jobs in India: A 2022 perspective' theorizes that 50 to 55% of the Indian workforce in the automotive sector will be employed in jobs that will demand drastically different skill sets. If the automobile sector is to sustain its growth momentum, it must seek to create people with the skills the industry requires.



### MISSION 5K

The auto and auto component industry are the third-fastest growing industries in India.

Sustaining this growth will demand a pipeline of workers with the required skills and employability. To address this issue, the Mission 5K initiative partnered with an institute that specializes in skilling mechanics. In India, few new generation mechanics are able to complete their education. As a result, they join their trade with inadequate skill sets as compared to what the industry requires. This lack of skills hampers their career and growth prospects.

Our goal is not restricted to just imparting skills but extend to ensuring their employability through constant engagement. SAVITA's focus was to skill non-OE workshop mechanics. We also explored modern technology tools for educating mechanics.



### OUR PLAN

We evaluated corporate employability initiatives undertaken by others and basis our research findings, we tied up with an educational institute to create, monitor the curriculum and conduct short courses. We also partnered with an NGO that was already working in this domain. The SAVITA team worked with the institute partner to ensure the relevance and efficacy of the curriculum.



## THE TRAINING SCHEDULE

### OUR PROGRAM PARTNERS:

#### Don Bosco

We partnered with Don Bosco Tech, one of the largest educational organizations with a demonstrated technical training capability, to develop assessments and deliver the program on the ground.

#### Novospect

Novospect, a vocational training center, was appointed as our implementation partner. Through SKILTRAC, their technology-driven learning and vocational training platform, we were able to analyze skill gaps and develop customized programs.

### PROGRAM STRUCTURE

Certificate program from Don Bosco & SAVITA

-  **Duration:** 2 weeks
-  **Batch size** limited to 25 per center
-  **1 day per week classroom training** - total 2 days
-  **Mandatory counseling and skill testing**
-  **Study material** for offsite learning



#### Final Assessment

**Post successful completion of program:**

Employment support/assistance to set up own business



# Ushering a Sustainable Future

Cities we catered to :



\* Map not to scale. For illustrative purposes only.



In our mission to promote inclusive growth and support skill building, we launched a unique campaign to empower 5,000 technicians in India. With St. Joseph's ITI and Skilltrac, our program partners, we conducted training programs for automotive technicians across six cities in India to upgrade their skills and enable sustainable livelihoods.



*I enjoyed the training program. I learned many new things. We were also made to remember about things which we had forgotten. Through the practical training given in this program, I will make good progress in my career. Now, we have more information on the mechanical parts which helps ease our work. I believe with the advent of new cars and techniques; this kind of training should be conducted at least once a year. Since we do not get an opportunity to learn at this age, we will benefit from the training and information shared in the program.*

**Kamal Sharma**, Car Mechanic, Delhi NCR



*The training program was very good and successful. We learned quite a lot. It gave us a clear direction about our work. We have heard that from 2020 onwards, injectors will be inserted in cars. Therefore, it will help us if we are given more information and training on these technologies. I have never undergone such training in 20 years of my career, and would definitely like to experience this kind of training program again.*

**Mhd. Ikram**, Two-Wheeler Mechanic, Delhi NCR



*The training program was very useful. We came to know about several new things, which we did not know earlier. We received a certificate on the completion of the program. This will help us getting employment in a company. I have never undertaken this kind of training program. We were asked several questions in the program which we had to answer. This program will benefit us in many ways.*

**Shah Rukh Khan**, Car Mechanic, Delhi



*I am a bike mechanic and have been working since the past five years. The training program was very beneficial. Now, we execute our work properly without using short cuts. Through the training, we got to know about many new things relevant to our work. I feel such training program should be conducted repeatedly so that we become aware of the upcoming technologies. I will definitely recommend this training program to my juniors.*

**Sahil**, Two-Wheeler Mechanic, Delhi NCR

Hyderabad



Mumbai



New Delhi



Indore



# NOTICE

**NOTICE** is hereby given that the **Fifty-eighth Annual General Meeting** of the Members of **SAVITA OIL TECHNOLOGIES LIMITED** will be held at Royal Banquet, M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on **Tuesday, 17<sup>th</sup> September, 2019 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, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.

## SPECIAL BUSINESS:

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

“RESOLVED THAT **Ms. Simran G. Mehra (DIN:06449809)**, a Director who retires by rotation and who does not offer herself for re-appointment, be not re-appointed as a Director of the Company and the vacancy, so caused on the Board of the Company, be not filled up.”

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

“RESOLVED THAT **Mrs. Meghana C. Dalal (DIN:00087178)** who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1<sup>st</sup> April, 2019 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 from her in writing under Section 160 of the Companies Act, 2013 proposing her own 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> March, 2024.”

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

“RESOLVED THAT **Mr. Hariharan Sunder (DIN:00020583)** who was appointed by the Board of Directors as an Additional Director of the Company with effect from 28<sup>th</sup> January, 2019 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 from him in writing under Section 160 of the Companies Act, 2013 proposing his own 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> March, 2022.”

6. To consider and if thought fit, to pass, with or without modification(s), the following 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.001819), 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, 2020, 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 2019-2020.”

By Order of the Board

**U. C. Rege**

Company Secretary &  
Executive VP - Legal

Mumbai  
12<sup>th</sup> August, 2019

**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 **10.09.2019 to 17.09.2019** (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. 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 has transferred an amount of ₹16.27 lac pertaining to the unpaid and unclaimed dividend for the year 2010-2011 to IEPF.
9. 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 2018-2019 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.
10. 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).
11. 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.
12. 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.
13. The remote e-voting period commences on 13<sup>th</sup> September, 2019 (9:00 a.m.) and ends on 16<sup>th</sup> September, 2019 (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 10<sup>th</sup> September, 2019, 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:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which is mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

Details on Step 1 are mentioned below:

### How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

#### Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

#### Your User ID is:

- |  |   |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.  |

- |   |  |
|---|--|
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456, then user ID is 101456001*** |
|---|--|

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on “Agree to Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.
  10. Details on Step 2 are given below:

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### 9. General Guidelines for Shareholders

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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csmanish.raut@mpandassociates.in](mailto:csmanish.raut@mpandassociates.in) and/or [pravin@mpandassociates.in](mailto:pravin@mpandassociates.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

14. 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.
15. 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.
16. 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.

17. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, 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.

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 58<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 17<sup>th</sup> September, 2019 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

18. The results declared along with the Scrutinizer’s Report shall be displayed on the website of the

Mumbai  
12<sup>th</sup> August, 2019

### Route Map of the Venue of the 58<sup>th</sup> Annual General Meeting



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

### Item No.3

Ms. Simran G. Mehra was appointed as a Non-executive Director of the Company on 1<sup>st</sup> January, 2018. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Simran G. Mehra is liable to retire by rotation at the ensuing Annual General Meeting. Ms. Simran G. Mehra has indicated to the Company that she is not seeking re-appointment in view of her other commitments.

The Board of Directors records its sincere appreciation and recognition of the valuable contribution and guidance offered by Ms. Simran G. Mehra during her tenure as Director on the Board of the Company. The Board proposes that the vacancy caused due to the retirement of Ms. Simran G. Mehra be not filled up.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Ms. Simran G. Mehra herself and Mr. Gautam N. Mehra and Mr. Siddharth G. Mehra being her relatives (to the extent of her retirement), are concerned or interested, in any way, in the resolution set out at Item No.3 of the Notice.

Your Directors recommend this Ordinary Resolution for your approval.

### Item No.4

Mrs. Meghana C. Dalal was first appointed as a Director, categorized as an Independent Director, of the Company on 31<sup>st</sup> October, 2014. Her term ended as an Independent Director on 31<sup>st</sup> March, 2019. During her tenure, she was also a Member of Audit Committee and Nomination & Remuneration Committee of the Company. The Board of Directors in its meeting held on 28<sup>th</sup> January, 2019 had re-appointed her as an Additional Director of the Company with effect from 1<sup>st</sup> April, 2019 upto the date of this Annual General Meeting. As required under Section 160 of the Companies Act, 2013, Notice has been received from Mrs. Meghana C. Dalal signifying her own proposal for the candidature for the Office of Director of the Company.

Mrs. Meghana C. Dalal will be associated as an Independent Director on the Board of the Company upto 31<sup>st</sup> March, 2024. 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 SEBI (Listing Obligations and Disclosure Regulations) Requirements, 2015 (including any statutory amendments or re-enactments thereof for the time being in force),

re-appointment of Mrs. Meghana C. Dalal requires approval of the Shareholders.

Mrs. Meghana C. Dalal has furnished her declaration of independence to the Company, as required pursuant to Section 149(7) of the Companies Act, 2013, confirming that she meets the prescribed criteria of independence as provided under Section 149 (6) of the Companies Act, 2013.

In the opinion of the Board, Mrs. Meghana C. Dalal possesses relevant experience and expertise required to conduct the Company's business and it would be fruitful for the Company to re-appoint her on the Board of the Company as a Director.

The Board is also of the opinion that the proposed appointment of Mrs. Meghana C. Dalal 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.

Mrs. Meghana Dalal is a commerce graduate and a Fellow Member of the Institute of Chartered Accountants of India. She has experience in professional practice for more than 3 decades specialising in Management of Corporate Emoluments across various Industries. She is also a Director of Chetan Dalal Investigation and Management Services Private Limited.

She does not hold any shares of the Company as on date.

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.4 of the Notice.

Your Directors recommend this Ordinary Resolution for your approval.

### Item No.5

The Board of Directors in its meeting held on 28<sup>th</sup> January, 2019 had appointed Mr. Hariharan Sunder as an Additional Director of the Company with effect from 28<sup>th</sup> January, 2019 upto the date of this Annual General Meeting. As

required under Section 160 of the Companies Act, 2013, Notice has been received from Mr. Hariharan Sunder signifying his own proposal for the candidature for the Office of Director of the Company.

Mr. Hariharan Sunder will be associated as an Independent Director on the Board of the Company upto 31<sup>st</sup> March, 2022. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory amendments or re-enactments thereof for the time being in force), appointment of Mr. Hariharan Sunder requires approval of the Shareholders.

Mr. Hariharan Sunder 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. Hariharan Sunder 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. Hariharan Sunder 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. Hariharan Sunder is a Bachelor of Commerce and a Chartered Accountant. He has over 30 years of experience in finance, taxation, accounts, legal, secretarial, international business and general corporate management. Mr. Hariharan Sunder started his working career with KEC International Limited and has worked in corporates like Raymond Limited, Raymond Synthetics Limited, Jost's Engineering Company Limited and Shogun Organics Limited.

Mr. Hariharan Sunder is a Member of Nomination & Remuneration Committee and Risk Management

Committee of the Company.

He does not hold any shares of the Company as on date.

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.5 of the Notice.

Your Directors recommend this Ordinary Resolution for your approval.

### Item No.6

The Board, based on the recommendation of the Audit Committee, has approved the re-appointment of Kale & Associates, Cost Accountants (Firm Registration No.001819) 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, 2020 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.6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2020.

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.6 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  
12<sup>th</sup> August, 2019

# REPORT OF THE DIRECTORS TO THE MEMBERS

Your Directors have pleasure in presenting the **Fifty-eighth** Annual Report, together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2019.

## 1. FINANCIAL RESULTS

(₹ in lac)

Particulars	As at 31.3.2019	As at 31.3.2018
Total Income	228,091	183,418
Profit before Depreciation & Tax	18,624	18,916
Depreciation	2,353	2,588
Exceptional Income	Nil	Nil
Profit/(Loss) before Tax	16,271	15,608
Provision for Taxation:		
Current	5,035	4,825
Deferred	(74)	(338)
Provision for Taxation no longer required	(118)	(1,498)
Profit/(Loss) for the year after Tax	11,427	12,620
Other Comprehensive Income	(66)	(11)
Balance brought forward from previous year	59,437	48,098
Profit available for appropriation	70,798	60,707
Appropriations:		
Dividend	358	-
Tax on Dividend	74	-
General Reserve	1,150	1,270
Balance carried to Balance Sheet	69,216	59,437

## 2. SHARE CAPITAL

Your Directors at the Board Meeting held on 29<sup>th</sup> May, 2019 had announced buyback of upto 2,51,000 (Two Lac Fifty-one Thousand) fully paid equity shares of your Company of face value of ₹ 10/- only (Rupees Ten only) each representing upto 1.75% of the total number of equity shares, from all the equity shareholders/beneficial owners of your 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 ₹ 40,28,55,000/- (Rupees Forty Crore Twenty-eight Lac Fifty-five Thousand only). The exercise of share buyback has been completed on 6<sup>th</sup> August, 2019 post which, the paid-up equity share capital of your Company stands at ₹ 14,07,10,830/- as on date.

## 3. DIVIDEND

Your Directors at the Board Meeting held on 29<sup>th</sup> May, 2019 have recommended a dividend @25% (₹ 2.50 per equity share of ₹ 10/- each), same as for the previous year, on the paid up Equity Share Capital of your Company.

## 4. RESERVES

The Reserves of your Company stood increased to ₹ 837 crore at the end of the year under review as against ₹ 728 crore for the previous year.

## 5. OPERATIONS

During the year under review, your Company achieved record sales volume at 3,46,256 KLS/MTs as against 3,00,303 KLS/MTs achieved during 2017-2018. The volume growth for your Company was 15.30% which

is more than double the underlying growth of the user industry. Your Company's sales turnover during the year 2018-2019 also reached an all-time high of ₹ 2,24,583 lac against ₹ 1,80,861 lac in the year 2017-2018. However, your Company's net profit was slightly lower at ₹ 11,427 lac as against ₹ 12,620 lac during the previous year.

During the year under review, Crude Oil and Base Oil prices saw steady rise in the international markets. This was coupled with a steady depreciation in the Indian Rupee during the first half of the year 2018-2019. As a result of both these factors, the cost of raw materials was adversely affected which in turn affected the bottom line of your Company. Going forward, the uncertainty in the global macro-economic and political scenarios together with the on-going 'trade and tariff wars' between the world's superpowers are bound to have serious impact on the global economies including India.

During the Financial Year 2018-2019, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated a total of 89.11 MU against 90.37 MU generated in the previous year. During the year, your company did not add any new projects to its Wind 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 your 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

Mr. S. R. Pandit, Mr. N. B. Karpe and Mr. H. A. Nagpal, who were your Company's Independent Directors since more than a decade, retired w.e.f. closing hours of 31<sup>st</sup> March, 2019 due to completion of their tenure. Further, Mr. C. V. Alexander, Whole-time Director of your Company also retired w.e.f. closing hours of 30<sup>th</sup> April, 2019, after associating with your Company for more than 5 decades.

Your Directors appreciate their valuable contribution and guidance over the years to the overall growth of your Company. Your Directors also compliment them for their focussed and determined efforts for the wellbeing of your Company and express profound gratitude towards their contribution over the years. Your Directors wish each one of them individually the very best in their future endeavours.

Mrs. Meghana Dalal, who was appointed as an Independent Director of your Company on 31<sup>st</sup> October, 2014 retired at the end of her first term on 31<sup>st</sup> March, 2019.

The Board of Directors -

(A) Based on recommendation of the Nomination and Remuneration Committee—

- (1) At its Meeting held on 28<sup>th</sup> January, 2019 appointed Mrs. Meghana Dalal as an Additional Director to hold office as an Independent Director of your Company for a period upto the conclusion of the ensuing Annual General Meeting of your Company.
- (2) At its Meetings held on 28<sup>th</sup> January, 2019 and 29<sup>th</sup> May, 2019 and after reviewing the declarations submitted by Mr. Hariharan Sunder and Mr. Chandrashekhara R. Gupte, formed opinions that they meet with the criteria of Independence as per Section 149 (6) of the Companies Act, 2013 ("the Act") and the rules made thereunder and also meet the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly appointed them as Additional Directors to hold office as Independent Directors of your Company w.e.f. 28<sup>th</sup> January, 2019 and 29<sup>th</sup> May, 2019 respectively upto the conclusion of the ensuing Annual General Meeting of your Company.

- (B) At its meeting held on 12<sup>th</sup> August, 2019, has accepted the resignation of Mr. Chandrashekhar R. Gupte due to personal reasons.
- (C) At its meeting held on 12<sup>th</sup> August, 2019, has accepted the letter received from Ms. Simran G. Mehra, who is to retire at the ensuing Annual General Meeting, not offering herself to be re-appointed as a Director at the ensuing Annual General Meeting, on account of her other commitments.

Mrs. Meghana Dalal (DIN: 00087178) is a Commerce Graduate and a Fellow Member of the Institute of Chartered Accountants of India. She has experience in professional practice for more than 3 decades specialising in Management of Corporate Emoluments across various Industries. She is also a Director of Chetan Dalal Investigation and Management Services Private Limited.

Mr. Hariharan Sunder (DIN: 00020583) is a Bachelor of Commerce and a Chartered Accountant. He has over 30 years of experience in finance, taxation, accounts, legal, secretarial, international business and general corporate management. He had started his working career with KEC International Limited and has worked in corporates like Raymond Limited, Raymond Synthetics Limited, Jost's Engineering Company Limited and Shogun Organics Limited.

Chandrashekhar R. Gupte (DIN: 00009815) is a graduate in Science and a Fellow Member of the Institute of Chartered Accountants of India. He was the Managing Director of Nocil Limited from 1<sup>st</sup> August, 2005 and retired therefrom after serving for more than 4 decades on 31<sup>st</sup> July, 2017. He had joined the Rubber Chemicals Division of Nocil Limited from its inception in 1976 as Head of Internal Audit and held important positions as head of Finance, Head of Sales and Marketing and eventually as Chief Executive of the said Division from 1995.

Your Company has received the requisite disclosures/declarations from Mrs. Meghana Dalal and Mr. Hariharan Sunder as required under the relevant provisions of the Companies Act, 2013. Your Company has also received Notices under Section 160 (1) of the Companies Act, 2013 signifying intentions to propose their candidatures for the office of Directors of your Company.

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

Profiles and other details, as required under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) of Mrs. Meghana Dalal and Mr. Hariharan Sunder have been provided in the Notice of the ensuing Annual General Meeting of your 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, 2019 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 at its Meeting held on 28<sup>th</sup> January, 2019 re-constituted various Committees considering the forthcoming retirement of certain Directors of your Company, in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 namely, 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 4 times during 2018-2019. The Board Meetings were held on 11<sup>th</sup> May, 2018, 3<sup>rd</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 28<sup>th</sup> January, 2019. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

- Audit Committee met four times on 11<sup>th</sup> May, 2018, 3<sup>rd</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 28<sup>th</sup> January, 2019 during the year 2018-2019.
- Stakeholders' Relationship Committee met four times on 11<sup>th</sup> May, 2018, 3<sup>rd</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 28<sup>th</sup> January, 2019 during the year 2018-2019.
- Nomination and Remuneration Committee met three times on 2<sup>nd</sup> July, 2018, 3<sup>rd</sup> August, 2018 and 28<sup>th</sup> January, 2019 during the year 2018-2019.
- Risk Management Committee met two times on 11<sup>th</sup> May, 2018 and 3<sup>rd</sup> November, 2018 during the year 2018-2019.
- CSR Committee met four times on 11<sup>th</sup> May, 2018, 3<sup>rd</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 28<sup>th</sup> January, 2019 during the year 2018-2019.

## 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 your Company as at March 31, 2019 and of statement of profit and loss of your 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 your 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 your 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee for the year 2018-2019 was carried out by your Company.

For the year 2018-2019, 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 your Company met on 30<sup>th</sup> March, 2019, *inter alia*, to discuss:

- i) Evaluation of performance of Non-Independent Directors and the Board of Directors of your Company as a whole.
- ii) Evaluation of performance of the Chairman of your 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 your 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 your 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 your Company in its Meeting held on 29<sup>th</sup> May, 2014 continues to be adopted by your Company. The Remuneration Policy of your 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 your Company in its Meeting held on 29<sup>th</sup> May, 2014 continues to be adopted by your Company. The same is available on the website [www.savita.com](http://www.savita.com) of your Company.

The disclosure relating to the amount spent on Corporate Social Responsibility activities for the financial year ended 31<sup>st</sup> March, 2019 is attached to this Report as a separate annexure.

## **19. LISTING AND OTHER REGULATORY ORDERS AGAINST YOUR 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 2019-2020 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 ₹ 16.27 lac towards unclaimed Dividend as against ₹ 10.44 lac towards unclaimed Dividend in the previous year to the Investor Education and Protection Fund, which amount was due and payable for the year 2010-2011 and remained unclaimed and unpaid for a period of 7 years, as provided in Section 125 of the Companies Act, 2013.

Your Company has intimated to the Shareholders who had not claimed dividends for the past 7 years to claim the dividends forthwith failing which their shares would stand transferred to the IEPF Authority after 7<sup>th</sup> August, 2019.

## **21. KEY FINANCIAL RATIOS**

Key Financial Ratios for the financial year ended 31<sup>st</sup> March, 2019, are provided in the Management Discussion and Analysis Report which is annexed hereto and forms a part of the Board's Report.

## **22. STATUTORY AUDITORS**

The Members of your 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 your Company, to hold office from the conclusion of that AGM until the conclusion of the 61<sup>st</sup> Annual General Meeting.

## **23. AUDITORS' REPORT**

The Auditors' Report to the Members on the Accounts of your Company for the financial year ended 31<sup>st</sup> March, 2019 is attached to this Report and does not contain any qualification, reservation or adverse remark.

## **24. SECRETARIAL AUDIT REPORT**

Secretarial Audit for the year 2018-2019 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 lower amount on CSR activities than the prescribed one during the year 2018-2019 as certain projects were in the process of being identified and evaluated. The Cost Auditors, Sevekari, Khare & Associates, appointed at the Annual General Meeting held on September 29, 2017 informed their inability to conduct cost audit for the year 2017-2018 to the Company and hence, the Company did not file Form CRA-2 for intimation of their appointment to Registrar of Companies and the appointment of Cost Auditors in casual vacancy was delayed. The Company could not file Form IEPF-4 with IEPF Authority due to technical reasons pertaining to the website of the IEPF Authority and the Company has already communicated about the same to IEPF Authority. The Company has filed Forms IEPF-6 and IEPF-7 with IEPF Authority for the year 2018-2019 as on the date of this Report.

## 25. COST AUDIT

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of your Company at its meeting held on 29<sup>th</sup> May, 2019 has appointed Kale & Associates, Cost Accountants as Cost Auditors of your Company for the year 2019-2020. 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 Annual General Meeting for ratification of the remuneration payable to the Cost Auditors for the year 2019-2020.

## 26. RISK MANAGEMENT

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a Risk Management Committee in operation to oversee the Risk Management of your Company in line with your 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 your Company.

## 27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has internal control system, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined and reviewed by the Audit Committee as a continuing exercise. Your Company also hires services of external agency for periodically carrying out internal audit in areas identified by the Audit Committee from time to time. Such external agency reports the results of the internal audits to the Audit Committee which then takes stock of significant audit observations and corrective actions are then suggested to be taken thereon by the concerned departments. The actions taken are reviewed by the Audit Committee at their subsequent meetings.

## 28. VIGIL MECHANISM

Your 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 your Company.

## 29. RELATED PARTY TRANSACTIONS

The Audit Committee scrutinises and approves all related party transactions attracting compliance under Section 188 and/or Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 your Company is uploaded on the website [www.savita.com](http://www.savita.com) of your Company.

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

## 30. 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.

### **31. 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.

### **32. INDUSTRIAL RELATIONS**

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

### **33. 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.

### **34. ACKNOWLEDGEMENTS**

Your Directors record their heartfelt appreciation for the encouragement, support and co-operation received from members, government authorities, banks, customers and all other stakeholders and also wish to thank them for the trust reposed in the Management. Your Directors are also grateful to all the employees for their commitment and contribution to the welfare of your Company.

For and on behalf of the Board

Mumbai  
12<sup>th</sup> August, 2019

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

## ANNEXURE TO THE DIRECTORS' REPORT

### Remuneration Policy of your 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 1<sup>st</sup> 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 your 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 your Company.

4.3. Directors mean Directors of your Company.

4.4. Key Managerial Personnel mean -

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

4.5. Senior Management means personnel of your 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 your Company means and includes the Presidents heading different functions in your Company.

#### 5. ROLE OF THE COMMITTEE

- a) To formulate criteria for identifying Directors and Senior Management employees of your 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 your Company successfully;
- g) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 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 your Company and its goals; and
- 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 your 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 your Company and its goals;
- d) The remuneration payable to the Directors of the 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 your 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 your 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 your 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 will 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 your Company shall act as Secretary of the Committee.

## 12. MINUTES OF THE COMMITTEE MEETING

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 your 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  
12<sup>th</sup> August, 2019

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

## ANNEXURE TO THE DIRECTORS' REPORT

### Report on Corporate Social Responsibility (CSR) Activities during 2018-2019

1. **A brief outline of your 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 (2015-2016, 2016-2017 and 2017-2018)**

Financial Year	Net Profit (in ₹)
2015-2016	4,209.27 lac
2016-2017	12,868.78 lac
2017-2018	15,862.10 lac
Average net profit of 3 years above	10,980.05 lac

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

₹ 219.60 lac

5. **Details of CSR spent during the financial year 2018-2019**

- a) Total amount spent for the financial year: ₹ 70.94 lac  
b) Amount unspent, if any: ₹ 148.66 lac  
c) Manner in which the amount spent during the financial year 2018-2019

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 Chinmaya Mission Amritsar Trust (Regd.), Amritsar	Education	Amritsar	₹ 15 lac	₹ 15 lac	₹ 15 lac	₹ 15 lac
2	Donation to Diksha Foundation	Education	Mumbai	₹ 0.30 lac	₹ 0.30 lac	₹ 0.30 lac	₹ 0.30 lac
3	Donation to Jankalyan Foundation, Mumbai	Education	Mumbai	₹ 1.5 lac	₹ 1.5 lac	₹ 1.5 lac	₹ 1.5 lac
4	Donation to Rite Water Solutions (India) Pvt. Ltd.	Drinking water	Nagpur	₹ 11.15 lac	₹ 11.15 lac	₹ 11.15 lac	₹ 11.15 lac
5	St. Joseph Industrial Training Institute, Kurla (W)	Education	Mumbai	₹ 35.80 lac	₹ 35.80 lac	₹ 35.80 lac	₹ 35.80 lac
6	Donation to National Society for the Blind	Healthcare	Mumbai	₹ 0.19 lac	₹ 0.19 lac	₹ 0.19 lac	₹ 0.19 lac
7	Donation to Sri Chaitanya Seva Trust (Bhakti Vedanta Hospital & Research Institute)	Healthcare	Mumbai	₹ 7 lac	₹ 7 lac	₹ 7 lac	₹ 7 lac
<b>Total</b>						<b>₹ 70.94 lac</b>	<b>₹ 70.94 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  
12<sup>th</sup> August, 2019

**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, 2019:

	<b>Name of Employee</b>	<b>Age</b>	<b>Designation</b>	<b>Gross Remuneration (₹)</b>	<b>Qualification</b>	<b>Exp. (in years)</b>	<b>Date of joining</b>	<b>Previous Employment/ Position held</b>
1	Mr. Gautam N. Mehra	58	Managing Director	3,60,29,318	B.E. (Chem), M.B.A., Univ. of California (Berkeley)	36	1.12.1983	Marketing Executive – Mehra Trading & Investment Company Pvt. Ltd.

#### Notes:

- Remuneration includes basic salary, allowances, commission paid, Company's contribution to Provident Fund and other perquisites valued in accordance with the Income Tax Rules, 1961.
- Your 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.
- Experience includes number of years' service elsewhere.
- The nature of employment is contractual and is governed by the rules and regulations of your Company in force from time to time.
- Information regarding remuneration and particulars of other employees of your Company will be available for inspection by the Members at the Registered office of your Company during business hours on working days upto the date of the ensuing Annual General Meeting of your 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  
12<sup>th</sup> August, 2019

**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, 2019**

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-2019, ratio of the remuneration of each Director to the median remuneration of the employees of your Company for the financial year 2018-2019 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of your Company are as under:

No.	Name of Director/KMP and Designation	% increase/decrease (-) in Remuneration in the Financial Year 2018-2019	Ratio of remuneration of each Director / to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of your Company
1	Mr. G. N. Mehra Managing Director	+34.26 %	57.47:1	
2	Mr. C. V. Alexander Whole-time Director	+13.58 %	6.42:1	
3	Mr. S. M. Dixit Whole-time Director & Chief Financial Officer	+14.03 %	15.69:1	
4	Mr. Siddharth G. Mehra Whole-time Director	69.06 %	8.93:1	
5	Ms. Simran G. Mehra Director	+211.11 %	0.69:1	
6	Mr. S. R. Pandit Independent Director	-6.67 %	0.69:1	Net sales increased and there was Net Profit of ₹ 11,427 lac
7	Mr. N. B. Karpe Independent Director	-12.50 %	0.69:1	
8	Mr. H. A. Nagpal Independent Director	-18.75 %	0.64:1	
9	Mrs. M. C. Dalal Independent Director	-12.50 %	0.69:1	
10	Mr. Ravindra Pisharody Independent Director	+188.89 %	0.64:1	
11	Mr. H. Sunder Independent Director	NA	0.13:1	
12	Mr. U. C. Rege Co. Secretary and EVP – Legal	+16.90 %	NA	

- ii) The median remuneration of employees of your Company during the financial year was ₹ 6,12,625/-.
- iii) In the financial year, there was an increase of 11.80% in the median remuneration of employees.
- iv) There were 475 permanent employees on the roll of your Company as on March 31, 2019.
- v) Relationship between average increase in remuneration and company performance - Net sales increased substantially in value terms with net profit of ₹ 11,427 lac and the increase in median remuneration was 11.65%.
- vi) Comparison of Remuneration of the Key Managerial Personnel against the performance of your Company -

The total remuneration of Key Managerial Personnel increased by 29.02% from ₹ 485.36 lac in 2017-2018 to ₹ 626.23 lac in 2018-2019. Your Company in 2018-2019 made a net profit of ₹ 11,427 lac (against ₹ 12,620 lac in 2017-2018).

- vii) a) Variations in the market capitalisation of your Company:

The market capitalisation as on March 31, 2019 was ₹ 1712.85 crore (₹ 2017.41 crore as on March 31, 2018).

- b) Price Earnings ratio of your Company as at March 31, 2019 was 14.99 and was 15.98 as at 31<sup>st</sup> March, 2018.
- c) Percentage increase / decrease in the market quotations of the shares of your Company as compared to the rate at which your Company came out with the last public offer in the year -

Your Company had come out with initial public offer (IPO) in 1994. The share price of your Company first listed on BSE in October 1994 was ₹ 240 per share of the face value of ₹ 10/- per share. Share price of your Company quoted on BSE on 29<sup>th</sup> March, 2019 (last trading day of FY 2018-2019) was ₹ 1195.95. Increase in the Net-worth of your Company was 14.72% as compared to the previous year.

- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2018-2019 was 11.80% and the increase in the remuneration of KMPs and senior managerial personnel for the same financial year was 11.15%.

- 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; and

- 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  
12<sup>th</sup> August, 2019

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

**ANNEXURE TO THE DIRECTORS' REPORT****Particulars Required under the Companies (Accounts) Rules, 2014****A. CONSERVATION OF ENERGY:**

- a) Energy Conservation Measures Taken -
- (1) Installed 7.5 HP energy efficient pump in place of 20 HP blending pump.
  - (2) Installed 5 HP submersible cooling water pump in place of 7.5 HP pump.
  - (3) Replaced ordinary high wattage lamps with low wattage energy efficient LED lamps.
  - (4) Maintained Power Factor all the time at unity and availed incentive from MSEB.
  - (5) Reduced compressor loading hours with efficient operations.

## b) Impact of the above measures -

The above energy conservation measures have reduced the per unit (KL) energy consumption and fuel usage for your Company.

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

Your Company is studying a proposal to further augment the roof mounted solar energy generation capacity at Turbhe Plant.

## 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 ₹ 31,902 lac in the year under review as against ₹ 27,582 lac during the year 2017-2018 showing an increase of 16 % in Value terms.

Your company has been trying to increase penetration in the existing markets as well as scouting for new markets.

**D. TOTAL FOREIGN EXCHANGE USED AND EARNED**

	₹ in lac
(i) CIF Value of Imports	145,245.61
(ii) Expenditure in Foreign Currency	615.74
(iii) Foreign Exchange earned	33,055.71

**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 31<sup>st</sup> March, 2019 has been annexed separately.

For and on behalf of the Board

Mumbai  
12<sup>th</sup> August, 2019

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

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

**A. Power and Fuel consumption**

Particulars	2018-2019	2017-2018
<b>1. Electricity</b>		
a. Purchased units (million)	3.052	2.931
Total amount (₹ in lac)	224.00	170.39
Average rate/unit (₹)	7.34	5.81
b. Own Generation		
i) Through Diesel Generation	40,259	98,439
Units per litre of diesel oil	3.23	2.68
Average rate/unit (₹)	21.64	22.05
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)	40.908	32.591
Total amount (₹ in lac)	16.0	8.36
Average rate/unit (₹)	39.06	25.66
<b>4. Others</b>		-

**B. Consumption per Unit of Production**

Particulars	Year	Transformer Oil	Liquid Paraffins	Lubricating Oils	Others
Electricity (KWH)	2018-2019	5	15	8	5
	2017-2018	6	17	8	6
Furnace Oil (in litres)	2018-2019	-	-	-	-
	2017-2018	-	-	-	-

For and on behalf of the Board

Mumbai  
 12<sup>th</sup> August, 2019

**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 products and variants for your Company's range of Lubricating Oils, Transformer Oils & White Oils. In addition, R&D continued to support Key Customers for condition monitoring of Lubricating Oils and Transformer Oils. Some of the new products that your R&D worked on this year were -

- Chain Sprays (For 2 Wheeler Chains)
- Greener Version of Coolant for the automobile industry
- Coning Oils for Textile Applications

In addition, R&D continued to develop tailor made products for Automobile and Industrial Customers.

##### 2. BENEFITS DERIVED

The work done by R&D team enabled your Company to launch new product lines which are likely to be commercialized in FY 2019-2020. These include a range of Chain Sprays which are high performance lubricants for high speed motorcycle chains. Your Company will also be launching SAVSOL Power Coolants, which are specifically designed to be more environment-friendly since they are free from silicates and phosphates and also have a much lower concentration of Glycol than the regular Coolants. This is another addition to your Company's portfolio of Greener Products. Your Company will also be launching Coning Oils for Textile Applications in the near future.

##### 3. FUTURE PLAN OF ACTION

As Global Specifications for Lubricating Oils and Transformer Oils continue to evolve, your Company's

R&D team will continue to focus on development of new products that meet and surpass these requirements. Currently, the R&D team is working on developing a range of new Lubricating Oils that will meet the requirements under BS-VI which is likely to be rolled out effective April, 2020 in India. The focus of the R&D team continues to work on products that are greener and more environment-friendly.

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

	₹ in lac
a) Capital	12.31
b) Recurring	182.75
Total	195.06

Total R & D expenditure as % of turnover 0.08 %

##### 5. TECHNOLOGY ABSORPTION

In addition to the development of new products, your Company's R&D team also represents your Company on many National and International Forums like -

- a) IEC Committee (TX10/MT38) where it is a Member for revising IEC 60296 standard on Mineral Transformer Oils (IEC stands for International Electro Technical Commission, headquartered in Geneva).
- b) Cigre Technical Committee where it is a Guest Member for developing D1.70 on Functional properties of modern insulating liquids for transformers and similar electrical equipment.

For and on behalf of the Board

Mumbai  
12<sup>th</sup> August, 2019

**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 arms' 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	
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	NIL
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 arms' length basis:

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	1.Savita Polymers Limited 2.Savita Petro Additives Limited 3.Basant Lok Trading Co. (A Private Company) 4.Chemi Pharmex Pvt. Ltd. 5.Khatri Investments Pvt. Ltd. 6.Kurla Trading Co. Pvt. Ltd. 7.Mansukhmal Investment Pvt. Ltd. 8.Naved Investment & Trading Co. Pvt. Ltd. 9.D. C. Mehra Public Charitable Trust 10.N. K. Mehra Trust 11.NKM Grand Children's Trust 12.Mr. G. N. Mehra 13.Mrs. R. G. Mehra 14.Mr. S. G. Mehra 15.Ms. S. G. Mehra
b)	Nature of contracts/arrangements/ transaction	1.Sale of goods 2.Sale of fixed assets 3.Purchase of goods 4.Purchase of fixed assets 5.Receipt of Rent 6.Payment of Rent 7. Car parking charges 8. Donation 9. Refund of security deposit received
c)	Duration of the contracts/arrangements/transaction	From 01.04.2018 to 31.03.2019

d) Salient terms of the contracts or arrangements or transaction including the value, if any	<ol style="list-style-type: none"> <li>1. Sale of goods to Savita Polymers Limited of ₹1,262.80 lac</li> <li>2. Sale of fixed assets to Savita Polymers Limited of ₹3.66 lac</li> <li>3. Purchase of goods from Savita Polymers Limited of ₹1,860.51 lac</li> <li>4. Purchase of fixed assets from Savita Polymers Limited of ₹1.56 lac</li> <li>5. Rent received from Savita Polymers Limited of ₹42.19 lac</li> <li>6. <u>Rent paid to</u> -Chemi Pharmex Pvt. Ltd. ₹45.35 lac -Savita Polymers Ltd. ₹17.47 lac</li> <li>7. <u>Car parking charges paid to</u> -Basant Lok Trading Co. ₹0.15 lac -Chemi Pharmex Pvt. Ltd. ₹0.14 lac</li> <li>8. <u>Donation given to</u> - D. C. Mehra Public Charitable Trust ₹25.00 lac - N. K. Mehra Trust ₹25.00 lac</li> <li>9. Refund of security deposit received from Savita Polymers Limited ₹ 20.00 lac</li> </ol>
e) Date of approval by the Board	11 <sup>th</sup> May, 2018
f) Amount paid as advances, if any	NIL

For and on behalf of the Board

Mumbai  
12<sup>th</sup> August, 2019

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

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**FOR THE FINANCIAL YEAR ENDED ON 31.03.2019**  
**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 : rnt.helpdesk@linkintime.co.in

**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	98.25
2	Wind Power	35106	1.75

**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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	9391239	-	9391239	65.57	9391239	-	9391239	65.57	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	867895	-	867895	6.06	867895	-	867895	6.06	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL:(A) (1)</b>	<b>10259134</b>	<b>-</b>	<b>10259134</b>	<b>71.63</b>	<b>10259134</b>	<b>-</b>	<b>10259134</b>	<b>71.63</b>	<b>-</b>

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/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters</b>	10259134	-	10259134	71.63	10259134	-	10259134	71.63	-
<b>(A)= (A)(1)+(A)(2)</b>									
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	1606608	-	1606608	11.22	1681039	-	1681039	11.74	0.52
b) Banks/FI	150	-	150	-	100	-	100	-	-0.00
c) Central Govt.	34521	-	34521	0.24	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	658196	-	658196	4.60	629558	-	629558	4.40	-0.20
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	2299475	-	2299475	16.06	2310697	-	2310697	16.13	0.08
(2) Non Institutions									
a) Bodies corporates									
i) Indian	304822	-	304822	2.13	320482	500	320982	2.24	0.11
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lac	1007887	192073	1199960	8.38	978942	168811	1147753	8.01	-0.36
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac	258664	-	258664	1.81	248996	-	248996	1.74	-0.07
c) Others (specify)-Trusts	28	-	28	0.00	-	-	-	-	-0.00
IEPF					34521	-	34521	0.24	0.24
SUB TOTAL (B)(2):	1571401	192073	1763474	12.31	1582941	169311	1752252	12.23	-0.08
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3870876</b>	<b>192073</b>	<b>4062949</b>	<b>28.37</b>	<b>3893638</b>	<b>169311</b>	<b>4062949</b>	<b>28.37</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>14130010</b>	<b>192073</b>	<b>14322083</b>	<b>100.00</b>	<b>14152772</b>	<b>169311</b>	<b>14322083</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoters:**

Sr. No.	Names of the Promoters	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during 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	
1	Gautam N. Mehra	9318325	65.06	0	9318325	65.06	0	-
2	Reshma Mehra	33416	0.23	0	33416	0.23	0	-
3	Ritu Satsangi	7749	0.05	0	7749	0.05	0	-
4	Atul Satsangi	666	0.00	0	666	0.00	0	-
5	Simran G. Mehra	30500	0.21	0	30500	0.21	0	-
6	Siddharth Mehra	583	0.00	0	583	0.00	0	-
7	Mansukhmal Investments Pvt. Ltd.	410000	2.86	0	410000	2.86	0	-
8	Khatri Investments Pvt. Ltd.	427611	2.99	0	427611	2.99	0	-
9	Kurla Investment & Trading Co. Pvt. Ltd	13666	0.10	0	13666	0.10	0	-
10	Naved Investment & Trading Co.Pvt.Ltd.	9452	0.07	0	9452	0.07	0	-
11	Basant Lok Trading Co.	6166	0.04	0	6166	0.04	0	-
12	Chemi Pharmex Pvt. Ltd	1000	0.01	0	1000	0.01	0	-
	<b>Total</b>	<b>10259134</b>	<b>71.63</b>	<b>0</b>	<b>10259134</b>	<b>71.63</b>	<b>0</b>	<b>-</b>

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

Sr. No.	Names of the Promoters	Share holding at the beginning of the Year		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	9318325	65.06	9318325	65.06
2	Reshma Mehra	33416	0.23	33416	0.23
3	Ritu Satsangi	7749	0.05	7749	0.05
4	Atul Satsangi	666	0.00	666	0.00
5	Simran G. Mehra	30500	0.21	30500	0.21
6	Siddharth Mehra	583	0.00	583	0.00
7	Mansukhmal Investments Pvt. Ltd.	410000	2.86	410000	2.86
8	Khatri Investments Pvt. Ltd.	427611	2.99	427611	2.99
9	Kurla Investment & Trading Co. Pvt. Ltd	13666	0.10	13666	0.10
10	Naved Investment & Trading Co.Pvt.Ltd.	9452	0.07	9452	0.07
11	Basant Lok Trading Co.	6166	0.04	6166	0.04
12	Chemi Pharmex Pvt. Ltd	1000	0.01	1000	0.01
		10259134	71.63	10259134	71.63

**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 & Holders of GDRs & ADRs)**

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year			Transactions during the year		Cumulative Shareholding at the end of the year	
		2018-2019		Date of Transaction	2018-2019			
		No. of Shares Held	% of Total Shares of The Company		No. of Shares	No of Shares Held	% of Total Shares of The Company	
1	HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	1306326	9.121					
	<b>AT THE END OF THE YEAR</b>				1306326	9.121		

2	Pari Washington India Master Fund, Ltd.	542325	3.787		542325	3.787
	Transfer			04 Jan 2019	81083	623408
	AT THE END OF THE YEAR					623408
3	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	300282	2.097		300282	2.097
	Transfer			06 Apr 2018	2000	302282
	Transfer			20 Apr 2018	10000	312282
	Transfer			27 Apr 2018	9000	321282
	Transfer			04 May 2018	5693	326975
	Transfer			18 May 2018	8984	335959
	Transfer			25 May 2018	2500	338459
	Transfer			01 Jun 2018	1037	339496
	Transfer			08 Jun 2018	497	339993
	Transfer			22 Jun 2018	203	340196
	Transfer			30 Jun 2018	517	340713
	Transfer			06 Jul 2018	2337	343050
	Transfer			13 Jul 2018	1520	344570
	Transfer			20 Jul 2018	1780	346350
	Transfer			27 Jul 2018	2200	348550
	Transfer			03 Aug 2018	2000	350550
	Transfer			10 Aug 2018	2500	353050
	Transfer			24 Aug 2018	436	353486
	Transfer			31 Aug 2018	500	353986
	Transfer			07 Sep 2018	785	354771
	Transfer			14 Sep 2018	215	354986
	Transfer			12 Oct 2018	618	355604
	Transfer			19 Oct 2018	1382	356986
	Transfer			26 Oct 2018	955	357941
	Transfer			02 Nov 2018	1045	358986
	Transfer			28 Dec 2018	2000	360986
	Transfer			04 Jan 2019	2250	363236
	Transfer			11 Jan 2019	750	363986
	Transfer			15 Feb 2019	1373	365359
	Transfer			22 Feb 2019	2014	367373
	Transfer			01 Mar 2019	775	368148
	Transfer			08 Mar 2019	350	368498
	Transfer			15 Mar 2019	1361	369859
	Transfer			22 Mar 2019	2500	372359
	Transfer			29 Mar 2019	2354	374713
	AT THE END OF THE YEAR					374713
4	Rajasthan Global Securities Private Limited	98702	0.689		98702	0.689
	Transfer			06 Apr 2018	3232	101934
	Transfer			20 Jul 2018	260	102194
	Transfer			27 Jul 2018	-1515	100679
	Transfer			21 Dec 2018	797	101476
	AT THE END OF THE YEAR					101476

5	KCP Sugar and Industries Corporation Limited	92400	0.645		92400	0.645
	Transfer			13 Apr 2018	100	92500 0.646
	Transfer			08 Jun 2018	250	92750 0.648
	Transfer			15 Jun 2018	300	93050 0.650
	Transfer			30 Jun 2018	1150	94200 0.658
	Transfer			06 Jul 2018	700	94900 0.663
	Transfer			13 Jul 2018	100	95000 0.663
	Transfer			20 Jul 2018	200	95200 0.665
	Transfer			27 Jul 2018	50	95250 0.665
	Transfer			03 Aug 2018	50	95300 0.665
	Transfer			12 Oct 2018	100	95400 0.666
	AT THE END OF THE YEAR					95400 0.666
6	Vinod Sethi	64768	0.452		64768	0.452
	Transfer			01 Jun 2018	100	64868 0.453
	Transfer			08 Jun 2018	450	65318 0.456
	Transfer			22 Jun 2018	150	65468 0.457
	Transfer			30 Jun 2018	100	65568 0.458
	Transfer			27 Jul 2018	50	65618 0.458
	Transfer			14 Sep 2018	200	65818 0.460
	Transfer			29 Sep 2018	300	66118 0.462
	Transfer			05 Oct 2018	500	66618 0.465
	Transfer			14 Dec 2018	100	66718 0.466
	AT THE END OF THE YEAR					66718 0.466
7	Seetha Kumari	54593	0.381		54593	0.381
	Transfer			18 May 2018	1712	56305 0.393
	AT THE END OF THE YEAR					56305 0.393
8	Ranvir Ranjit Shah	34042	0.238		34042	0.238
	Transfer			06 Apr 2018	-100	33942 0.237
	Transfer			13 Apr 2018	200	34142 0.238
	Transfer			27 Apr 2018	200	34342 0.240
	Transfer			01 Jun 2018	450	34792 0.243
	Transfer			08 Jun 2018	350	35142 0.245
	Transfer			15 Jun 2018	350	35492 0.248
	Transfer			22 Jun 2018	300	35792 0.250
	Transfer			30 Jun 2018	200	35992 0.251
	Transfer			06 Jul 2018	100	36092 0.252
	Transfer			13 Jul 2018	100	36192 0.253
	Transfer			20 Jul 2018	250	36442 0.254
	Transfer			27 Jul 2018	100	36542 0.255
	Transfer			03 Aug 2018	400	36942 0.258
	Transfer			29 Sep 2018	100	37042 0.259
	Transfer			05 Oct 2018	100	37142 0.259
	Transfer			30 Nov 2018	200	37342 0.261
	Transfer			07 Dec 2018	200	37542 0.262
	Transfer			14 Dec 2018	100	37642 0.263
	Transfer			25 Jan 2019	200	37842 0.264
	AT THE END OF THE YEAR					37842 0.264

9	Tejas Vidyadhara Rao Sethi	27705	0.193		27705	0.193
	AT THE END OF THE YEAR				27705	0.193
10	East Sail	108947	0.761		108947	0.761
	Transfer		06 Apr 2018	-864	108083	0.755
	Transfer		13 Apr 2018	-5895	102188	0.714
	Transfer		20 Apr 2018	-10176	92012	0.642
	Transfer		27 Apr 2018	-5293	86719	0.606
	Transfer		04 May 2018	-5636	81083	0.566
	Transfer		31 Dec 2018	-81083	0	0
	AT THE END OF THE YEAR				0	0

**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 & KMP**

Sr. No.	Names of the Directors/Key Managerial Personnel	Share holding at the beginning of the year 01.04.2018		Shareholding at the end of the year 31.03.2019	
		No. of shares	% of total shares of the Company	No of shares	% of total shares of the Company
<b>Directors</b>					
1	Mr. Gautam N.Mehra	9318325	65.06	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
<b>Key Managerial Personnel</b>					
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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning 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
<b>Total (i+ii+iii)</b>	<b>205.20</b>	<b>444.90</b>	<b>-</b>	<b>650.10</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	205.20	173.53	-	378.73
<b>Net Change</b>	<b>(205.20)</b>	<b>(173.53)</b>	<b>-</b>	<b>(378.73)</b>

**Indebtedness at the end of the financial year**

i) Principal Amount	-	271.37	-	271.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>271.37</b>	-	<b>271.37</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AS ON 31<sup>ST</sup> MARCH, 2019**

A. Remuneration paid/payable 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)	Suhas M. Dixit (Whole-time Director)	Siddharth G. Mehra (Whole-time Director)	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	19,135,000	3,903,052	9,574,845	5,429,550	38,042,447
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	213,263	32,400	39,600	39,600	324,863
	(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	15,861,898	-	-	-	15,861,898
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>35,210,161</b>	<b>3,935,452</b>	<b>9,614,445</b>	<b>5,469,150</b>	<b>54,229,208</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 ₹)

Sr. No.	Particulars of Remuneration	Names of the Directors						
		S. R. Pandit	N. B. Karpe	H. A. Nagpal	M. C. Dalal	Simran Mehra	Ravindra Pisharody	Hariharan Sunder
<b>1</b>	<b>Independent Directors</b>							
	(a) Fee for attending Board Meetings	120,000	120,000	90,000	120,000	-	90,000	-
	(b) Commission	300,000	300,000	300,000	300,000	-	300,000	51,781
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	420,000	420,000	390,000	420,000	-	390,000	51,781
<b>2</b>	<b>Other Non Executive Directors</b>							
	(a) Fee for attending Board Meetings	-	-	-	-	120,000	-	-
	(b) Commission	-	-	-	-	300,000	-	-
	(c) Others, please specify.	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	420,000	-	-
	Total (B)=(1+2)	420,000	420,000	390,000	420,000	420,000	390,000	51,781
	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	As per Schedule V

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

(in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	19,293,168
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	72,000
	(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	-
5	Others, please specify	-
	Total	19,365,168

## 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 31<sup>ST</sup> MARCH, 2019**

**[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 conducts/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, 2019 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, 2019 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, 2015;

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-

*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. The Company has not filed e-Form CRA-2 for intimation of appointment of Cost Auditor, who were appointed at the Annual General Meeting held on September 29, 2017. The cost auditors appointed in casual vacancy was not within the time prescribed under Companies Act, 2013. The Cost Audit Report for the financial year 2017-2018 which was to be issued latest by September 30, 2018 in Form CRA-3 was not issued by the Cost Auditor within the time prescribed under the*

*Companies Act, 2013. The Company is yet to file Form IEPF-4, Form IEPF-6 and Form IEPF-7 with the Investor Education and Protection Fund Authority for the period under review.*

I 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;
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

#### **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:** 29<sup>th</sup> July, 2019

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.

## 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. Where ever 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 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:** 29<sup>th</sup> July, 2019

# CORPORATE GOVERNANCE

Report on Corporate Governance for the year 2018-2019 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* stipulates 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 2018-2019, the Company had 11 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 six 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 company;
- 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 2015-2016, 2016-2017 and 2017-2018;
- 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	7	3	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	3	1	-
Mr. S. M. Dixit DIN:02359138	Non-Promoter Executive	1	1	-
Mr. H. Sunder DIN:00020583 (w.e.f. 28.01.2019)	Non-Promoter Non-Executive-Independent	1	0	-

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

Director	Mrs. M. C. Dalal	Mr. H. Sunder
Date of Birth	21.05.1960	26.07.1959
Qualification	Chartered Accountant	Chartered Accountant
Experience	Over 3 decades in the industry	Over 3 decades in the industry
Other Directorships	Chetan Dalal Investigation and Management Services Private Limited	Ahlers India Private Limited

### Number of Board Meetings with dates

During the period 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019, the Board met 4 times. The Board Meetings were held on 11<sup>th</sup>

May, 2018, 3<sup>rd</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 28<sup>th</sup> January, 2019.

### Attendance of Directors at the Board Meetings held during FY 2018-2019 and the last Annual General Meeting

Name of the Director	Attendance		Last AGM attended
	No. of meetings held during the tenure of Directors		
	Held	Attended	
Mr. G. N. Mehra	4	4	Yes
Ms. Simran G. Mehra	4	4	Yes
Mr. Siddharth G. Mehra	4	4	Yes
Mr. N. B. Karpe	4	4	Yes
Mr. S. R. Pandit	4	4	Yes
Mr. C. V. Alexander	4	4	Yes
Mr. H. A. Nagpal	4	3	No
Mrs. M. C. Dalal	4	4	Yes
Mr. Ravindra Pisharody	4	3	No
Mr. S. M. Dixit	4	4	Yes
Mr. H. Sunder	1	1	NA

### 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' services 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. H. A. Nagpal	-	Member (Non-Executive Independent Director)
Mrs. M. 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 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 four times (11<sup>th</sup> May, 2018, 3<sup>rd</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 28<sup>th</sup> January, 2019) during the year 2018-2019.

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

Names of Director Members	Attended
Mr. S. R. Pandit	4
Mr. H. A. Nagpal	3
Mrs. M. C. Dalal	4

#### 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 (11<sup>th</sup> May, 2018, 3<sup>rd</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 28<sup>th</sup> January, 2019) during the year 2018-2019.

#### 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/Change of Address	134	132
2.	Non-receipt/revalidation of Dividend Warrants	42	38
3.	De-materialisation	0	0
4.	Others	520	519

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 2018-2019 except in cases which are constrained by disputes and/or legal impediments.

### C) Corporate Social Responsibility Committee

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 [11<sup>th</sup> May, 2018, 3<sup>rd</sup> August, 2018, 3<sup>rd</sup> November, 2018 and 28<sup>th</sup> January, 2019] during the year 2018-2019.

### 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. M. C. Dalal	-	Member (Non-Executive Independent Director)

The Nomination and Remuneration Committee met three times [2<sup>nd</sup> July, 2018, 3<sup>rd</sup> August, 2018 and 28<sup>th</sup> January, 2019] during the year 2018-2019.

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

Names of Director Members	Attended
Mr. H. A. Nagpal	3
Mr. N. B. Karpe	3
Mrs. M. C. Dalal	3

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 29<sup>th</sup> May, 2019.

#### Details of remuneration paid/to be paid (₹ in lac) to the Directors for the year 2018-2019

Director	All elements of remuneration package taken together	Sitting fees	Commission*
<u>Managing Director</u>			
Mr. G. N. Mehra			
Salary	97.30		
Perquisites	84.04		
Contribution to PF	7.49		158.15
<u>Executive Directors</u>			
Mr. Siddharth G. Mehra			
Salary	17.01		
Perquisites	25.68		
Contribution to PF	2.04		
Mr. C. V. Alexander			
Salary	21.47		
Perquisites	12.79		
Contribution to PF	2.43		
Mr. S. M. Dixit			
Salary	30.87		
Perquisites	53.02		
Contribution to PF	3.70		
<u>Non-executive Directors</u>			
Mr. N. B. Karpe		1.20	3.00
Mr. S. R. Pandit		1.20	3.00
Mr. H. A. Nagpal		0.90	3.00
Mrs. M. C. Dalal		1.20	3.00
Ms. Simran G. Mehra		1.20	3.00
Mr. Ravindra Pisharody		0.90	3.00
Mr. H. Sunder		0.30	0.52

\*Subject to approval of shareholders.

### 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 (11<sup>th</sup> May, 2018 and 3<sup>rd</sup> November, 2018) during the year 2018-2019.

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

Names of Director Members	Attended
Mr. G. N. Mehra	2
Mr. S. R. Pandit	2

Mr. C. V. Alexander	2
Mr. S. M. Dixit	2

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
2017-2018	29.09.2018 Suryavanshi Banquet, Mumbai 11.00 AM	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. Gautam N. Mehra as the Managing Director of the Company up to 30<sup>th</sup> September, 2023.</li> <li>2. Re-appointment of Mr. C. V. Alexander as the Whole-time Director from 1<sup>st</sup> October, 2018 up to 30<sup>th</sup> April, 2019.</li> </ol>
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 up to 30<sup>th</sup> September, 2021.</li> <li>3. Appointment of Mr. Suhas M. Dixit as the Whole-time Director of the Company up to 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>

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 FY 2018-2019, 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, 2019 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 COMMUNICATION

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                | : | 10.09.2019 to 17.9.2019  |
| B. | Date and venue of AGM               | : | 17.09.2019 at 11.00 a.m. at Royal Banquet, M. C. Ghia Hall, Bhogilal Hargovindas, Building, 4 <sup>th</sup> Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001   |
| C. | Dividend Payment (Equity)           | : | Dividend @ 25% on Equity shares. Warrants for dividend will be dispatched before 16.10.2019 if the Dividend is approved at the Annual General Meeting.   |
| D. | Listing on Stock Exchanges in India | : | <p>BSE Limited<br/>Phiroze Jeejeebhoy Towers, Dalal street,<br/>Mumbai – 400 001<br/>Stock Code: 524667</p> <p>National Stock Exchange of India Limited<br/>Exchange Plaza, 5th Floor, Plot No. C/1,<br/>G Block, Bandra Kurla Complex, Bandra (East),<br/>Mumbai – 400 051<br/>Stock Code: SOTL</p> |
| E. | Status of Listing Fees              | : | Paid to BSE Limited and National Stock Exchange of India Limited for 2019-2020.  |
| F. | Registered office                   | : | <p>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</p>   |
| G. | Manufacturing Facilities            | : | <p>17/17A, Thane Belapur Road,<br/>Turbhe, Navi Mumbai – 400 703<br/>Tel: 91-22-2768 1521 / 6768 3500<br/>Fax: 91-22-2768 2024</p> <p>Survey No.10/2 Kharadpada,<br/>Post Naroli, Silvassa,<br/>Dadra and Nagar Haveli – 396 230<br/>Tel: 0757-4843521-22</p>  |

Survey No.140/1, Village Kuvapada,  
Silli, P.O. Kilwani, Silvassa,  
Dadra and Nagar Haveli - 396 230  
Tel: 0757-4843523-24

#### H. Depositories

: National Securities Depository Ltd.  
4<sup>th</sup> Floor, Trade World,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai-400 013

Central Depository Services (India) Limited  
25<sup>th</sup> Floor, Marathon Futurex,  
N M Joshi Marg, Lower Parel (East),  
Mumbai – 400 013.

## 12. SHARE TRANSFER 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: rnt.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 2018-2019 are as follows:

Category	Requests received	Requests attended	Shares received	Shares processed and settled
Physical	110	34	14699	4551
Dematerialised	302	153	43400	22265

#### 14. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2019

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
Up to 500	7552	94.84	695208	4.85
501-1,000	223	2.80	169112	1.18
1,001-2,000	90	1.13	128720	0.90
2,001-3,000	24	0.30	59291	0.41
3,001-4,000	14	0.18	46258	0.32
4,001-5,000	7	0.09	31943	0.22
5,001-10,000	23	0.28	159194	1.11
10,001-Above	30	0.38	13032357	91.01
<b>Total</b>	<b>7963 #</b>	<b>100.00</b>	<b>14322083</b>	<b>100.00</b>

#### 15. CATEGORIES OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2019

Category	No. of Share Holders	Voting Strength %	No. of Shares held
Overseas Corporate Bodies	-	-	-
Non-resident Individuals			
On non-repatriable basis	56	0.12	16913
On repatriable basis	86	0.20	28762
Government Companies	1	0.24	34521
FII's	8	4.40	629558
Promoters, Directors	24	71.63	10259134
Banks/Mutual Funds/Public			
Financial Institutions/Trusts	5	11.74	1681139
Other Bodies Corporate	122	2.24	320982
Resident Individuals	7661	9.43	1351074
<b>Total</b>	<b>7963 #</b>	<b>100.00</b>	<b>14322083</b>

# Before clubbing of PAN of shareholders

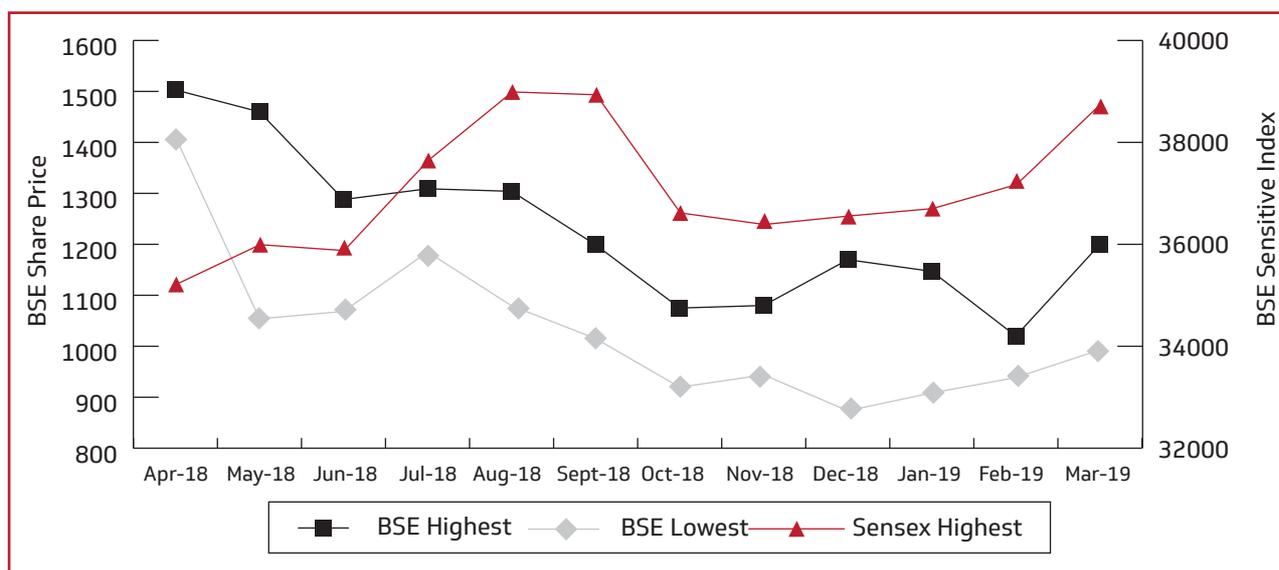
#### 16. DEMATERIALISATION OF SHARES

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

31<sup>st</sup> March 2019, 1,41,52,772 shares aggregating to 98.82% 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 2018	1503.00	1411.00	1524.95	1400.00	35213.30	32972.56
May 2018	1460.00	1054.00	1455.95	1037.10	35993.53	34302.89
June 2018	1288.00	1068.30	1290.00	1062.05	35877.41	34784.68
July 2018	1309.00	1185.05	1310.90	1190.00	37644.59	35106.57
August 2018	1304.00	1079.45	1314.95	1086.50	38989.65	37128.99
September 2018	1199.05	1015.10	1176.50	1005.00	38934.35	35985.63
October 2018	1075.00	919.70	1096.00	925.00	36616.64	33291.58
November 2018	1080.00	943.80	1072.00	938.00	36389.22	34303.38
December 2018	1169.90	873.50	1172.00	890.00	36554.99	34426.29
January 2019	1147.00	908.55	1140.00	900.00	36701.03	35375.51
February 2019	1020.05	938.55	1056.50	931.00	37172.18	35287.16
March 2019	1200.00	993.00	1218.70	992.30	38748.54	35926.94



## **18. FINANCIAL CALENDAR 2019-2020**

Financial Reporting for the first quarter ending June 30, 2019 – 1<sup>st</sup> half of August, 2019.

Financial Reporting for the second quarter and half year ending September 30, 2019 - last week of October, 2019.

Financial Reporting for the third quarter ending December 31, 2019 - last week of January, 2020.

Financial Reporting for the fourth quarter ending March 31, 2020 – Month of May, 2020.

Audited Accounts for the year ending March 31, 2020 - Month of May, 2020.

Annual General Meeting for the year ending March, 2020 – first/second week of August/ September, 2020.

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

For and on behalf of the Board

Mumbai  
12<sup>th</sup> August, 2019

**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, Chief Financial Officer & 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 2018-2019;
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, 2019. 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  
12<sup>th</sup> August, 2019

**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 Limited**

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, 2019 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

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

We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended March 31, 2019.

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

**For MP & Associates  
Company Secretaries**

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

**Place:** Thane  
**Date:** 29<sup>th</sup> July, 2019

# 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:

India is now the 3rd largest producer of electricity globally after China and USA. The current generation capacity in India at the end of March, 2019 stood at 356 GW. Electricity is the key constituent for the economic growth of any country. The rapid surge in demand for power in India is primarily due to increase in industrialization and urbanization. Transformers which are at the centre of power matrix are essentially used to change the voltage across electrical circuits either by stepping up or stepping down the voltage. There are primarily 2 types of Transformers based on function i.e. Power and Distribution Transformers. Transformer Oils are essentially used as insulating medium across both categories of transformers. These oils are highly refined mineral oils derived from Fossil Fuels such as Crude Oils. They may be naphthenic or paraffinic. In recent years, natural Ester (Bio-based) and synthetic ester based Transformer Oils have also been introduced.

White Oils and Liquid paraffin are highly refined, colorless and odorless mineral oils. These White Oils find applications in personal care, cosmetics, pharmaceuticals, textiles and a host of industrial applications such as polystyrene and thermo plastic elastomers.

Lubricating Oils are primarily used to reduce friction between moving parts. The automotive sector and industrial sector are the two key consumers of Lubricating Oil and employ them in variety of applications in the form of Engine oils, Transmission and Gear Box oils, Hydraulic and Turbine oils, etc. The long term importance of Lubricating Oils goes beyond friction reduction and these oils are designed to protect and enhance the life of the equipment itself.

### II. Wind Power:

India is one of the fastest developing economies in the world. It is the third largest producer and third largest

consumer of electricity in the world. However, the economic growth of any country depends primarily on the long term availability of energy from sources that are affordable, accessible and sustainable. Renewable energy will thus play a key role. Government aims at growth in renewable energy capacity and to increase the share of renewables in the country's energy mix. The energy landscape in India is rapidly transforming. Government of India is cognizant of the fact that scaling up of renewables is not a choice anymore but an imperative in addressing growing energy security and climate change challenges. The power sector, both conventional and renewable, witnessed poor capacity addition during the year 2018-2019 after maintaining a strong momentum in the past few years. Policy issues, arbitrary cancellations of renewable project tenders and transmission constraints were the key factors for the slow-down in the capacity addition in the clean energy sector during the year 2018-2019. However, Wind energy has been the largest contributor to the RE basket with around 36 GW installed capacity as on 31.03.2019.

The year 2018 was quite a tumultuous one for the Indian wind industry as it braved many challenges. Policy and regulatory uncertainties, institutional challenges, transmission constraints and macroeconomic issues have slowed down the rate of growth across all renewable energy segments. During the year, India added 1.58 GW of wind power capacity against 1.77 GW capacity addition during previous year. As of 31st March, 2019, the total installed wind power capacity was 35.62 GW.

## B. OPPORTUNITIES AND THREATS

### I. Petroleum Products:

As against India's Power generation capacity of 356 GW at the end of March, 2019, China's power generation capacity was in excess of 1800 GW. This indicates that China has a capacity more than 5 times that of India for almost a similar population. So clearly the potential in the power sector for India is huge and will perhaps only be constrained by the amount of capital available to be deployed across the spectrum of power generation, transmission and distribution. Furthermore, the financial condition of India's State

run power utilities is in a very precarious condition with many of them having accumulated huge losses. This represents the most visible threat to the further growth in the Power Industry in India.

With a rising middle class and larger disposable income available, the consumer goods and FMCG sector has seen good growth over the last few years. With rapid urbanization continuing, consumer spending is likely to remain brisk over the next few years. This augurs well for the White Oil segment of your Company.

India is the 2<sup>nd</sup> largest Lubricating Oil consumer in Asia and 3<sup>rd</sup> in the world after the USA and China. India is also the 4<sup>th</sup> and 6<sup>th</sup> largest producer of commercial vehicles and passenger cars respectively. The Indian automotive industry accounts for around 7.1% of the country's GDP. With rapid industrialization expected in India over the next few years, it is expected that the Lubricating Oil demand will continue to show healthy growth. Besides the industrialization, many automobile companies have shown a keen focus in entering rural markets and we are seeing an increasing share of vehicle sales originating from rural areas especially utility vehicles, SUVs, which are used for both transporting goods and passengers. The demand for two wheelers in rural area has also been strong over the past few years. The introduction of Electric Vehicles (EVs) which is now being promoted by the Government could however lead to a fall in requirements of engine oils; if in the years ahead the EVs do manage to become popular. However, the prohibitive cost of EVs and the lack of charging infrastructure remain a key hurdle in their rapid adoption.

## II. Wind Power:

Over the past couple of years, the sector has changed dramatically, in terms of issues, challenges and opportunities. With increasing demand for clean energy, even the mature wind power segment is witnessing a technological transformation. The National Institute of Wind Energy's (NIWE) latest estimate for India's wind power potential is 302 GW at 100 metre hub height. Manufacturers are constantly working on increasing the rotor diameter and tower height of their wind turbines for higher efficiency. A lot of research is being done to improve the performance and reliability of blades. There have been technological advancements in rotor blades with continuous development of aerodynamically advanced and robust designs in order to harness optimum energy from wind.

The sector faces some tough challenges across the line which if not addressed immediately, can impede the potential growth of the industry. Introduction of auction based regime, inordinate payment delays from distribution companies facing financial stress, downward revision in Feed in Tariffs (FiTs) for projects already under long term PPA, non-availability of good wind potential sites, poor evacuation, regulatory constraints in open access segment, etc are all leading to an erosion of new capacity additions. Transmission constraints and non-availability of land have become the biggest obstacles. As the country moves towards a higher share of renewables, it is imperative for the grid to be aligned accordingly in order to handle a higher quantum of infirm power.

## C. SEGMENT WISE PERFORMANCE

### I. Petroleum Products:

The sales turnover of your Company during the year under review stood at ₹2,24,583 lac against ₹1,80,861 lac during the previous year, showing a healthy increase of 24% in value terms. The sales volume for your Company stood at a record high of 3,46,256 KLS/MTs during the year under review against 3,00,303 KLS/MTs during the previous year, resulting in an increase of 15.30% in volume terms. The gross profit (before tax) and net profit (after tax) of your Company for the year under review were at ₹16,271 lac and ₹11,427 lac respectively as against ₹15,608 lac and ₹12,620 lac respectively during the previous year 2017-2018.

### II. Wind Power:

The total installed capacity in Wind Power Division of your Company stands at 54.15 MW.

During the FY 2018-2019, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated 89.11 MU against 90.37 MU generated in the previous year.

## D. FUTURE OUTLOOK

### I. Petroleum Products:

The 13th National Electricity Plan of the Government of India targets 479 GW of power generation capacity by the FY 2022-2023. This includes 243 GW of thermal and 175 GW of renewable capacity. In addition, the Government has set an ambitious target of railway electrification as well. The Government also intends to

create a National Grid for distribution of power. All of the above will imply that the demand for transformers and in turn transformer oil will remain robust in the years to come. In addition to fresh capacity being added, significant demand for transformer oils will also come from the replacement market where transformers installed 10-15 years ago would need their oil to be replaced.

The automobile industry in India has witnessed robust growth over the past many years. India is already preparing to leapfrog from the BS-IV emission norms that are now in force to the BS-VI norms by 2020. With the new regulations, there are a lot of technological changes that will occur in the vehicles which will have a significant impact on pricing of these vehicles as well as the way they function. Some of the major changes in the automobile segment under the wake of BS-VI norms will be fitment of DPF (diesel particulate filter), SCR (selective catalytic reduction) module, etc. The real challenge posed by BS-VI is in meeting the chemical requirements of modern after-treatment devices which need low sulphated ash, phosphorus and sulphur (SAPS) oils. After treatment systems required for BS-VI (Euro VI), engines will require oils with stringent chemical limits (e.g.: lower SAPS) and also higher performance characteristics. This technical challenge must be met in addition to remaining competitive in a very cost-conscious market and maintaining stability in some very demanding driving conditions.

## II. Wind Power:

Looking ahead, for the Government's Renewable energy targets to be met, it will require significant

institutional and regulatory interventions. Wind energy is leading India's transition to a Green economy. New market incentives are needed to ramp up the capacities. It is also important to focus on the DISCOMS, which remain a weak link in the system and remain quite vulnerable. The mature Wind power segment is trying to realign itself to changing market dynamics. Power transmission is vital for the development of the energy sector. Forecasting the electricity demand is important, as it can help the decision makers to keep up with the pace of the growing demands of the economy and to reduce power outages thereby providing grid stability. Grid enhancement and management are key for the integration of power. In order to facilitate large scale renewable generation capacity, Government of India is implementing Green Energy Corridors (GEC) project. The GEC comprises the Intra-State Transmission System (InSTS) and the Inter-State Transmission System (ISTS). The Ujwal DISCOM Assurance Yojna (UDAY) has been implemented for financial turnaround and a revival package for state electricity distribution companies (DISCOMs). Policy execution is a challenge and better synergy between Centre and States will help in faster roll-out and commissioning of projects. Repowering of old wind turbines at high wind sites with technologically advanced higher capacity turbines, can contribute immensely in achieving the targets set by Government. The offshore wind sector has remained dormant in the country with the government still putting policies in place for its development in the coming years. Once implemented, offshore wind power can add a new element into India's renewable energy mix.

## E. KEY FINANCIAL RATIOS

Particulars	Change	Remarks
Inventory Turnover Ratio	+27.18%	Increase in cost of material consumed due to increase in rate of major raw material (base oil).
Interest Coverage Ratio	-39.11%	Increase in interest expense is mainly on account of buyers' credit.
Debt Equity Ratio	-53.74%	Part of the debt stands repaid.
Operating Profit Margin (%)	-13.85%	1) Increase in the cost of materials consumed.
Net Profit Margin (%)	-27.19%	2) Provision for tax written back in Previous Year of ₹ 14.98 crore.
Return on Net Worth change	-20.27%	3) Increase in exchange loss on foreign currency transactions.

## F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company understands that a robust internal control function is of paramount importance for any organisation's consolidation and growth. Your

Company therefore has laid emphasis on establishing strong internal control systems over the years and for their implementation, has been taking help of external audit firm(s) from time to time. The validation reports of such agencies are reported to the Audit Committee

of your Company and in turn to the Board of Directors for their review and necessary corrective actions required if any. Your Company practices the flow of information and follow up action plans resulting out of such exercise both ways thereby ensuring their proper implementation.

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

The industrial relations within your Company during the year under review remained very harmonious and peaceful. Not a single man day in any of the facilities of your Company was lost due to any

mishap or eventuality during the year under review. Your Company has been consolidating its efforts in bringing continuous improvements in the employee performance management system introduced some years back. Continuous efforts to train and develop employees have been and will continue to be the focus area for your Company.

For and on behalf of the Board

Mumbai  
12<sup>th</sup> August, 2019

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

# Auditors' Report

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

### OPINION

We have audited the accompanying standalone financial statements of **SAVITA OIL TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

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

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</b></p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows;</p> <ol style="list-style-type: none"> <li>1. Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>2. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of</li> </ol>

Sr. No.	Key Audit Matter	Auditor's Response
		<p>procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</p> <p>3. Selected a sample of continuing and new contracts and performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>• Compared these performance obligations with those identified and recorded by the Company.</li> <li>• Considered the terms of the contracts to determine basis of recognising the revenue 'at a point' or 'over the period', the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>• Verified whether the revenue has been recognised only post the fulfilment of the performance obligations and related conditions.</li> <li>• Verified whether the revenue is appropriately recognised only after the transfer of control over the said goods.</li> </ul>
2.	<p><b>Inventory valuation and consumption of raw and packing materials:</b></p> <p>Accuracy of recording of inventory &amp; related consumption at appropriate values.</p>	<p>We have performed the following procedures in relation to the accuracy of recorded consumption and inventory:</p> <p>Understood, evaluated and tested the key controls over the recording of inventory and booking of consumption.</p> <p>We selected a sample of transactions and:</p> <ul style="list-style-type: none"> <li>• Checked the goods receipt notes and material issue slips on a sample basis to ensure correct recording of materials receipts &amp; consumption.</li> <li>• Tested and verified, the weighted average rate of inputs, at which consumption was recorded.</li> <li>• Tested and verified the Overhead absorption rate calculation used for inventory valuation.</li> <li>• Reviewed the process of physical verification of inventories carried out by the management at various locations by participating in the said process.</li> <li>• Verified the reports of physical verification of inventory carried out by the management and corrective actions taken to rectify the identified discrepancies (if any).</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
3.	<p><b>Evaluation of uncertain tax positions:</b></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p><b>We have performed the following procedures:</b></p> <p>Obtained understanding of key uncertain tax positions;</p> <p>Obtained details of completed tax assessments and demands upto the year ended 31<sup>st</sup> March, 2019 from the management;</p> <p>We have;</p> <ul style="list-style-type: none"> <li>i. Discussed with management and evaluated the management's underlying key assumptions in estimating the tax provision;</li> <li>ii. Assessed management's estimate of the possible outcome of the disputed cases; and</li> <li>iii. Considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</li> </ul> <p>Additionally, considered the effect of new information in respect of uncertain tax positions as at 1<sup>st</sup> April, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>

### INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

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

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management

either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a

material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated

in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

I. 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 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 A” 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 Financial Statements – Refer Note No. 28 to the Standalone 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.
- II. 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 B, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

**For G. D. Apte & Co.**  
**Chartered Accountants**

Firm registration number: 100515W

**Chetan R. Sapre**

Partner

Place : Mumbai

Date: 29<sup>th</sup> May, 2019

Membership No: 116952

## **ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT ON STANDALONE FINANCIAL STATEMENTS OF SAVITA OIL TECHNOLOGIES LIMITED**

**(Referred to in paragraph I (f) 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 Financial Statements for the year ended 31<sup>st</sup> March, 2019)**

### **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, 2019 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 respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone 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 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 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 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 respects, 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, 2019, 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 registration number: 100515W

**Chetan R. Sapre**

Partner

Place : Mumbai

Date: 29<sup>th</sup> May, 2019

Membership No: 116952

## **ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT ON STANDALONE 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 Financial Statements for the year ended 31<sup>st</sup> March, 2019)**

- 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 made any investment, or provided any guarantee or security in respect of which provisions of section 185 of the Act are applicable. 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, 2019 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:

(₹ In lacs)

Name of the Statute	Nature of 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	96.26	2.50	93.77
		Commissioner of Central Excise (Appeals)	2006-2017	54.78	3.72	51.05
		Customs, Excise and Service Tax Appellate Tribunal	1999-2002 2004-2017	969.02	40.50	928.52
<b>Total (A)</b>				<b>1,120.06</b>	<b>46.72</b>	<b>1,073.34</b>
Finance Act, 1994	Service Tax	Joint Commissioner, Service Tax	2006-2011	20.16	-	20.16
<b>Total (B)</b>				<b>20.16</b>	<b>-</b>	<b>20.16</b>
Customs Act, 1962	Customs Duty	Commissioner of Customs (Imports)	1992-1993 2006-2007	402.63	-	402.63
<b>Total (C)</b>				<b>402.63</b>	<b>-</b>	<b>402.63</b>
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	2,003.94	38.42	1,965.52
		Sales Tax Tribunal	1998-1999	0.75	0.25	0.50
<b>Total (D)</b>				<b>2,012.34</b>	<b>38.67</b>	<b>1,973.67</b>
Tamil Nadu Panchayat Act, 1994	House Tax	Thadichery Panchayat, Theni	2012-13	33.49	-	33.49
<b>Total (E)</b>				<b>33.49</b>	<b>-</b>	<b>33.49</b>
<b>Grand Total ( A + B + C + D + E )</b>				<b>3,588.68</b>	<b>85.40</b>	<b>3,503.29</b>

- 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.
- 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 registration number: 100515W

**Chetan R. Sapre**

Partner

Place : Mumbai

Date: 29<sup>th</sup> May, 2019

Membership No: 116952

# Balance Sheet

as at 31<sup>st</sup> March, 2019

₹ in lacs

	Notes	As at 31.3.2019	As at 31.3.2018
<b>A. ASSETS</b>			
<b>1. Non-current Assets</b>			
a. Property, Plant and Equipment	3	19,168.32	19,838.87
b. Capital Work-in-Progress	3	254.68	210.75
c. Investment Property	4	973.47	1,081.57
d. Other Intangible Assets	5	92.27	67.61
e. Financial Assets	6		
(i) Investments	6.1	523.45	505.62
(ii) Loans	6.3	19.37	23.53
(iii) Others	6.4	33.79	-
f. Other Non-current Assets	8	642.83	709.33
<b>2. Current Assets</b>			
a. Inventories	7	43,721.70	41,505.23
b. Financial Assets	6		
(i) Investments	6.1	6,345.14	1,865.43
(ii) Trade Receivables	6.2	57,906.08	53,907.52
(iii) Cash and cash equivalents	6.5	6,591.53	2,326.34
(iv) Bank balances other than (iii) above	6.6	195.28	202.38
(v) Loans	6.3	31.87	30.17
(vi) Others	6.4	419.69	568.97
c. Current Tax Assets (Net)	15	1,058.86	754.01
d. Other Current Assets	8	5,162.85	4,837.69
e. Assets classified as held for sale		-	-
<b>Total Assets</b>		<b>1,43,141.18</b>	<b>1,28,435.02</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity Share Capital	9	1,432.21	1,432.21
b. Other Equity	10	83,728.27	72,798.72
		<b>85,160.48</b>	<b>74,230.93</b>
<b>Liabilities</b>			
<b>1. Non-current Liabilities</b>			
a. Financial Liabilities	11		
(i) Borrowings	11.1	114.54	215.82
(ii) Other financial liabilities (other than those specified in (b) below)	11.4	28.82	-
b. Provisions	12	491.68	492.83
c. Deferred Tax Liabilities (Net)	13	900.11	973.80
d. Other Non-current Liabilities	14	23.42	26.35
<b>2. Current Liabilities</b>			
a. Financial Liabilities	11		
(i) Borrowings	11.2	137.98	6.36
(ii) Trade Payables	11.3	50,784.90	46,026.92
(iii) Other Financial Liabilities (other than those specified in (c) below)	11.4	1,543.16	1,882.34
b. Other Current Liabilities	14	3,091.23	3,720.35
c. Provisions	12	403.93	268.48
d. Current Tax Liabilities (Net)	15	460.93	590.84
<b>Total Equity and Liabilities</b>		<b>1,43,141.18</b>	<b>1,28,435.02</b>
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

Mumbai

29<sup>th</sup> May, 2019

**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

**M. C. Dalal** (DIN : 00087178) Non-executive Director

# Statement of Profit and Loss

## for the year ended 31<sup>st</sup> March, 2019

	Notes	Year ended 31.3.2019	Year ended 31.3.2018
₹ in lacs			
<b>INCOME</b>			
Revenue from Operations	16	2,26,251.87	1,82,462.75
Other Income	17	1,839.86	955.29
<b>Total Income</b>		<b>2,28,091.73</b>	<b>1,83,418.04</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	18	1,75,268.78	1,30,840.03
Purchase of Stock-in-trade	19	1,284.07	677.89
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(1,701.08)	916.34
Excise duty		-	4,192.66
Employee Benefits Expense	21	5,210.85	4,676.94
Finance Costs	22	2,895.04	1,375.19
Depreciation and Amortisation Expense	23	2,353.23	2,588.27
Other Expenses	24	26,509.77	22,542.94
<b>Total Expenditure</b>		<b>2,11,820.66</b>	<b>1,67,810.26</b>
<b>Profit for the year before tax</b>		<b>16,271.07</b>	<b>15,607.78</b>
<b>Tax Expenses</b>			
Current Tax	35	5,035.36	4,825.00
Deferred Tax	35	(73.68)	(338.45)
Provision for taxation no longer required	35	(117.62)	(1,498.36)
<b>Total Tax Expenses</b>		<b>4,844.06</b>	<b>2,988.19</b>
<b>Profit for the year from continuing operations</b>		<b>11,427.01</b>	<b>12,619.59</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	(101.17)	(16.67)
ii) Income tax related to such items	35	35.36	5.77
<b>Total Comprehensive Income for the period</b>		<b>11,361.20</b>	<b>12,608.69</b>
Basic and Diluted earnings per share in ₹ (face value of ₹ 10 each)		79.79	88.11
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

Mumbai

29<sup>th</sup> May, 2019

**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

**M. C. Dalal** (DIN : 00087178) Non-executive Director

# Statement of Changes in Equity

## for the year ended 31<sup>st</sup> March, 2019

<b>Equity Share Capital</b>	₹ in lacs
<b>Balance as at 1<sup>st</sup> April, 2017</b>	1,460.21
Changes in equity share capital during the year (Refer note 9(d))	(28.00)
<b>Balance as at 31<sup>st</sup> March, 2018</b>	1,432.21
Changes in equity share capital during the year	-
<b>Balance as at 31<sup>st</sup> March, 2019</b>	<b>1,432.21</b>

<b>Other Equity</b>	₹ in lacs
---------------------	-----------

	<b>Reserves and Surplus</b>						
	<b>Capital Reserve - Forfeited Shares</b>	<b>Capital Reserve - Others</b>	<b>Capital Redemption Reserve</b>	<b>Securities Premium Reserve</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total Amount</b>
<b>Balance at 1<sup>st</sup> April, 2017</b>	<b>0.35</b>	<b>118.87</b>	<b>-</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)	-	-
<b>Total comprehensive income for the year</b>	<b>0.35</b>	<b>118.87</b>	<b>28.00</b>	<b>-</b>	<b>11,944.60</b>	<b>60,706.90</b>	<b>72,798.72</b>
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>-</b>	<b>13,214.60</b>	<b>59,436.90</b>	<b>72,798.72</b>
Profit for the year	-	-	-	-	-	11,427.01	11,427.01
Other comprehensive income	-	-	-	-	-	(65.81)	(65.81)
<b>Total comprehensive income for the year</b>	<b>0.35</b>	<b>118.87</b>	<b>28.00</b>	<b>-</b>	<b>13,214.60</b>	<b>70,798.10</b>	<b>84,159.92</b>
Dividend for 2017-18	-	-	-	-	-	(358.05)	(358.05)
Tax on Dividend 2017-18	-	-	-	-	-	(73.60)	(73.60)
Transfer from retained earnings / Transfer to General Reserve	-	-	-	-	1,150.00	(1,150.00)	-
<b>Balance at 31<sup>st</sup> March, 2019</b>	<b>0.35</b>	<b>118.87</b>	<b>28.00</b>	<b>-</b>	<b>14,364.60</b>	<b>69,216.45</b>	<b>83,728.27</b>

The Board of Directors have recommended dividend @ 25 %, i.e., ₹ 2.50 per Equity Share (face value ₹ 10 each) aggregating to ₹ 431.65 lacs (including dividend distribution tax) for the year ended 31<sup>st</sup> March, 2019.

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 previous 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

Mumbai

29<sup>th</sup> May, 2019

**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

**M. C. Dalal** (DIN : 00087178) Non-executive Director

# Cash Flow Statement

## for the year ended 31<sup>st</sup> March, 2019

₹ in lacs

	2018-2019	2017-2018
<b>A. Cash Flow from Operating Activities :</b>		
Profit before tax from continuing operations	16,271.07	15,607.78
<b>Adjustments for -</b>		
Depreciation on property, plant and equipment and investment property	2,329.32	2,570.09
Amortisation on intangible assets	23.91	18.18
Finance costs	2,865.84	1,330.33
Interest on sales tax deferment loan	29.20	44.86
(Profit) / loss on sale of property, plant and equipment (net)	(499.84)	(38.96)
(Profit) / loss on sale of current investments (net)	(312.76)	(68.51)
Fair valuation of the non-current investments	(17.83)	(7.41)
Fair valuation of the current investments	(116.31)	(3.59)
Interest income	(177.82)	(295.05)
Dividend income	(6.94)	(36.32)
Lease rental	7.32	10.01
Bad debts, provision for doubtful debts and advances	270.85	407.92
Balance written off	-	19.11
Unrealised exchange loss / (gain) (net)	(627.15)	183.90
Operating profit before working capital changes	20,038.86	19,742.34
<b>Changes in working capital:</b>		
Increase / (Decrease) in trade payables	5,516.03	7,907.98
Increase / (Decrease) In long-term provisions	(1.15)	30.12
Increase / (Decrease) in short-term provisions	34.28	(90.38)
Increase / (Decrease) in other long-term liabilities	(64.01)	42.50
Increase / (Decrease) in other current liabilities	(728.55)	119.15
(Increase) / Decrease in trade receivables	(4,403.98)	(11,964.79)
(Increase) / Decrease in inventories	(2,216.47)	(916.41)
(Increase) / Decrease in long-term loans	(15.79)	(95.58)
(Increase) / Decrease in short-term loans	(161.38)	(1,992.46)
(Increase) / Decrease in other current assets	(12.58)	18.92
Cash generated from operations	17,985.26	12,801.39
Interest received	164.03	282.86
Income tax paid	(5,317.15)	(3,410.27)
<b>Net cash from Operating Activities</b>	<b>12,832.14</b>	<b>9,673.98</b>

# Cash Flow Statement

## for the year ended 31<sup>st</sup> March, 2019

₹ in lacs

	2018-2019	2017-2018
<b>B. Cash Flow from Investing Activities :</b>		
Additions to property, plant and equipment, investment property and CWIP	(1,636.72)	(652.28)
Additions to intangible assets	(48.57)	(30.76)
Sale of property, plant and equipment	587.30	68.64
Purchase of non-current investments	-	(400.00)
Purchase of current investments	(90,329.79)	(48,911.82)
Sale of current investments	86,279.15	48,933.35
Interest received	10.96	12.16
Dividend received	6.15	36.32
<b>Net cash used in Investing Activities</b>	<b>(5,131.52)</b>	<b>(944.39)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds from short-term borrowings	131.62	-
Repayment of long-term borrowings	(318.58)	(1,333.23)
Repayment of short-term borrowings	-	(271.06)
Shares bought back	-	(4,494.00)
(Increase) / Decrease in earmarked bank balances (net)	7.10	16.11
Interest paid	(2,810.97)	(1,347.67)
Dividend paid	(371.00)	(23.06)
Dividend tax paid	(73.60)	-
<b>Net cash used in Financing Activities</b>	<b>(3,435.43)</b>	<b>(7,452.91)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>4,265.19</b>	<b>1,276.68</b>
<b>Cash and Cash Equivalents - Beginning of the year</b>	<b>2,326.34</b>	<b>1,049.66</b>
<b>Cash and Cash Equivalents - End of the year</b>	<b>6,591.53</b>	<b>2,326.34</b>
<b>Net Cash and Cash Equivalents</b>	<b>(4,265.19)</b>	<b>(1,276.68)</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

Mumbai

29<sup>th</sup> May, 2019**U. C. Rege**

Company Secretary

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**S. M. Dixit** (DIN : 02359138)

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For and on behalf of the Board

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

Managing Director

**M. C. Dalal** (DIN : 00087178) Non-executive Director

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### 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 windmills / 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 29<sup>th</sup> May, 2019.

### 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.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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

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

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

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

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

### B. Property, plant and equipment

(i) 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.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

(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 lives of property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

### 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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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.

### 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) Revenue from contracts with customer

Revenue from contracts with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services (assets) to the customers. Performance obligations are satisfied when the customer obtains control of the goods.

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

#### b) Processing income

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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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;
- 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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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 date.

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

Defined benefit costs are categorized as follows:

- 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 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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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

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

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

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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.

- a) Segment revenue includes sales and other income directly attributable / allocable to segments including inter-segment revenue.
- b) Expenses directly identifiable with / allocable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- c) Income which relates to the Company as a whole and not allocable to segments is included in un-allocable income.

- d) Segment results include margins on inter-segment sales which are reduced in arriving at the profit before tax of the company.
- e) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

### 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 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.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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

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

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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### C. Derecognition:

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

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

### D. Impairment of financial assets:

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

## II. Financial liabilities

### A. Initial recognition and measurement:

Financial liabilities are classified at initial recognition as :

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

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

- (ii) **Trade and other payables:** These amounts represent liabilities for goods and services

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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;

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

- (c) Evaluation of recoverability of deferred tax assets

### Estimates and Assumptions

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

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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### 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 Fittings	Office Equipments	Vehicles	Total	Capital Work-in-Progress
							Equipment	Equipment	Equipment					
<b>I. Gross Carrying Amount</b>														
	Balance as at 1 <sup>st</sup> April, 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	
	Additions	322.79	543.54	3.78	542.68	63.68	3.41	40.30	37.98	23.57	11.06	1,592.79	762.27	
	Deletions	-	6.69	-	57.72	-	-	0.02	0.01	0.26	9.85	74.55	718.34	
	Transfer from Investment Property	-	67.70	-	-	-	-	-	-	-	-	67.70	-	
	Balance as at 31 <sup>st</sup> March, 2019	2,515.92	6,543.02	11,612.11	7,150.06	375.92	345.40	206.01	381.42	140.67	334.79	29,605.32	254.68	
<b>II. Accumulated Depreciation and Impairment</b>														
	Balance as at 1 <sup>st</sup> April, 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	-	
	Depreciation for the year	-	373.29	966.84	677.20	58.34	40.13	38.94	44.34	22.22	56.00	2,277.30	-	
	Accumulated depreciation on deletions	-	0.90	-	25.27	-	-	-	-	0.05	6.21	32.43	-	
	Transfer from Investment Property	-	11.62	-	-	-	-	-	-	-	-	11.62	-	
	Balance as at 31 <sup>st</sup> March, 2019	-	1,543.19	4,771.54	3,052.73	176.29	225.39	144.53	228.27	94.24	200.82	10,437.00	-	
<b>III. Net Carrying Amount as at 31<sup>st</sup> March, 2019</b>														
		<b>2,515.92</b>	<b>4,999.83</b>	<b>6,840.57</b>	<b>4,097.33</b>	<b>199.63</b>	<b>120.01</b>	<b>61.48</b>	<b>153.15</b>	<b>46.43</b>	<b>133.97</b>	<b>19,168.32</b>	<b>254.68</b>	
<b>IV. Net Carrying Amount as at 31<sup>st</sup> March, 2018</b>														
		2,193.13	4,779.29	7,803.63	4,264.30	194.29	156.73	60.14	159.52	45.29	182.55	19,838.87	210.75	

#### 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 ₹ 11.67 lacs (Previous year ₹ 40.31 lacs) in Laboratory Equipment, ₹ Nil (Previous year ₹ 4.38 lacs) in Plant and Machinery, ₹ 0.45 lacs (Previous year ₹ 0.38 lacs) in Computer and Data Processing and ₹ 0.18 lacs (Previous year ₹ Nil) 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, 2019

### 4 INVESTMENT PROPERTY

₹ in lacs

	<b>Buildings</b>
<b>I. Gross Carrying Amount</b>	
Balance as at 1 <sup>st</sup> April, 2018	1,255.78
Additions	-
Deletions	-
Transfer to owner-occupied property	67.70
Balance as at 31 <sup>st</sup> March, 2019	<b>1,188.08</b>
<b>II. Accumulated Depreciation and Impairment</b>	
Balance as at 1 <sup>st</sup> April, 2018	174.21
Depreciation for the year	52.02
Accumulated depreciation on deletions	-
Transfer to owner-occupied property	11.62
Balance as at 31 <sup>st</sup> March, 2019	<b>214.61</b>
<b>III. Net Carrying Amount as at 31<sup>st</sup> March, 2019</b>	<b>973.47</b>
<b>IV. Net Carrying Amount as at 31<sup>st</sup> March, 2018</b>	1,081.57

**Note:**

- 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

	2018-2019 ₹ in lacs	2017-2018 ₹ in lacs
Rental income derived from investment properties	133.54	153.66
Direct operating expenses (including repairs and maintenance) that generate rental income	(9.63)	(12.90)
Direct operating expenses (including repairs and maintenance) that do not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	123.91	140.76
Less : Depreciation	(52.02)	(55.31)
Profit arising from investment properties before indirect expenses	<b>71.89</b>	<b>85.45</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, 2019.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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

	31.3.2019 ₹ in lacs	31.3.2018 ₹ in lacs
Fair value measurement using Level 2	2,520.80	3,016.80

### b) Reconciliation of fair value

Particulars	₹ in lacs
Particulars	Total
Opening balance as at 1 <sup>st</sup> April, 2018	3,016.80
Fair value difference	-
Purchases / Reclassification	(496.00)
Closing balance as at 31 <sup>st</sup> March, 2019	<b>2,520.80</b>

### 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
	Computer Software and Licence
<b>I. Gross Carrying Amount</b>	
Balance as at 1 <sup>st</sup> April, 2018	118.88
Additions	48.57
Deletions	-
Balance as at 31 <sup>st</sup> March, 2019	<b>167.45</b>
<b>II. Accumulated Depreciation and Impairment</b>	
Balance as at 1 <sup>st</sup> April, 2018	51.27
Depreciation for the year	23.91
Accumulated depreciation on deletions	-
Balance as at 31 <sup>st</sup> March, 2019	<b>75.18</b>
<b>III. Net Carrying Amount as at 31<sup>st</sup> March, 2019</b>	<b>92.27</b>
<b>IV. Net Carrying Amount as at 31<sup>st</sup> March, 2018</b>	<b>67.61</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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	80.12	12.15	92.27
	<b>80.12</b>	<b>12.15</b>	<b>92.27</b>

## 6 FINANCIAL ASSETS

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

	Face Value ₹	As at 31.3.2019 Quantity Nos.	As at 31.3.2018 Quantity Nos.	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ 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	1,06,100	1,06,100	-	-
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	112.84	104.08
				<b>113.00</b>	<b>104.24</b>
<b>Equity Oriented Mutual Funds</b>					
L&T India Prudence Fund - Growth	10	388,410	388,410	101.45	99.32
Motilal Oswal Most Focused Dynamic Equity Fund - Regular Growth	10	16,90,146	16,90,146	206.89	203.25
Reliance Regular Savings Fund - Balanced	10	1,85,265	1,85,265	102.11	98.81
				<b>410.45</b>	<b>401.38</b>
				<b>523.45</b>	<b>505.62</b>
Aggregate amount of Unquoted Investments - gross				572.24	554.41
Aggregate amount of impairment in value of investments				48.79	48.79
Aggregate amount of Unquoted Investments - net				523.45	505.62

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### Current Investments (at FVTPL)

	Face Value ₹	As at 31.3.2019 Quantity Nos.	As at 31.3.2018 Quantity Nos.	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
<b>Quoted Equity Shares</b>					
Indian Oil Corporation Limited	10	53,000	-	86.23	-
				<b>86.23</b>	<b>-</b>
<b>Unquoted Mutual Funds</b>					
Aditya Birla Sun Life Savings Fund - Growth - Regular Plan	100	-	87,795	-	300.18
Aditya Birla Sun Life Overnight Fund - Growth	1,000	137,390	-	1,409.16	-
HDFC Liquid Fund -Growth	1,000	-	14,685	-	500.83
HDFC Overnight Fund - Growth	1,000	53,434	-	1,502.39	-
Kotak Liquid Scheme Plan A - Growth	1,000	-	8,553	-	300.45
L&T Cash Fund - Growth	1,000	28,425	-	404.16	-
SBI Premier Liquid Fund - Regular Plan - Growth	1,000	25,750	14,760	750.94	400.83
SBI Magnum Insta Cash Fund	1,000	1,646	1,646	68.20	62.97
SBI Overnight Fund - Growth	1,000	69,261	-	2,124.06	-
Tata Ultra Short Term Fund Regular Plan - Growth	1,000	-	11,396	-	300.17
				<b>6,258.91</b>	<b>1,865.43</b>
				<b>6,345.14</b>	<b>1,865.43</b>
Aggregate amount of Unquoted Investments - gross				<b>6,345.14</b>	<b>1,865.43</b>
Aggregate amount of impairment in value of investments				-	-
Aggregate amount of Unquoted Investments - net				<b>6,345.14</b>	<b>1,865.43</b>

### 6.2 Trade Receivables

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
<b>Current</b>		
Unsecured, Considered good	57,973.97	53,978.96
Considered doubtful	2,066.06	2,179.72
	<b>60,040.03</b>	<b>56,158.68</b>
Allowance for doubtful debts	(2,066.06)	(2,179.72)
	<b>57,973.97</b>	<b>53,978.96</b>
Less: Impairment under expected credit loss	(67.89)	(71.44)
	<b>57,906.08</b>	<b>53,907.52</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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	0.02
91-180 days past due	0.27
181-270 days past due	0.74
More than 270 days past due	3.43

Age of receivables *	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
0-90 days past due	52,415.24	47,924.82
91-180 days past due	3,020.64	4,211.46
181-270 days past due	1,433.24	1,068.85
More than 270 days past due	1,104.85	773.83

\* 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	71.44	401.11
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(3.55)	(329.67)
Balance at the end of the year	<b>67.89</b>	<b>71.44</b>

### 6.3 Loans

Non-current		
Other Loans		
Unsecured, considered good	19.37	23.53
	<b>19.37</b>	<b>23.53</b>
Current		
Other Loans		
Unsecured, considered good	31.87	30.17
	<b>31.87</b>	<b>30.17</b>
	<b>51.24</b>	<b>53.70</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
<b>6.4 Other Financial Assets</b>		
<b>Non-current</b>		
Security Deposits	29.53	-
Bank deposits with more than 12 months maturity	4.26	-
	<b>33.79</b>	<b>-</b>
<b>Current</b>		
Security Deposits	363.83	490.64
Derivative Asset	25.26	63.93
Other Financial Assets	30.60	14.40
	<b>419.69</b>	<b>568.97</b>
	<b>453.48</b>	<b>568.97</b>
<b>6.5 Cash and Cash Equivalents</b>		
Balances with banks		
On Current accounts	4,577.06	2,306.98
Deposit accounts with less than 3 months maturity	2,000.00	-
Cash on hand	14.47	19.36
	<b>6,591.53</b>	<b>2,326.34</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	127.68	117.94
Unpaid dividend accounts	67.60	80.55
	<b>195.28</b>	<b>202.38</b>

## 7 INVENTORIES

Raw and Packing Materials :		
on hand	20,791.46	23,557.18
in transit	10,587.21	7,325.64
Work-in-Process	2,061.51	1,338.48
Finished Goods :		
on hand	8,296.89	7,450.72
in transit	1,687.46	1,541.86
Stock-in-trade	107.15	120.88
Stores and Spares	190.02	170.47
	<b>43,721.70</b>	<b>41,505.23</b>

During the year ended 31<sup>st</sup> March, 2019, ₹ 136.25 lacs (Previous year ₹ 256.64 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, 2019

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
<b>8 OTHER ASSETS</b>		
<b>Non-current</b>		
Capital Advances	68.30	74.14
Prepaid Lease Rental - Land	219.50	272.16
Others including duties and taxes receivable	628.49	636.49
Less: Provision for doubtful advances	(273.46)	(273.46)
	<b>642.83</b>	<b>709.33</b>
<b>Current</b>		
GST balances	2,591.89	3,148.64
Advances to vendors	201.90	219.57
Prepaid Lease Rental - Land	8.40	10.02
Other loans and advances including duties and taxes receivable (other than GST balances)	2,360.66	1,459.46
	<b>5,162.85</b>	<b>4,837.69</b>
	<b>5,805.68</b>	<b>5,547.02</b>
<b>9 EQUITY SHARE CAPITAL</b>		
<b>Authorised shares</b>		
3,00,00,000 (As at 31 <sup>st</sup> March, 2018: 3,00,00,000) Equity shares of ₹ 10 each	3,000.00	3,000.00
<b>Issued shares</b>		
1,43,22,083 (As at 31 <sup>st</sup> March, 2018: 1,43,22,083) Equity shares of ₹ 10 each	1,432.21	1,432.21
<b>Subscribed and fully paid-up shares</b>		
1,43,22,083 (As at 31 <sup>st</sup> March, 2018: 1,43,22,083) Equity shares of ₹ 10 each	1,432.21	1,432.21
<b>a) Reconciliation of number of shares</b>		
	Nos.	₹ in lacs
<b>As at 1.4.2017</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
Issued during the year	-	-
<b>As at 31.3.2019</b>	1,43,22,083	1,432.21

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### 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.

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

	As at 31.3.2019		As at 31.3.2018	
	Nos.	% of holding	Nos.	% of holding
Gautam N. Mehra*	93,18,325	65.06	93,18,325	65.06
HDFC Trustees Company Ltd.	13,06,326	9.12	13,06,326	9.12

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

\* Includes 92,45,494 (As at 31<sup>st</sup> March, 2018: 92,45,494) 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.

## 10 OTHER EQUITY

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
<b>Capital Reserve - Forfeited Shares</b>	0.35	0.35
<b>Capital Reserve - Others</b>	118.87	118.87
<b>Security Premium Account</b>		
Balance at the beginning of the year	-	1,723.60
Less: Utilised for buy-back of shares (Refer note 9(d))	-	(1,723.60)
	-	-
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	28.00	-
Add: Transfer from General Reserve (Refer note 9(d))	-	28.00
	<b>28.00</b>	<b>28.00</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
<b>General Reserve</b>		
Balance at the beginning of the year	13,214.60	14,715.00
Add: Transfer from surplus in the Statement of Profit and Loss	1,150.00	1,270.00
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>14,364.60</b>	<b>13,214.60</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	59,436.90	48,098.21
Less: Depreciation relating to assets having completed their useful life	-	-
Add: Profit for the year	11,427.01	12,619.59
Add: Other comprehensive income arising from re-measurement of defined benefit obligation net off income tax	(65.81)	(10.90)
	<b>70,798.10</b>	<b>60,706.90</b>
<b>Less: Appropriations</b>		
Dividend for 2017-18 (amount per share ₹ 2.50)	358.05	-
Tax on Dividend 2017-18	73.60	-
Transfer to General Reserve	1,150.00	1,270.00
<b>Total Appropriations</b>	<b>1,581.65</b>	<b>1,270.00</b>
<b>Net retained earning</b>	<b>69,216.45</b>	<b>59,436.90</b>
	<b>83,728.27</b>	<b>72,798.72</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 previous 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, 2019

### 11 FINANCIAL LIABILITIES

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
<b>11.1 Long-term Borrowings</b>		
<b>Non-current</b>		
<b>Term Loans from Banks - Secured</b>		
Foreign Currency Loans	-	-
<b>Deferred Payment Liability - Unsecured</b>		
Sales Tax Deferment	114.54	215.82
	<b>114.54</b>	<b>215.82</b>
<b>Current</b>		
<b>Term Loans from Banks - Secured</b>		
Foreign Currency Loans	-	203.70
<b>Deferred Payment Liability - Unsecured</b>		
Sales Tax Deferment	130.48	173.53
	<b>130.48</b>	<b>377.23</b>
Less : Amount clubbed under "Other current financial liabilities"	130.48	377.23
Net current borrowing	-	-
<b>11.1.1 Government grants</b>		
Balance at the beginning of the year	55.55	100.41
Released to the statement of profit and loss	(29.20)	(44.86)
	<b>26.35</b>	<b>55.55</b>
Current	16.62	29.20
Non-current	9.73	26.35
	<b>26.35</b>	<b>55.55</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.

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 ₹ 203.70 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.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### Details of Deferred Payment Liability

Deferred Payment Liabilities (without considering the present value) amounting to ₹ 271.37 lacs (Previous year ₹ 444.90 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	
	31.3.2019	31.3.2018
2003-2004	-	43.05
2004-2005	40.02	80.04
2005-2006	105.04	157.57
2006-2007	76.31	101.74
2007-2008	50.00	62.50
<b>Total</b>	<b>271.37</b>	<b>444.90</b>

### 11.2 Short-term Borrowings (Secured)

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
Loans Repayable on demand		
Cash Credits from banks	137.98	6.36
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.		
Export packing credit	-	-
	<b>137.98</b>	<b>6.36</b>

For details of carrying amounts of assets pledged / hypothecated for borrowing facilities, refer Note 31.

### 11.3 Trade payables and Acceptances

Current		
Trade payables		
Micro and Small Enterprises	25.56	-
Other than Micro and Small Enterprises	21,838.87	21,437.99
Acceptances	28,920.47	24,588.93
	<b>50,784.90</b>	<b>46,026.92</b>

(Refer Note 27 for details of dues to micro and small enterprises)

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
<b>11.4 Other Financial Liabilities</b>		
<b>Non-current</b>		
Security deposit	28.82	-
	<b>28.82</b>	<b>-</b>
<b>Current</b>		
<b>Financial liabilities at FVTPL</b>		
Derivatives liabilities carried at fair value	2.02	-
Interest accrued but not due on borrowings	-	1.50
Current maturities of long-term borrowings - Term loan	-	203.70
<b>Other financial liabilities at amortised cost</b>		
Current maturities of long-term borrowings - Sales tax deferment	130.48	173.53
Unpaid dividends	67.60	80.55
Security deposit	524.23	588.24
Employee benefits	352.48	594.83
Other payables	466.35	239.99
	<b>1,543.16</b>	<b>1,882.34</b>
	<b>1,571.98</b>	<b>1,882.34</b>

Note: There are no amounts due and outstanding in respect of Investor Education and Protection Fund as on 31<sup>st</sup> March, 2019 (Previous year Nil)

## 12 PROVISIONS

<b>Non-current</b>		
<b>Provisions in respect of employee benefits</b>		
Leave encashment	491.68	492.83
	<b>491.68</b>	<b>492.83</b>
<b>Current</b>		
<b>Provisions in respect of employee benefits</b>		
Leave encashment	229.80	181.60
Gratuity (Refer Note 32)	174.13	86.88
	<b>403.93</b>	<b>268.48</b>
	<b>895.61</b>	<b>761.31</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
<b>13 DEFERRED TAX LIABILITY (NET)</b>		
Deferred Tax Liability	1,999.38	2,110.33
Deferred Tax Asset	1,099.27	1,136.53
<b>Net Deferred Tax Liability</b>	<b>900.11</b>	<b>973.80</b>
<b>Deductible temporary difference</b>		
Deferred grant	9.21	19.22
Provision for doubtful debts and advances	841.25	873.72
Defined benefit obligation	248.10	233.40
Derivative liabilities	0.71	-
Borrowings	-	10.19
	<b>1,099.27</b>	<b>1,136.53</b>
<b>Taxable temporary differences</b>		
Property, plant and equipment and investment property	1,895.73	2,030.59
Borrowings	9.21	19.22
Investments	85.61	38.40
Derivative assets	8.83	22.12
	<b>1,999.38</b>	<b>2,110.33</b>
	<b>900.11</b>	<b>973.80</b>
<b>14 OTHER LIABILITIES</b>		
<b>Non-current</b>		
Deferred revenue arising from security deposit	13.69	-
Deferred revenue arising from government grant	9.73	26.35
	<b>23.42</b>	<b>26.35</b>
<b>Current</b>		
Deferred revenue arising from government grant	16.62	29.20
Income tax deducted at source	310.04	310.68
Duties and taxes	420.71	595.52
Interest on security deposit	3.34	-
Deferred revenue arising from security deposit	3.91	-
Advances from customers	473.31	439.32
Other payables	1,863.30	2,345.63
	<b>3,091.23</b>	<b>3,720.35</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### 15 CURRENT TAX ASSETS AND LIABILITIES

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
<b>Current tax assets</b>		
Tax refund receivable	1,058.86	754.01
	<b>1,058.86</b>	<b>754.01</b>
<b>Current tax liabilities</b>		
Income tax payable	460.93	590.84
	<b>460.93</b>	<b>590.84</b>

	2018-2019 ₹ in lacs	2017-2018 ₹ in lacs
<b>16 REVENUE FROM OPERATIONS</b>		
<b>Sale of products (Gross of Excise Duty)</b>		
Finished and traded products	2,24,582.75	1,80,860.95
<b>Other operating revenue</b>		
Processing income	2.02	0.80
Government Grants		
Export incentives	1,475.27	1,249.33
Incentives for renewable energy generation	191.83	351.67
Revenue from Operations (gross)	<b>2,26,251.87</b>	<b>1,82,462.75</b>

The effect on adoption of Ind AS 115 does not have any material impact on the financial statements of the Company.

### 17 OTHER INCOME

Interest income	177.82	295.05
Dividend income	6.94	36.32
Net gain on sale of investments - Current	312.76	68.20
Compensation for wind power generation loss	-	45.00
Grant Income	29.20	44.86
Reversal of provision for doubtful debts	117.20	-
Gain on fair valuation of investments	134.12	11.02
Gain on foreign currency transactions and translation (net)	-	8.42
Profit on sale of property, plant and equipments (net)	499.84	38.96
Miscellaneous income	561.98	407.46
	<b>1,839.86</b>	<b>955.29</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

	2018-2019 ₹ in lacs	2017-2018 ₹ in lacs
<b>18 COST OF MATERIALS CONSUMED</b>		
Base oils	1,54,547.23	1,13,247.25
Process chemicals / solvents	8,764.76	7,736.82
Packing materials	10,521.17	8,904.71
Others	1,435.62	951.25
	<b>1,75,268.78</b>	<b>1,30,840.03</b>
<b>19 PURCHASE OF TRADED GOODS</b>		
Base oils	969.10	424.35
Lubricating oils / Greases	108.40	164.21
Others	206.57	89.33
	<b>1,284.07</b>	<b>677.89</b>
<b>20 (INCREASE) / DECREASE IN INVENTORIES</b>		
<b>Inventories at the end of the year</b>		
Finished Goods	9,984.36	8,992.58
Work-in-Process	2,061.51	1,338.48
Traded Goods	107.15	120.88
	<b>12,153.02</b>	<b>10,451.94</b>
<b>Inventories at the beginning 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>(1,701.08)</b>	<b>916.34</b>
<b>21 EMPLOYEE BENEFIT EXPENSE (REFER NOTE 32)</b>		
Salaries, Wages and Bonus	4,677.65	4,213.10
Contribution to employees' provident and other funds	355.44	323.48
Staff Welfare Expenses	177.76	140.36
	<b>5,210.85</b>	<b>4,676.94</b>
<b>22 FINANCE COST</b>		
<b>Interest and finance charges on financial liabilities not at FVTPL</b>		
Interest on loan	2.83	62.78
Interest on sales tax deferment loan	29.20	44.86
<b>Other borrowing costs</b>		
Interest	1,120.68	547.48
Net loss on currency fluctuation	1,282.49	360.85
Other borrowing costs and bank charges	459.84	359.22
	<b>2,895.04</b>	<b>1,375.19</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

	2018-2019 ₹ in lacs	2017-2018 ₹ in lacs
<b>23 DEPRECIATION / AMORTISATION (REFER NOTE 3, 4 AND 5)</b>		
Depreciation on property, plant and equipment	2,277.30	2,514.78
Depreciation on investment property	52.02	55.31
Amortisation of intangible assets	23.91	18.18
	<b>2,353.23</b>	<b>2,588.27</b>

### 24 OTHER EXPENSES

Stores and spares consumed	299.67	189.77
Fuel and power	297.71	267.77
Rent	1,011.21	1,107.67
Lease rentals on leasehold land	8.93	10.02
Freight	6,091.89	4,702.15
Rates, taxes and octroi	56.54	67.74
Insurance	478.50	366.32
Commission on sales	1,548.48	1,473.63
Donations	50.00	80.00
Repairs and maintenance:		
Buildings	64.19	95.26
Plant and Machinery	1,016.49	952.06
Others	128.56	127.79
Discounts	158.17	115.48
Royalty	11,049.83	9,862.16
Advertisement and sales promotion	607.92	251.72
Loss on foreign currency transactions and translation (net)	802.40	-
Bad debts	388.05	248.05
Provision for doubtful debts & advances (net)	-	159.87
Corporate Social Responsibility	70.94	22.02
Miscellaneous expenses	2,380.29	2,443.46
	<b>26,509.77</b>	<b>22,542.94</b>

The Company's R & D expenses that are not eligible for capitalisation have been expensed in the period incurred ₹ 182.75 lacs (Previous year ₹ 169.83 lacs) and they are recognised in other expenses.

#### Payment to auditors

a) Audit fees	16.50	20.00
b) Other services	17.23	5.98
c) Out of pocket expenses	0.02	0.46

- 25** The Company has spent ₹ 70.94 lacs (Previous year ₹ 22.02 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 ₹ 219.60 lacs (Previous year ₹ 111.16 lacs) computed as per the provisions of section 135(5) of the Companies Act, 2013.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

- 26** The Company's application for waiver of excess remuneration of ₹ 30.12 lacs paid to the Chairman and Managing Director (CMD) during the year ended 31<sup>st</sup> March, 2015 was rejected by the Ministry of Corporate Affairs (MCA) stating that the Company had failed to submit required information / documents. Although, the Company has replied to MCA with evidence that all the information / documents requisitioned was / were furnished from time to time, the Company has not received any further communication from them. In view of the above, the excess remuneration so paid has been refunded by the CMD to the Company during the current year.
- 27** Disclosure of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 (as available with the Company) (Refer Note 11.3).

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	25.56	-
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

	2018-2019 ₹ in lacs	2017-2018 ₹ in lacs
a) Disputed demands		
i) Excise and Customs	2,307.58	1,685.99
ii) Sales Tax	2,094.14	2,051.27
iii) Others	38.14	38.14
b) Claims not acknowledged as debt	210.00	210.00

## 29 COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 325.78 lacs (Previous year ₹ 376.90 lacs).
- b) 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.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### 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.

a) The lease expenditure / income recognised in the Statement of Profit and Loss :

Expenditure ₹ 1,010.89 lacs (Previous year ₹ 1,107.44 lacs)

Income ₹ 133.54 lacs (Previous year ₹ 153.66 lacs)

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

c) All these agreements have restriction on further leasing.

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

### 31 ASSETS HYPOTHICATED / PLEDGED AS SECURITY

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

	As at 31.3.2019 ₹ in lacs	As at 31.3.2018 ₹ in lacs
<b>Current Borrowings</b>		
Exclusive Hypothecation of certain		
Property, plant and equipment	-	1,987.08
(Refer Note 11.1)	-	<b>1,987.08</b>
<b>Hypothecation of</b>		
i) Inventories	43,721.70	41,505.23
ii) Trade receivables	57,906.08	53,907.52
iii) Current assets other than inventories and trade receivables	19,805.22	10,584.99
	<b>1,21,433.00</b>	<b>1,05,997.74</b>
<b>First Charge on</b>		
Property, plant and equipment	8,668.71	8,881.45
Investment Property	1.99	2.10
	<b>8,670.70</b>	<b>8,883.55</b>
(Refer Note 11.2)	<b>1,30,103.70</b>	<b>1,16,868.37</b>

### 32 EMPLOYEE BENEFITS (REFER NOTES 12 AND 21)

(i) **Defined Contribution Plan:**

Company's contribution to Provident Fund ₹ 232.94 lacs (Previous year ₹ 207.52 lacs).

The company also contributes to the following:

- National Pension Scheme (NPS) : ₹ 33.74 lacs (Previous year ₹ 29.58 lacs)

- Labour Welfare Fund : ₹ 0.04 lacs (Previous year ₹ 0.04 lacs)

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

(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 31.3.2019 ₹ in lacs	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	1,102.78	1,123.22	1,047.38	868.77	895.10
Service cost	66.20	61.55	51.09	46.55	50.31
Interest cost	85.80	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	1.23	(29.43)	45.96	(9.66)	(26.03)
Actuarial (Gains) / Losses on Obligations - Due to Experience	85.44	37.56	38.52	117.42	(63.46)
Benefits paid	(94.45)	(171.77)	(144.78)	(44.76)	(70.84)
Projected benefit obligation at the end of the year	<b>1,247.00</b>	<b>1,102.78</b>	<b>1,123.22</b>	<b>1,047.39</b>	<b>868.77</b>
<b>b) Change in the plan assets:</b>					
Fair value of the plan assets at the beginning of the year	1,015.91	1,004.15	963.26	927.06	854.74
Expected return on plan assets	79.04	73.00	78.22	73.70	79.92
Employer's contribution	86.87	119.07	106.62	15.25	71.84
Benefits paid	(94.45)	(171.77)	(144.78)	(44.76)	(70.84)
Return on plan assets, excluding interest income	(14.51)	(8.54)	0.83	(7.99)	(8.61)
Fair value of the plan assets at the end of the year	<b>1,072.86</b>	<b>1,015.91</b>	<b>1,004.15</b>	<b>963.26</b>	<b>927.05</b>
Funded status (Surplus / (Deficit))	<b>(174.14)</b>	<b>(86.87)</b>	<b>(119.07)</b>	<b>(84.13)</b>	<b>58.28</b>
<b>c) Net Gratuity and other cost:</b>					
Service cost	66.20	61.55	51.09	46.55	50.31
Interest on defined benefit obligation	85.80	81.65	85.05	69.07	83.69
Interest income	(79.04)	(73.00)	(78.22)	(73.70)	(79.92)
Net gratuity cost	<b>72.96</b>	<b>70.20</b>	<b>57.92</b>	<b>41.92</b>	<b>54.08</b>
<b>d) Amounts recognised in the statement of other comprehensive income:</b>					
Actuarial gains / (losses)	(86.67)	(8.13)	(84.52)	(107.75)	-
Return on plan assets, excluding interest income	(14.51)	(8.54)	0.83	(7.99)	-
Net income / (expense) for the period recognised in other comprehensive income	<b>(101.18)</b>	<b>(16.67)</b>	<b>(83.69)</b>	<b>(115.74)</b>	-
<b>e) Category of Assets:</b>					
Corporate Bonds	0.36	0.36	0.36	0.36	0.36
Special Deposits Scheme	43.66	43.66	43.66	43.66	43.66
Others	1,028.84	971.89	960.13	919.24	883.03
	<b>1,072.86</b>	<b>1,015.91</b>	<b>1,004.15</b>	<b>963.26</b>	<b>927.05</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

	As at 31.3.2019 ₹ in lacs	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
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### f) Assumptions used in accounting for the Gratuity Plan:

	%	%	%	%	%
Discount rate	7.76	7.27	8.12	8.12	7.95
Expected rate of return on plan assets	7.76	7.27	8.12	8.12	7.95

### g) Maturity analysis of the benefit payments : from the fund

Projected benefits payable in future years from the date of reporting					
1 <sup>st</sup> Following Year	420.09	307.40	363.85	328.59	328.59
2 <sup>nd</sup> Following Year	71.71	121.05	35.89	52.92	52.92
3 <sup>rd</sup> Following Year	112.77	88.37	132.94	95.71	95.71
4 <sup>th</sup> Following Year	91.41	100.19	87.64	53.66	53.66
5 <sup>th</sup> Following Year	89.13	81.78	95.92	145.05	145.05
Sum of years 6 to 10	390.63	353.91	316.31	483.30	483.30

As at 31<sup>st</sup> March 2019, 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	1,246.99	1,102.78	1,123.22	1,047.38	868.78
Delta effect of +1% change in rate of discounting	(57.94)	(52.50)	(53.58)	(44.89)	133.72
Delta effect of -1% change in rate of discounting	65.87	59.60	60.90	50.86	229.46
Delta effect of +1% change in rate of salary increase	65.08	58.89	59.87	50.42	229.03
Delta effect of -1% change in rate of salary increase	(58.33)	(52.86)	(53.71)	(45.33)	133.27
Delta effect of +1% change in rate of employee turnover	(1.99)	(1.49)	(3.23)	(0.13)	178.48
Delta effect of -1% change in rate of employee turnover	2.12	1.59	3.54	0.10	178.70

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

### Key Management Personnel:

Mr. G. N. Mehra	Chairman and Managing Director
Mr. C. V. Alexander	Executive Director
Mr. S. M. Dixit	Executive Director and Chief Financial Officer
Mr. S. G. Mehra	Executive Director
Mr. S. R. Pandit	Non-executive Director

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

Mr. H. A. Nagpal	Non-executive Director
Mr. N. B. Karpe	Non-executive Director
Mrs. M. C. Dalal	Non-executive Director
Ms. S. G. Mehra	Non-executive Director
Mr. R. N. Pisharody	Non-executive Director
Mr. H. Sunder	Non-executive Director (w.e.f. 28 <sup>th</sup> January, 2019)
Mr. U. C. Rege	Company Secretary and Executive VP - Legal

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

Basant Lok Trading Company Pvt Ltd.	Chemi Pharmex Pvt. Ltd.	D. C. Mehra Public Charitable Trust
Khatri Investments Pvt. Ltd.	Kurla Trading Co. Pvt. Ltd.	Naved Investment and Trading Co. Pvt. Ltd.
Mansukhmal Investments Pvt. Ltd.	N. K. Mehra Trust	NKM Grand Children's Trust
Savita Polymers Ltd.	Savita Petro-Additives Ltd.	

### Relatives of key management personnel and relationship

Mrs. R. G. Mehra - Wife of Mr. G. N. Mehra	Ms. Raashi Rege - Daughter of Mr. U. C. Rege
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### Details of transactions during the year:

		2018-2019 ₹ in lacs	2017-2018 ₹ in lacs
<b>A. Enterprises:</b>			
Sale of goods:	Savita Polymers Ltd.	1,262.80	1,218.47
Sale of property, plant and equipment:	Savita Polymers Ltd.	3.66	5.16
Purchase of goods:	Savita Polymers Ltd.	1,860.51	274.33
Purchase of property, plant and equipment:	Savita Polymers Ltd.	1.56	-
Dividend received:	Savita Polymers Ltd.	1.50	-
	Savita Petro-Additives Ltd.	0.02	-
Dividend paid:	Basant Lok Trading Company Pvt Ltd.	0.15	-
	Chemi Pharmex Pvt. Ltd.	0.03	-
	Khatri Investments Pvt. Ltd.	10.69	-
	Kurla Trading Co. Pvt. Ltd.	0.34	-
	Mansukhmal Investment Pvt. Ltd.	10.25	-
	Naved Investment and Trading Co. Pvt. Ltd.	0.24	-
Rent received:	Savita Polymers Ltd.	42.19	-
Rent paid:	Chemi Pharmex Pvt. Ltd.	45.35	45.06
	Savita Polymers Ltd.	17.47	51.97
Car Parking charges:	Basant Lok Trading Company Pvt Ltd.	0.15	0.15
	Chemi Pharmex Pvt. Ltd.	0.14	0.16
Donations:	D. C. Mehra Public Charitable Trust	25.00	40.00
	N. K. Mehra Trust	25.00	40.00
Refund of security deposit received:	Savita Polymers Ltd.	20.00	-

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

		2018-2019 ₹ in lacs	2017-2018 ₹ in lacs
<b>B. Key management personnel:</b>			
i. Executive Directors:			
a) Dividend:		233.73	-
b) Remuneration:	Short term employee benefits	510.13	399.54
	Post employment benefits	15.66	13.22
	Medical benefits	2.82	5.16
ii. Non-executive Directors:			
	Commission and sitting fees	25.41	21.60
iii. Other key management personnel:			
Remuneration:	Short term employee benefits	92.16	71.51
	Post employment benefits	3.29	2.99
	Medical benefits	2.60	0.29
<b>C. Relatives of key management personnel:</b>			
a) Dividend paid:		0.84	-
b) Remuneration:		1.83	1.53

### Balance outstanding :

	As at 31.3.2019 ₹ in lacs		As at 31.3.2018 ₹ in lacs	
	Debit	Credit	Debit	Credit
<b>Enterprises:</b>				
Basant Lok Trading Company Pvt Ltd.	3.50	-	3.50	-
Chemi Pharmex Pvt. Ltd.	1.00	-	1.00	-
Savita Polymers Ltd.	82.47	49.07	360.44	0.62
<b>Key management personnel:</b>				
Executive Directors	-	158.15	-	158.62
Non-executive Directors	-	18.51	-	13.50

\* 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.

## 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.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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

	2018-2019 ₹ in lacs	2017-2018 ₹ in lacs
<b>(a) Segment Revenue:</b>		
Petroleum Products	2,23,620.84	1,79,024.79
Wind Power	4,112.48	4,167.45
Other unallocated revenue	358.41	225.80
Net Income from Operations	<b>2,28,091.73</b>	<b>1,83,418.04</b>
<b>(b) Segment Results:</b>		
Profit before taxation and interest for each segment		
Petroleum Products	18,191.82	16,414.94
Wind Power	2,057.55	1,994.98
	<b>20,249.37</b>	<b>18,409.92</b>
Less: i) Finance Costs	2,895.04	1,375.19
ii) Other unallocated expenditure	1,083.26	1,426.95
	<b>3,978.30</b>	<b>2,802.14</b>
Profit before tax	<b>16,271.07</b>	<b>15,607.78</b>
	<b>31.3.2019</b> ₹ in lacs	<b>31.3.2018</b> ₹ in lacs
<b>(c) Segment Assets:</b>		
Petroleum Products	122,737.49	109,578.95
Wind Power	9,504.79	11,482.87
Unallocated	10,898.90	7,373.20
	<b>143,141.18</b>	<b>128,435.02</b>
<b>(d) Segment Liabilities:</b>		
Petroleum Products	56,178.71	52,208.03
Wind Power	412.13	425.06
Unallocated	1,389.86	1,571.00
	<b>57,980.70</b>	<b>54,204.09</b>
	<b>2018-2019</b> ₹ in lacs	<b>2017-2018</b> ₹ in lacs
<b>(e) Secondary Business Segment:</b>		
Revenue by Geographical Segment		
Domestic	1,93,459.89	1,54,063.71
Export	34,631.84	29,354.33
	<b>2,28,091.73</b>	<b>1,83,418.04</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### 35 TAX EXPENSE

	Year ended 31.3.2019 ₹ in lacs	Year ended 31.3.2018 ₹ in lacs
<b>(a) Amounts recognised in the Statement of Profit and Loss</b>		
<b>Current tax expense</b>		
Current year	5,035.36	4,825.00
Changes in estimates relating to prior years	-	-
	<b>5,035.36</b>	<b>4,825.00</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	(82.33)	(338.45)
Change in tax rate	8.65	-
Adjustment recognised in the period for current tax of prior periods	(117.62)	(1,498.36)
	<b>(191.30)</b>	<b>(1,836.81)</b>
<b>Tax expense recognised in the Statement of Profit and Loss</b>	<b>4,844.06</b>	<b>2,988.19</b>

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

	Year ended 31.3.2019 ₹ in lacs		
	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	(101.17)	35.36	(65.81)
b) Equity instruments through Other Comprehensive Income	-	-	-
	<b>(101.17)</b>	<b>35.36</b>	<b>(65.81)</b>
	Year ended 31.3.2018 ₹ in lacs		
	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	(16.67)	5.77	(10.90)
b) Equity instruments through Other Comprehensive Income	-	-	-
	<b>(16.67)</b>	<b>5.77</b>	<b>(10.90)</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

	Year ended 31.3.2019 ₹ in lacs	Year ended 31.3.2018 ₹ in lacs
<b>(c) Reconciliation of effective tax rate</b>		
Profit before tax	16,271.07	15,607.78
Tax using the Company's domestic tax rate	5,685.76	5,401.54
Increase due to change in tax rate	8.65	-
<b>Tax effect of:</b>		
Non-deductible tax expenses / disallowances under Income Tax Act	60.46	24.91
Tax-exempt income and deductions under Chapter VI A of Income Tax Act	(861.57)	(928.36)
Allowable income tax on indexation of investment property	108.82	(42.67)
Temporary difference recognised in deferred taxes	(116.84)	(13.25)
Others	41.04	38.61
Excess provision of tax of prior periods	(117.62)	(1,498.36)
Amounts recognised in Other Comprehensive Income	35.36	5.77
<b>Tax expense recognised in the Statement of Profit and Loss</b>	<b>4,844.06</b>	<b>2,988.19</b>

Particulars	₹ in lacs					
	Net balance 1.4.2018	Recognised in profit or loss	Recognised in OCI	Net balance 31.3.2019	Deferred tax asset	Deferred tax liability
External Commercial Borrowings (ECB) Loans	10.19	(10.19)	-	-	-	-
Leave encashment	233.40	14.70	-	248.10	248.10	-
Property, plant and equipment and intangible assets and Investment property	(2,030.59)	134.86	-	(1,895.73)	-	1,895.73
Investment in unquoted equity instruments	(35.13)	(3.38)	-	(38.51)	-	38.51
Investment in quoted equity instruments	-	(30.13)	-	(30.13)	-	30.13
Investment in equity oriented mutual funds	(0.48)	(3.17)	-	(3.65)	-	3.65
Investment in unquoted mutual funds	(2.79)	(10.53)	-	(13.32)	-	13.32
Provision for doubtful debts and advances	873.72	(32.47)	-	841.25	841.25	-
Derivative Asset - Option contracts for External Commercial Borrowings (ECB) Loans and Import Purchases	(22.12)	13.29	-	(8.83)	-	8.83
Derivative Liability - Forward contracts for imports	-	0.71	-	0.71	0.71	-
Deferred grant	19.22	(10.01)	-	9.21	9.21	-
Borrowings	(19.22)	10.01	-	(9.21)	-	9.21
<b>Tax assets / (liabilities)</b>	<b>(973.80)</b>	<b>73.69</b>	<b>-</b>	<b>(900.11)</b>	<b>1,099.27</b>	<b>1,999.38</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### 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, 2019

Particulars	Notes	Carrying Value	Classification			Fair Value		
			FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
			₹ in lacs					
<b>Financial assets</b>								
Investments								
Investment in equity shares (quoted)	6.1	86.23	86.23	-	-	86.23	-	-
Investment in equity shares (unquoted)	6.1	113.00	113.00	-	-	-	113.00	-
Investment in equity oriented mutual funds	6.1	410.45	410.45	-	-	410.45	-	-
Investment in mutual funds	6.1	6,258.91	6,258.91	-	-	6,258.91	-	-
Trade receivables	6.2	57,906.08	-	-	57,906.08	-	-	-
Loans and Advances								
Loans to employees	6.3	51.24	51.24	-	-	-	51.24	-
Other financial assets								
Derivative instruments	6.4	25.26	25.26	-	-	-	25.26	-
Other receivables	6.4	428.22	-	-	428.22	-	-	-
Cash and cash equivalents	6.5	6,591.53	-	-	6,591.53	-	-	-
Bank balances	6.6	195.28	-	-	195.28	-	-	-
		<b>72,066.20</b>	<b>6,945.09</b>	<b>-</b>	<b>65,121.11</b>	<b>6,755.59</b>	<b>189.50</b>	<b>-</b>
<b>Financial Liabilities</b>								
Borrowings								
Loans from Foreign Banks	11.1	-	-	-	-	-	-	-
Interest free sales tax deferral loans	11.1	245.02	-	-	245.02	-	-	-
Short term loan from Bank	11.2	137.98	-	-	137.98	-	-	-
Trade payables and acceptances	11.3	50,784.90	-	-	50,784.90	-	-	-

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

₹ in lacs

Particulars	Notes	Carrying Value	Classification			Fair Value		
			FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Other financial liabilities</b>								
Derivative instruments	11.4	2.02	2.02	-	-	-	2.02	-
Others	11.4	1,439.48	-	-	1,439.48	-	-	-
		<b>52,609.40</b>	<b>2.02</b>	<b>-</b>	<b>52,607.38</b>	<b>-</b>	<b>2.02</b>	<b>-</b>

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

₹ in lacs

Particulars	Notes	Carrying Value	Classification			Fair Value		
			FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>								
<b>Investments</b>								
Investment in equity shares (unquoted)	6.1	505.62	505.62	-	-	-	505.62	-
Investment in mutual funds	6.1	2,266.81	2,266.81	-	-	2,266.81	-	-
Trade receivables	6.2	53,907.52	-	-	53,907.52	-	-	-
<b>Loans and Advances</b>								
Loans to employees	6.3	53.70	53.70	-	-	-	53.70	-
<b>Other financial assets</b>								
Derivative instruments	6.4	63.93	63.93	-	-	-	63.93	-
Bank deposits with more than 12 months maturity	6.4	-	-	-	-	-	-	-
Other receivables (current)	6.4	505.04	-	-	505.04	-	-	-
Cash and cash equivalents	6.5	2326.34	-	-	2326.34	-	-	-
Bank balances	6.6	202.38	-	-	202.38	-	-	-
		<b>59,831.34</b>	<b>2,890.06</b>	<b>-</b>	<b>56,941.28</b>	<b>2,266.81</b>	<b>623.25</b>	<b>-</b>
<b>Financial Liabilities</b>								
<b>Borrowings</b>								
Loans from Foreign Banks	11.1	203.70	203.70	-	-	-	203.70	-
Interest free sales tax deferral loans	11.1	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	-	-	-
<b>Other financial liabilities</b>								
Derivative instruments	11.4	-	-	-	-	-	-	-
Others	11.4	1,505.11	-	-	1,505.11	-	-	-
		<b>48,131.44</b>	<b>203.70</b>	<b>-</b>	<b>47,927.74</b>	<b>-</b>	<b>203.70</b>	<b>-</b>

During the reporting period ending 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018, 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.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### (iii) Description of significant observable inputs to valuation:

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

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

## 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.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

**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 31.3.2019, the Company's most significant customers accounted for ₹ 20,196.04 lacs of the trade receivables carrying amount (Previous year ₹ 3,344.26 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	52,415.24	2.00%	11.46	52,403.78
91-180 days past due	3,020.64	27.00%	8.02	3,012.62
181-270 days past due	1,433.24	74.00%	10.55	1,422.69
More than 270 days past due	1,104.85	343.00%	37.86	1,066.99
	<b>57,973.97</b>		<b>67.89</b>	<b>57,906.08</b>

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

### Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 6,591.53 lacs at 31.3.2019 (Previous year ₹ 2,326.34 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 etc.

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

### (b) Maturities of financial liabilities

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

₹ in lacs				
As at 31.3.2019	Less than one year	1 to 5 years	More than Five Years	Total
Borrowings (including current maturities of long-term debts)	268.46	140.89	-	409.35
Trade payables	50,784.90	-	-	50,784.90
Other financial liabilities (other than derivative liabilities)	1,410.66	28.82	-	1,439.48
Derivative Liabilities	2.02	-	-	2.02
<b>Total</b>	<b>52,466.04</b>	<b>169.71</b>	<b>-</b>	<b>52,635.75</b>

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
<b>Total</b>	<b>47,879.81</b>	<b>271.37</b>	<b>-</b>	<b>48,151.18</b>

### (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 recognized assets and liabilities	Forward / Option contracts	USD	INR

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

Particulars	As at 31.3.2019		As at 31.3.2018	
	₹ in lacs	Exposure in USD (INR terms)	₹ in lacs	Exposure in USD (INR terms)
<b>Financial assets</b>				
Trade and other receivables	5,432.42	78,60,539	5,655.28	88,29,072
Cash and cash equivalents	2,097.06	30,34,389	525.00	805,555
Derivative Assets	-	-	28.89	44,317
<b>Net exposure for assets - A</b>	<b>7,529.48</b>	<b>1,08,94,928</b>	<b>6,209.17</b>	<b>96,78,944</b>

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

Particulars	As at 31.3.2019		As at 31.3.2018	
	₹ in lacs	Exposure in USD (INR terms)	₹ in lacs	Exposure in USD (INR terms)
<b>Financial liabilities</b>				
Long term borrowings and interest thereon	-	-	205.15	315,116
Trade Payables	42,194.43	6,10,45,187	36,337.45	5,57,47,252
Other financial liabilities	289.46	418,777	287.23	440,654
Less: Foreign currency forward exchange contracts	6,612.28	96,00,000	7,001.69	1,07,93,183
<b>Net exposure for liabilities - B</b>	<b>35,871.61</b>	<b>5,18,63,964</b>	<b>29,828.14</b>	<b>4,57,09,839</b>
<b>Net exposure (A-B)</b>	<b>(28,342.13)</b>	<b>(4,09,69,036)</b>	<b>(23,618.97)</b>	<b>(3,60,30,895)</b>

Particulars	As at 31.3.2019		As at 31.3.2018	
	₹ 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	233.11	300,353	660.22	830,454
Cash and cash equivalents	-	-	0.30	409
<b>Net exposure for assets - A</b>	<b>233.11</b>	<b>300,353</b>	<b>660.52</b>	<b>830,863</b>
<b>Financial liabilities</b>				
Trade payables	238.47	307,190	(2.36)	(2,915)
Other financial liabilities	68.04	172,938	55.04	155,980
<b>Net exposure for liabilities - B</b>	<b>306.51</b>	<b>480,128</b>	<b>52.68</b>	<b>153,066</b>
<b>Net exposure (A-B)</b>	<b>(73.40)</b>	<b>(179,775)</b>	<b>607.84</b>	<b>677,797</b>

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

	31.3.2019	31.3.2018
	₹	₹
USD 1	69.12	65.18

### Sensitivity analysis

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

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

Particulars	2018-19		2017-18	
	Increase	(Decrease)	Increase	(Decrease)
Movement (%)	1%	1%	1%	1%
USD	283.18	(283.18)	234.85	(234.85)

### (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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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 are the outstanding derivative financial instruments to hedge currency and the interest rate risk as of dates

							₹ in lacs
Category	Purpose	Currency	Cross Currency	31.3.2019	31.3.2018	Buy/Sell	
Forwards contracts / Options Contracts	Imports	USD	INR	6,635.52	6,860.46	Buy	
Currency and Interest Rates Swaps	External Commercial Borrowings (ECB)	USD	INR	-	174.25	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:

			₹ in lacs	
Carrying amount as at	31.3.2019	31.3.2018		
<b>Fixed-rate instruments</b>				
Financial assets	-	-		
Financial liabilities	-	203.70		
<b>Variable-rate instruments</b>				
Financial assets	-	-		
Financial liabilities	29,058.45	24,595.29		

### 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.

			₹ in lacs	
Particulars	2018-19	2017-18		
Floating rate borrowings	72.65	61.49		

### (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

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

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:

Particulars	₹ in lacs	
	31.3.2019	31.3.2018
Total borrowings (Refer note 11.1 and 11.2)	383.00	599.41
Total equity (Refer note 9 and 10)	85,160.48	74,230.93
Debt to Equity ratio	0.01	0.01

#### ii) Dividends

Dividends paid during the year

Particulars	Year ended		
	31.3.2019	31.3.2018	
Dividend for 2017-18	Rate per share ₹	2.50	-
	Amount (₹ in lacs)	431.65	-

### 38 BASIC AND DILUTED EARNINGS PER SHARE:

	2018-2019	2017-2018
Profit for the year after tax (₹ in lacs)	11,427.01	12,619.59
Number of ordinary shares outstanding (Nos.)	1,43,22,083	1,43,22,083
Nominal value of the share ₹	10	10
Basic and diluted earnings per share ₹	79.79	88.11

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

### 40 CHANGES IN ACCOUNTING STANDARDS AND OTHER RECENT ACCOUNTING PRONOUNCEMENTS:

#### a. Ind AS 116 'Leases':

The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from 1<sup>st</sup> April, 2019 and would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with

# Notes to Financial Statements

## for the year ended 31<sup>st</sup> March, 2019

a term of more than 12 months, unless the underlying asset is of low value. Currently, lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss (Ref Note 30 to Financial statements and Significant Accounting Policies for Leases). The Company is evaluating the requirements of Ind AS 116 on the financial statements.

### b. Ind AS 12 'Income Taxes':

On 30<sup>th</sup> March, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after 1<sup>st</sup> April, 2019. The Company is evaluating the effect of the above in the financial statements.

### c. Appendix C to Ind AS 12 'Uncertainty over Income Tax Treatments':

On 30<sup>th</sup> March, 2019, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 1<sup>st</sup> April, 2019. The Company is evaluating the effect of the above in the financial statements.

### d. Ind AS 19 'Employee Benefits':

On 30<sup>th</sup> March, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period.

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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  
 Mumbai  
 29<sup>th</sup> May, 2019

**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  
**M. C. Dalal** (DIN : 00087178) Non-executive Director



# 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

### 58<sup>TH</sup> ANNUAL GENERAL MEETING – 17<sup>TH</sup> SEPTEMBER, 2019

[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: \_\_\_\_\_

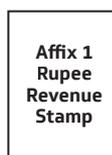
Signature: \_\_\_\_\_ or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 17<sup>th</sup> September, 2019 at 11.00 A.M. at Royal Banquet, M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

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, 2019 together with the Reports of the Board of Directors and the Auditors thereon	Ordinary			
2	Consideration of payment of Dividend	Ordinary			
Special Business -					
3	Non-appointment of Director in place of Ms. Simran G. Mehra, who retires by rotation and does not offer herself for re-appointment	Ordinary			
4	Appointment of Mrs. Meghana C. Dalal as the Director of the Company	Ordinary			
5	Appointment of Mr. Hariharan Sunder as the Director of the Company	Ordinary			
6	Confirmation of remuneration to Cost Auditors	Ordinary			

Signed this ..... day of ....., 2019.

Signature of Shareholder : .....



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.**

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66/67, Nariman Bhavan, Nariman Point Mumbai 400 021, India.

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## Savita Oil Technologies Limited

### Registered Office:

66/67, Nariman Bhavan, Nariman Point,  
Mumbai - 400 021, India.

Tel.: +91-22-2288 3061-64 / 6624 6200

Fax: +91-22-2202 9364 | Email: [legal@savita.com](mailto:legal@savita.com)

CIN: L24100MH1961PLC012066

[www.savita.com](http://www.savita.com) | [www.savsol.com](http://www.savsol.com)