



Savita Oil Technologies Limited
56th Annual Report 2016-2017





Manufacturing facility at Silvassa

Savita Oil Technologies Limited

Fifty-sixth Annual Report 2016 - 2017

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| Board of Directors | Mr. G. N. Mehra - Chairman and Managing Director Mr. C. V. Alexander - Whole-time Director Mr. N. B. Karpe - Non-Executive Director Mr. S. R. Pandit - Non-Executive Director Mr. H. A. Nagpal - Non-Executive Director Mrs. M. C. Dalal - Non-Executive Director Mr. S. G. Mehra - Additional Director w.e.f. 01-07-17 Mr. S. M. Dixit - Chief Financial Officer & Additional Director w.e.f. 01-07-17 |
| Company Secretary & Executive VP – Legal | Mr. U. C. Rege |
| Bankers | State Bank of India Citibank N. A. Corporation Bank DBS Bank Limited ICICI Bank Limited Standard Chartered Bank Union Bank of India |
| Auditors | G. M. Kapadia & Co. Chartered Accountants Mumbai |
| Registered Office | 66/67, Nariman Bhavan, Nariman Point, Mumbai - 400 021 Tel. No.: 91-22-6624 6200 / 6624 6228 Fax No.: 91-22-2202 9364 CIN - L24100MH1961PLC012066 Website: www.savita.com |
| Factories | 17/17A, Thane Belapur Road, Turbhe, Navi Mumbai - 400 703 Survey No. 10/2, Kharadpada, Post Naroli, Silvassa, Dadra and Nagar Haveli - 396 230 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 |

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NOTICE

NOTICE is hereby given that the **Fifty-sixth Annual General Meeting** of the Members of **SAVITA OIL TECHNOLOGIES LIMITED** will be held at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 on **Friday, 29th September, 2017 at 2.30 P.M.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2017 together with the Reports of the Board of Directors and Auditors thereon.
2. To confirm payment of Interim Dividend as Final Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. Gautam N. Mehra (DIN: 00296615), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and other applicable provisions thereto, if any, read with Companies (Audit and Auditors) Rules, 2014, appointment of G. D. Apte & Company, Chartered Accountants, Mumbai (Registration No.100515W) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 61st Annual General Meeting of the Company, on a remuneration of ₹16,50,000/- (Rupees Sixteen Lakh Fifty Thousand only) plus GST and reimbursement of travelling and other out-of-pocket expenses decided by the Board of Directors of the Company based on the recommendation of the Audit Committee for the year 2017-2018, be and is hereby ratified.”

“FURTHER RESOLVED THAT the Board of Directors of the Company, based on the recommendation of the Audit Committee, be and is hereby authorised to vary the remuneration and any other emoluments payable to the Statutory Auditors of the Company to the extent the Board of Directors may consider appropriate.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments, statutory modifications or re-enactments thereto), and pursuant to the approval given by Nomination and Remuneration Committee and the Board of Directors, **Mr. C. V. Alexander (DIN: 00253736)** be and is hereby re-appointed as the Whole-time Director of the Company from 1st October, 2017 up to 30th September, 2018 on remuneration and perquisites and other terms and conditions as set out in the Agreement executed by the Company with Mr. C. V. Alexander.”

“FURTHER RESOLVED THAT the Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee, be and is hereby authorised to vary or increase the remuneration, perquisites and any other entitlements including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with the provisions of the Companies Act, 2013 read with Schedule V to the Act and any amendments, statutory modifications or re-enactments thereof and/or Rules or Regulations framed there under and to suitably modify the terms of the aforesaid Agreement executed between the Company and Mr. C. V. Alexander to give effect to such variation or increase as the case may be.”

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

“RESOLVED THAT **Mr. Siddharth G. Mehra (DIN: 06454215)** who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st July, 2017 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 a Member in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director, categorized as the Whole-time Director, of the Company to hold office upto 30th September, 2021.”

"FURTHER RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments, modifications or re-enactments thereto), Mr. Siddharth G. Mehra (DIN: 06454215) be paid remuneration and other allowances and perquisites as per the policies of the Company, on the terms and conditions set out in the Agreement executed by the Company with Mr. Siddharth G. Mehra."

"FURTHER RESOLVED THAT the Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee, be and is hereby authorised to vary or increase the remuneration, perquisites and any other entitlements including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with the provisions of the Companies Act, 2013 or re-enactments thereof and/or Rules or Regulations framed there under and to suitably modify the terms of the aforesaid Agreement between the Company and Mr. Siddharth G. Mehra to give effect to such variation or increase as the case may be."

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

"RESOLVED THAT **Mr. Suhas M. Dixit (DIN: 02359138)** who was appointed by the Board of Directors as an Additional Director of the Company with effect from 1st July, 2017 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 a Member in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director, categorized as the Whole-time Director, of the Company to hold office upto 30th September, 2020."

"FURTHER RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments, modifications or re-enactments thereto), Mr. Suhas M. Dixit (DIN: 02359138) be paid remuneration and other allowances and perquisites as per the policies of the Company, on the terms and conditions set out in the Agreement executed by the Company with Mr. Suhas M. Dixit (DIN:02359138)."

"FURTHER RESOLVED THAT the Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee, be and is hereby authorised to vary or increase the remuneration, perquisites and any other entitlements including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate, as may be permitted or authorised in accordance with the provisions of the Companies Act, 2013 or re-enactments thereof and/or Rules or Regulations framed there under and to suitably modify the terms of the aforesaid Agreement between the Company and Mr. Suhas M. Dixit to give effect to such variation or increase as the case may be."

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

"RESOLVED THAT **Ms. Simran G. Mehra (DIN:06449809)**, in respect of whom the Company has received a notice from a Member in writing under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Non-Executive Director of the Company and pursuant to the recommendation of Nomination and Remuneration Committee and Audit Committee, be and is hereby appointed as Non-Executive Director of the Company w.e.f. 1st January, 2018 pursuant to the provisions of Sections 152, 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules there under (including any amendments, statutory modifications or re-enactments thereto)."

"FURTHER RESOLVED THAT any one of the Directors be and is hereby authorized to complete all necessary formalities in connection with the said appointment of Ms. Simran G. Mehra including filing of necessary forms with the Registrar of Companies."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules made there under, Sevekari, Khare & Associates, Cost Accountants (Firm Registration No.000084), 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 31st March, 2018, be paid a remuneration of ₹ 2,30,000/- (Rupees Two Lakh Thirty Thousand only) plus tax 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 2017-2018."

By Order of the Board

Mumbai
16th August, 2017

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

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of holding the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from **22.09.2017 to 29.09.2017** (both days inclusive).
4. The shareholders seeking information on Accounts published herein are requested to kindly furnish their queries to the Company at least seven days before the date of the Meeting to facilitate satisfactory replies.
5. The shareholders who attend the Meeting are requested to fill in the attendance slip and deliver the same at the entrance of the Meeting hall. The shareholders holding shares in dematerialised form should indicate the DP ID and Client ID numbers in the attendance slip.
6. The shareholders are requested to bring their copy of the Annual Report to the Meeting.
7. The shareholders are requested to (a) intimate, if shares are held in the same name or in the same order and names, but more than one folio to enable the Company to consolidate the said folios into one folio, and (b) notify immediately any change in their recorded address, along with pin code numbers, to the Company.
8. The shareholders are requested to forward shares for transfer and related communication to the Share Transfer Agent or to the Registered Office of the Company.
9. Under Section 124(5) of the Companies Act, 2013 the unclaimed and unpaid dividend amount for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. Accordingly, during the year, the Company had transferred amount of ₹ 4.79 lacs pertaining to the unpaid and unclaimed dividend for the year 2008-2009 to IEPF.
10. The Ministry of Corporate Affairs has taken a corporate “Green Initiative in the corporate governance” by allowing paperless compliance by companies. Accordingly, the Notice of the AGM along with Annual Report for the year 2016-2017 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has specifically requested for a physical copy of the same. In order to support the “Green Initiative”, the Members who have not yet registered their e-mail addresses are requested to register the same with R&T Agent/Depositories.
11. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and SEBI Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
12. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
13. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but **shall not** be entitled to cast their vote again through polling paper.
14. The remote e-voting period commences on 25th September, 2017 (9:00 a.m.) and ends on 28th September, 2017 (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 22nd September, 2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

- (i) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:**

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

(ii) In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

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

| EVEN (Remote e-voting Event Number) | USER ID | PASSWORD/PIN |
|-------------------------------------|---------|--------------|
|-------------------------------------|---------|--------------|

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

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

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

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

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN No+Folio No).
17. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
18. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2017.
19. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as of the cut-off date of 22nd September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or legal@savita.com

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

20. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
21. MP & Associates, Company Secretaries have been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of Polling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
23. The Scrutinizer shall after the conclusion of voting at the 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.
24. The results declared along with the Scrutinizer's Report shall be displayed on the website of the Company www.savita.com and on the website of NSDL www.nsdl.co.in within three days from the passing of the resolutions at the 56th Annual General Meeting of the Company to be held on Friday, 29th September, 2017 at 2.30 P.M. and shall be communicated to the stock exchanges, where the shares of the Company are listed.

By Order of the Board

Mumbai
16th August, 2017

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

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

Item No. 5

The Board of Directors in its meeting held on 28th July, 2017, based on the recommendation of Nomination and Remuneration Committee, re-appointed **Mr. C. V. Alexander (DIN: 00253736)**, as the Whole-time Director of the Company from 1st October, 2017 up to 30th September, 2018, subject to the approval of the Members by Special Resolution at the ensuing Annual General Meeting. Separate Agreement in this regard has been executed between the Company and Mr. C. V. Alexander on 28th July, 2017 based on recommendation of the Nomination and Remuneration Committee.

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

1. Basic Salary of ₹1,61,000/- (Rupees One Lakh Sixty-one Thousand only) per month.
2. House Rent Allowance at the rate of 25% of the Basic Salary.
3. Education Allowance and Special Allowance of ₹100/- and ₹21,500/- per month respectively.
4. Reimbursement of medical expenses incurred on himself and his family subject to a ceiling of 5% of the basic salary.
5. Leave Travel Allowance for himself and his family once in a year in accordance with the Rules of the Company for the time being in force.
6. Bonus as per the Rules of the Company.
7. Ex-gratia/Performance Linked Incentive as per the Policy of the Company.
8. Medical/Accident Insurance for himself and his spouse in accordance with the Rules of the Company.
9. Contribution to Provident Fund as per the Company's Rules applicable from time to time to the extent that this is not taxable under the Income Tax Act.
10. Gratuity as per the Rules of the Company.
11. Leave entitlement as per the Rules of the Company. He shall be permitted to encash unavailed leave as per the Rules of the Company.
12. Provision of car with reimbursement of salary for driver as per the Company's Policy for Company's business and personal use.
13. Provision of telephone facility(ies) subject to he being billed for personal long distance calls.

Mr. C. V. Alexander has worked in the Company for nearly five decades and the Company has always benefited by his foresight and guidance in managing the affairs of the Company. He has over 51 years of experience in the fields of taxation, corporate law and finance. The Company believes that his presence on the Board will be beneficial to the Company and will prove as a guiding force for the Company. He is currently holding 833 equity shares of the Company.

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

Item No.6

The Board of Directors in its meeting held on 27th May, 2017, based on the recommendation of the Nomination and Remuneration Committee, appointed **Mr. Siddharth G. Mehra** as an Additional Director of the Company from 1st July, 2017. Mr. Siddharth G. Mehra was already in the employment of the Company and as a result, got categorised as the Whole-time Director of the Company. As an Additional Director, he holds office upto the date of this Annual General Meeting of the Company.

Based on the notice received from a Member of the Company alongwith deposit of requisite amount signifying his candidature for the office of the Whole-time Director of the Company, the Board in its meeting held on 28th July, 2017 appointed him as a Whole-time Director of the Company for a period from the date of this Annual General Meeting upto 30th September, 2021 subject to the approval of the Members by Special Resolution at this Annual General Meeting. Separate Agreement in this regard has been executed between the Company and Mr. Siddharth G. Mehra on 28th July, 2017.

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

1. Basic Salary of ₹1,35,000/- (Rupees One Lakh Thirty-five Thousand only) per month.
2. House Rent Allowance at the rate of 25% of the Basic Salary.
3. Education Allowance and other Allowances of ₹100/- and ₹1,58,450/- per month respectively.

4. Reimbursement of medical expenses incurred on himself and his family subject to a ceiling of 5% of the basic salary.
5. Leave Travel Allowance for himself and his family once in a year in accordance with the Rules of the Company for the time being in force.
6. Bonus as per the Rules of the Company.
7. Ex-gratia/Performance Linked Incentive as per the Policy of the Company.
8. Medical/Accident Insurance for himself and his spouse in accordance with the Rules of the Company.
9. Contribution to Provident Fund as per the Company's Rules applicable from time to time to the extent that this is not taxable under the Income Tax Act.
10. Gratuity as per the Rules of the Company.
11. Leave entitlement as per the Rules of the Company. He shall be permitted to encash unavailed leave as per the Rules of the Company.
12. Provision of car with reimbursement of salary for driver as per the Company's Policy for Company's business and personal use.
13. Provision of telephone facility(ies) subject to he being billed for personal long distance calls.

Mr. Siddharth G. Mehra is a Bachelor of Science in Technical Systems Management from University of Illinois at Urbana - Champaign, IL, USA (2012). He also had acquired Masters Degree of Science in Management from London School of Economics and Political Science, UK (2014). Mr. Siddharth G. Mehra is currently working as the "General Manager – Business Development" of the Company. The Company believes that going forward; his presence on the Board will immensely benefit the Company. He is currently holding 583 equity shares of the Company.

None of the Directors of your Company/Key Managerial Personnel of the Company/their relatives, except for Mr. Gautam N. Mehra, Managing Director of the Company being father of Mr. Siddharth G. Mehra and Mr. Siddharth G. Mehra himself, are concerned or interested, in any way, in this Special Resolution.

Item No.7

The Board of Directors in its meeting held on 27th May, 2017, based on the recommendation of the Nomination and Remuneration Committee, appointed **Mr. Suhas M. Dixit** as an Additional Director of the Company from 1st July, 2017. Mr. Suhas M. Dixit was already in the employment of the Company as Chief Financial Officer and as a result, got categorised as the Whole-time Director of the Company. As an Additional Director, he holds office upto the date of this Annual General Meeting of the Company.

Based on the notice received from a Member of the Company alongwith deposit of requisite amount signifying his candidature for the office of the Whole-time Director of the Company, the Board in its meeting held on 28th July, 2017 appointed him as a Whole-time Director of the Company for a period from the date of this Annual General Meeting upto 30th September, 2020 subject to the approval of the Members by Special Resolution at this Annual General Meeting. Separate Agreement in this regard has been executed between the Company and Mr. Suhas M. Dixit on 28th July, 2017.

The terms and conditions as contained in the Agreement executed with Mr. Suhas M. Dixit are as under:

1. Basic Salary of ₹ 2,45,000/- (Rupees Two Lakh Forty-five Thousand only) per month.
2. House Rent Allowance at the rate of 25% of the Basic Salary.
3. Education Allowance and other Allowances of ₹ 100/- and ₹ 2,99,259/- per month respectively.
4. Reimbursement of medical expenses incurred on himself and his family subject to a ceiling of 5% of the basic salary.
5. Leave Travel Allowance for himself and his family once in a year in accordance with the Rules of the Company for the time being in force.
6. Bonus as per the Rules of the Company.
7. Ex-gratia/Performance Linked Incentive as per the Policy of the Company.
8. Medical/Accident Insurance for himself and his spouse in accordance with the Rules of the Company.
9. Contribution to Provident Fund as per the Company's Rules applicable from time to time to the extent that this is not taxable under the Income Tax Act.
10. Gratuity as per the Rules of the Company.

11. Leave entitlement as per the Rules of the Company. He shall be permitted to encash unavailed leave as per the Rules of the Company.
12. Provision of car with reimbursement of salary for driver as per the Company's Policy for Company's business and personal use.
13. Provision of telephone facility(ies) subject to he being billed for personal long distance calls.

Mr. 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 vast experience in the fields of Finance and Taxation spanning over 3 decades. He has been working as the Chief Financial Officer of the Company. The Company believes that his presence on the Board will be beneficial to the Company. He is currently holding 20 equity shares of the Company.

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

Item No.8

Based on the notice received from a Member of the Company alongwith deposit of requisite amount signifying her candidature for the office of a Non-Executive Director of the Company, the Nomination and Remuneration Committee, the Audit Committee and the Board of Directors in their respective meetings held on 16th August, 2017, have recommended appointment of **Ms. Simran G. Mehra** as a Non-Executive Director of the Company w.e.f. 1st January, 2018 for approval of the Members by Special Resolution at this Annual General Meeting.

Ms. Simran G. Mehra had completed her Bachelors of Science in Business Administration from Boston University, USA and a Management Programme offered by Indian School of Business, Hyderabad, Telangana. She has expert knowledge in business administration and project management. The Company believes that her presence on the Board will immensely benefit the Company. She is currently holding 30,500 equity shares of the Company.

None of the Directors of your Company/Key Managerial Personnel of the Company/their relatives, except for Mr. Gautam N. Mehra, Managing Director of the Company being father, Mr. Siddharth G. Mehra being brother and Ms. Simran G. Mehra herself, are concerned or interested, in any way, in this Special Resolution.

Common to Item Nos. 5, 6, 7 & 8

The appointment of the 3 Whole-time Directors is subject to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendments, statutory modifications or re-enactments thereto).

The appointment of the Non-Executive Director is subject to the provisions of Sections 152, 160, 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules there under (including any amendments, statutory modifications or re-enactments thereto).

As per Section 190 of the Companies Act, 2013, the Agreements entered into between the Company and the 3 Whole-time Directors as well as the copy of the Memorandum and Articles of Association are available for inspection to the Members at the Registered Office of the Company during business hours on any working day.

These appointments and remuneration of the Directors are required to be approved by the Shareholders at the ensuing General Body Meeting and accordingly the resolutions at Item Nos.5, 6, 7 and 8 are placed before the Members of the Company.

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

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

Your Directors recommend these 4 Special Resolutions for your approval.

Item No.9

The Board, based on the recommendation of the Audit Committee, has approved the appointment of Sevekari, Khare & Associates, Cost Accountants, A4 Hari Niwas, L. J. Road, Mumbai 400028 as Cost Auditors to conduct the audit of the cost records of the Company for the year ending 31st March, 2018 on a remuneration of ₹2,30,000/- (Rupees Two Lakh 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.9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

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.9 of the Notice.

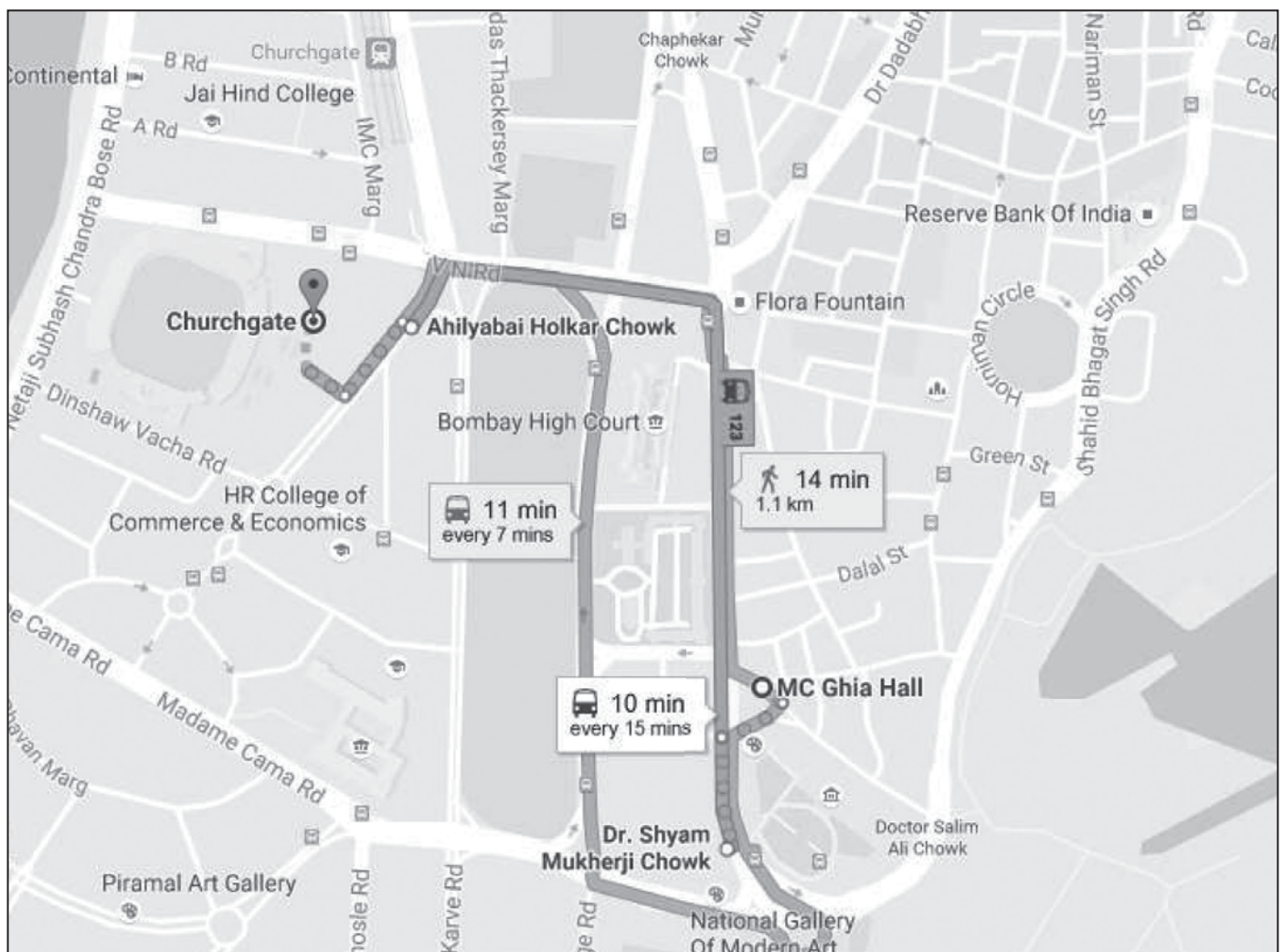
Your Directors recommend this Ordinary Resolution for your approval.

By Order of the Board

Mumbai
16th August, 2017

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

Route Map of the Venue of the 56th Annual General Meeting



Report of the Directors to the Members

Your Directors have pleasure in presenting the **Fifty-sixth** Annual Report, together with the Audited Accounts for the year ended 31st March, 2017.

1. FINANCIAL RESULTS

(₹ in lacs)

| | Year ended 31.3.2017 | Year ended 31.3.2016 |
|--|-------------------------|-------------------------|
| Total Income | 169,632 | 167,316 |
| Profit before Depreciation & Tax | 15,445 | 7,270 |
| Depreciation | 2,829 | 3,019 |
| Exceptional Income | Nil | Nil |
| Profit/(Loss) before Tax | 12,616 | 4,251 |
| Provision for Taxation: | | |
| Current | 3,875 | 1,120 |
| Deferred | (621) | (485) |
| Profit/(Loss) for the year after Tax | 9,362 | 3,616 |
| Other Comprehensive Income | (55) | (76) |
| Balance brought forward from previous year | 42,164 | 40,292 |
| Profit available for appropriation | 51,471 | 43,832 |
| Appropriations: | | |
| Dividend* | 1,971 | 730 |
| Tax on Dividend | 401 | 149 |
| General Reserve | 1,000 | 350 |
| Balance carried to Balance Sheet | 48,098 | 42,164 |

* Dividend consist respective year interim dividend.

2. DIVIDEND

Your Directors had recommended and paid an Interim Dividend @135% (₹13.50 per equity share of ₹10/- each) in March, 2017. Your Directors after considering the working of the Company for the financial year 2016-2017 and its future cash flow requirements, had decided to confirm the interim dividend declared and paid in March, 2017 as the final dividend for the financial year 2016-2017. The payment of Interim Dividend alongwith Dividend Distribution Tax had resulted in an outgo of ₹2,372 lacs for your Company.

3. RESERVES

The Reserves of the Company stood increased to ₹647 crore at the end of the year under review as against ₹577 crore for the previous year.

4. OPERATIONS

Your Company's sales volume increased to 2,89,360 KLS/MTs during the year under review as against 2,68,730 KLS/MTs achieved during 2015-2016, showing an increase of 7.67%. Your Company's sales turnover during the year 2016-2017 increased marginally in value terms at ₹1,66,838 lacs against ₹1,65,134 lacs in the year 2015-2016. However, your Company earned a net profit of ₹9,362 lacs during the year under review as against a net profit of ₹3,616 lacs for the previous year.

The prices of Crude Oil and Base Oil during the year under review remained fairly stable. The Indian Rupee also displayed a fair degree of stability during the year 2016-2017. Though the prices of Crude Oil are expected to remain stable through the year 2017-2018, the prices of Base Oil will be determined by the prices of Crude Oil as well as the global demand-supply gap for Base Oil.

During the Financial Year 2016-2017, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated a total of 103.40 MU against 83.58 MU generated in the previous year. During the year, your Company did not add any new projects to its portfolio.

5. PUBLIC DEPOSITS

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

6. 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.

7. CORPORATE GOVERNANCE

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

8. DIRECTORS

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Gautam N. Mehra (DIN:00296615), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Based on recommendations of the Nomination and Remuneration Committee and the Audit Committee, your Board has recommended for your approval at the ensuing Annual General Meeting:

- A. re-appointment of Mr. C. V. Alexander (DIN:00253736) as Whole-time Director of your Company till 30th September, 2018;
- B. appointment of Mr. Suhas M. Dixit (DIN:02359138) as Whole-time Director of your Company till 30th September, 2020;
- C. appointment of Mr. Siddharth G. Mehra (DIN:06454215) as Whole-time Director of your Company till 30th September, 2021;
- D. appointment of Ms. Simran G. Mehra (DIN:06449809) as a Non-Executive Director of your Company w.e.f. 1st January, 2018.

Profiles and other details as required under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of Mr. C. V. Alexander, Mr. S. M. Dixit, Mr. Siddharth G. Mehra and Ms. Simran G. Mehra have been provided in the Annual Report of the Company for FY 2016-2017.

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

9. KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Gautam N. Mehra, Managing Director of the Company, Mr. C. V. Alexander, Whole-time Director, Mr. Suhas M. Dixit (Chief Financial Officer) and Mr. Uday C. Rege (Company Secretary and Executive VP – Legal) 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 31st March, 2017 are mentioned in the Extract of the Annual Return which is attached to the Board's Report.

10. BOARD COMMITTEES

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

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

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided in the Corporate Governance Section of the Annual Report.

11. NUMBER OF MEETINGS

The Board of Directors of your Company met 5 times during the year 2016-2017. The Board Meetings were held on 30th May, 2016, 12th August, 2016, 5th November, 2016, 4th February, 2017 and 23rd February, 2017. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

Audit Committee and Stakeholders' Relationship Committee met four times each (30th May, 2016, 12th August, 2016, 5th November, 2016 and 4th February, 2017) during the year 2016-2017. Nomination and Remuneration Committee met once on 28th July, 2016, Risk Management Committee met two times (30th May, 2016 and 5th November, 2016) and CSR Committee met four times (30th May, 2016, 5th November, 2016, 4th February, 2017 and 31st March, 2017) during the year 2016-2017.

12. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the selected accounting policies were applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of statement of profit and loss of the Company for the year ended on that date.
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.
- e) the internal financial controls have been laid down to be followed by the Company and such controls are adequate and are operating effectively.
- f) proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and are operating effectively.

13. PERFORMANCE EVALUATION

Pursuant to the provisions of Section 134 (3) (p), 149 (8) and Schedule IV of the Companies Act, 2013 and SEBI Listing Regulations, annual performance evaluation of the Directors as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee for the year 2016-2017 was carried out by your Company.

For the year 2016-2017, 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.

14. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors of the Company met on 31st March, 2017, inter alia, to discuss:

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

15. MANAGERIAL REMUNERATION

The information required under Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as a separate annexure. The information as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request by any Member of the Company. In terms of Section 136 (1) of the Companies Act, 2013, the Report and the Accounts are being sent to the Members excluding the aforesaid

Annexure. Any Member interested in obtaining copy of the same may write to the Company Secretary at the Registered Office of the Company.

16. NOMINATION AND REMUNERATION POLICY

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

17. CSR POLICY

The Corporate Social Responsibility Policy recommended by the CSR Committee and approved by the Board of Directors of the Company in its Meeting held on 29th May, 2014 continues to be adopted by your Company. The same is available on the website of the Company i.e. www.savita.com.

The disclosure relating to the amount spent on Corporate Social Responsibility activities for the financial year ended 31st March, 2017 is attached to this Report as a separate annexure.

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

Your Company's shares continue to be listed on BSE Limited and National Stock Exchange of India Limited. The Listing Fees to these two Stock Exchanges for the year 2017-2018 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.

19. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, your Company has transferred ₹ 4.79 lacs towards unclaimed Final Dividend as against ₹ 8.54 lacs towards unclaimed Final Dividend in the previous year to the Investor Education and Protection Fund, which amount was due and payable for the year 2008-2009 and remained unclaimed and unpaid for a period of 7 years, as provided in Section 125 of the Companies Act, 2013.

20. STATUTORY AUDITORS

Your Company's present Statutory Auditors, G. M. Kapadia & Company, Chartered Accountants shall retire at the conclusion of the ensuing Annual General Meeting after completing creditworthy two permissible audit terms in your Company. Your Directors take this opportunity to sincerely thank them for their unstinted and untiring effort in carrying out statutory audit over the last decade.

Based on the recommendation of the Audit Committee and pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, your Directors have appointed G. D. Apte & Company, Chartered Accountants (Firm Registration No.100515W) as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing 56th Annual General Meeting until the conclusion of the 61st Annual General Meeting of the Company in its meeting held on 28th July, 2017, subject to ratification by Members at ensuing Annual General Meeting and thereafter, at every AGM held after the aforesaid AGM.

In view of the above, the appointment of G. D. Apte & Company, Chartered Accountants, covering the period from the conclusion of this ensuing Annual General Meeting until the conclusion of the next Annual General Meeting to be held in the FY 2018-2019, is being placed for Members' ratification.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors to their appointment and also a certificate from them to the effect that their appointment would be in accordance with the conditions prescribed under the Companies Act, 2013 and the Rules made there under, as may be applicable.

21. AUDITORS' REPORT

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended 31st March, 2017 is attached to this Report and does not contain any qualification, reservation or adverse remark.

22. SECRETARIAL AUDIT REPORT

Secretarial Audit for the year 2016-2017 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. In connection with the Auditor's observation on lower CSR spending in the report, it is clarified that the CSR Committee was continuously trying to identify and evaluate various projects for CSR spending during the year under review.

23. COST AUDIT

In compliance with the provisions of Section 148 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 27th May, 2017 had appointed Sevekari, Khare & Associates, Cost Accountants as Cost Auditors of the Company for the year 2017-2018. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors has to be ratified by the Members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification of the remuneration payable to the Cost Auditors for the year 2017-2018.

24. RISK MANAGEMENT

In accordance with the provisions of SEBI Listing Regulations, your Company has Risk Management Committee in operation to oversee the Risk Management of the Company in line with the Company's Risk Framework and a detailed Policy to cover risk assessments, identification of various significant risks and mitigation plans to address the identified risks. Your Company's Risk Management Policy continues to be displayed on the website www.savita.com of the Company.

25. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's Internal Control Systems are monitored and evaluated for their compliance with operating systems, accounting procedures and policies with the help of an outside auditing firm. The Report of internal audit is presented to and discussed by the Audit Committee from time to time. The Audit Committee based on scrutiny of the internal audit report suggests to the Company undertaking corrective actions in the respective areas and thereby strengthens the controls. Significant observations and corrective actions thereon are presented by the Audit Committee to the Board of Directors of your Company from time to time.

26. VIGIL MECHANISM

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

27. 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 the Company is uploaded on the website www.savita.com of the Company.

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

28. 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.

29. 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.

30. INDUSTRIAL RELATIONS

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

31. 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.

32. ACKNOWLEDGEMENTS

Your Company's business partners, customers, institutions, bankers and in particular the shareholders and the employees have been providing exceptional support in the successful operations of the Company. Your Board wishes to place on record its sincere appreciation to all these stakeholders and is confident of enjoying continued patronage from all of them going forward.

For and on behalf of the Board

Mumbai
16th August, 2017

Gautam N. Mehra
Managing Director
(DIN: 00296615)

Annexure to the Directors' Report

REMUNERATION POLICY OF THE COMPANY

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

1. OBJECTIVE

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

2. EFFECTIVE DATE

This Policy is effective from 1st February, 2014.

3. SCOPE

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

4. DEFINITIONS

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

4.2. Board means Board of Directors of the Company.

4.3. Directors mean Directors of the Company.

4.4. Key Managerial Personnel mean -

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

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

5. ROLE OF THE COMMITTEE

- a) To formulate criteria for identifying Directors and Senior Management employees of the Company.
- b) To recommend to the Board in relation to appointment and removal of Directors and Senior Management.
- c) To formulate criteria for evaluation of Independent Directors on the Board.
- d) To carry out evaluation of the performance of the Directors on the Board.
- e) To formulate and recommend to the Board a policy relating to the remuneration payable to Directors, Key Managerial Personnel and Senior Management employees covered under Clause 4.5.
- f) To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- g) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- h) To ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and variable performance linked payout (PLP) reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- i) To devise a policy on Board diversity.

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

6.1 General:

- a) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- b) Moreover it shall also ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) Remuneration for Directors, Key Managerial Personnel and Senior Management should involve a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- d) The remuneration payable to the Directors of a Company including Managing Director/Whole-time Directors shall be recommended by the Committee to the Board for approval. Such remuneration payment including Commission, if any, shall be in accordance with and subject to the provisions of the Act and approval of the Members of the Company and Central Government, wherever required, as per the provisions of the Act.
- e) In respect of Key Managerial Personnel, the remuneration as approved by the Board of Directors shall be payable to such KMPs. The annual increment to the KMPs and Senior Management shall be based on the annual appraisal and shall be determined by the Managing Director.
- f) Professional indemnity and liability insurance for Directors, Key Managerial Personnel and Senior Management not to be treated as remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

6.2 Remuneration to Managing Director/Whole-time Directors:

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

6.4 Remuneration to KMP and Senior Management employees:

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

7. DISCLOSURE OF THE POLICY

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

8. FREQUENCY OF MEETINGS

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

9. QUORUM

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

10. CHAIRMAN

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

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

11. SECRETARY

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

12. MINUTES OF THE COMMITTEE MEETING

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

13. MISCELLANEOUS:

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

For and on behalf of the Board

Mumbai
16th August, 2017

Gautam N. Mehra
Managing Director
(DIN: 00296615)

Annexure to the Directors' Report

Report on Corporate Social Responsibility (CSR) Activities during 2016-2017

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

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

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

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

2. Composition of the CSR Committee

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

3. Average Net Profit of the Company for last 3 years (2013-14, 2014-15 and 2015-16)

| Financial Year | Net Profit (in Rupees) |
|-------------------------------------|------------------------|
| 2013-14 | 13,232.00 lac |
| 2014-15 | (404.43) lac |
| 2015-16 | 4,209.27 lac |
| Average net profit of 3 years above | 5,678.95 lac |

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

₹113.58 lac

5. Details of CSR spent during the financial year 2016-2017

- Total amount spent for the financial year: ₹46.10 lac
- Amount unspent, if any: ₹67.48 lac
- Manner in which the amount spent during the financial year 2016-2017

| 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 Shramik Shikshan Mandal, Bonkode | Education | Navi Mumbai | ₹10 lac | ₹10 lac | ₹10 lac | ₹10 lac |
| 2 | Donation to Punjab Kesari Charitable Trust | Healthcare | Mumbai | ₹3 lac | ₹3 lac | ₹3 lac | ₹3 lac |
| 3 | Thane Belapur Industries Association | Sanitation | Navi Mumbai | ₹0.6 lac | ₹0.6 lac | ₹0.6 lac | ₹0.6 lac |
| 4 | Chinmaya Mission Amritsar Trust | Empowerment of Destitute Women | Amritsar | ₹15.00 lac | ₹15.00 lac | ₹15.00 lac | ₹15.00 lac |
| 5 | Habitat for Humanity India Trust | Sanitation | Silvassa | ₹5 lac | ₹5 lac | ₹5 lac | ₹5 lac |
| 6 | Arogya Sansthan Trust | Healthcare | Vasai, Maharashtra | ₹12.5 lac | ₹12.5 lac | ₹12.5 lac | ₹12.5 lac |
| Total | | | | | | ₹46.10 lac | ₹46.10 lac |

6. Reasons for lower spending

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

7. Responsibility Statement

The Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company considering the operating circumstances.

Mumbai
16th August, 2017

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 31st March, 2017:

| | Name of Employee | Age | Designation | Gross Remuneration (in Rupees) | Qualification | Exp. (in years) | Date of joining | Previous Employment/ Position held |
|---|---------------------|-----|-------------------|--------------------------------|---|-----------------|-----------------|--|
| 1 | Mr. Gautam N. Mehra | 56 | Managing Director | 2,24,52,209 | B.E. (Chem), M.B.A., Univ. of California (Berkeley) | 34 | 1.12.1983 | Marketing Executive – Mehra Trading & Investment Company Pvt. Ltd. |

Notes:

1. Remuneration includes basic salary, allowances, commission, Company's contribution to Provident Fund and other perquisites valued in accordance with the Income Tax Rules, 1961.
2. The Company has contributed an appropriate amount to the Gratuity Fund on actuarial valuation. As the employee-wise break-up of contribution is not available, the same is not included above.
3. Experience includes number of years' service elsewhere.
4. The nature of employment is contractual and is governed by the rules and regulations of the Company in force from time to time.
5. Information regarding remuneration and particulars of other employees of the Company will be available for inspection by the Members at the Registered office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting of the Company. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, where upon, a copy would be sent.

For and on behalf of the Board

Mumbai
16th August, 2017

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 31st March, 2017

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-2017, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-2017 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| No. | Name of Director/KMP and Designation | % increase/decrease (-) in Remuneration in the Financial Year 2016-2017 | Ratio of remuneration of each Director / to median remuneration of employees | Comparison of the Remuneration of the KMP against the performance of the Company |
|-----|---|---|--|--|
| 1 | Mr. G. N. Mehra Managing Director | +118.19 % | 42.23:1 | Net sales increased and there was Net Profit of ₹9,362 lac |
| 2 | Mr. C. V. Alexander Whole Time Director | +15.89 % | 7.31:1 | |
| 3 | Mr. S. R. Pandit Independent Director | +9.75 % | 0.84:1 | |
| 4 | Mr. N. B. Karpe Independent Director | +2.43 % | 0.78:1 | |
| 5 | Mr. H. A. Nagpal Independent Director | -7.00 % | 0.67:1 | |
| 6 | Mrs. M. C. Dalal Independent Director | +9.75 % | 0.84:1 | |
| 7 | Mr. S. M. Dixit Chief Financial Officer | +14.51 % | | Net sales increased and there was Net Profit of ₹9,362 lac |
| 8 | Mr. U. C. Rege Co. Secretary and EVP - Legal | +10.13 % | | |

- ii) The median remuneration of employees of the Company during the financial year was ₹5,31,564/-.
- iii) In the financial year, there was an increase of 9.53% in the median remuneration of employees.
- iv) There were 405 permanent employees on the rolls of the Company as on March 31, 2017.
- v) Relationship between average increase in remuneration and Company performance:- Net sales marginally increased in value terms with net profit of ₹9,362 lac and the increase in median remuneration was 9.53%.
- vi) Comparison of Remuneration of the Key Managerial Personnel against the performance of the Company :-

The total remuneration of Key Managerial Personnel increased by 24.08% from ₹328.33 lac in 2015-2016 to ₹407.41 lac in 2016-2017. The Company in 2016-2017 made a net profit of ₹9,362 lac (against ₹3,616 lac in 2015-2016).

- vii) a) Variations in the market capitalisation of the Company:
- The market capitalisation as on March 31, 2017 was ₹1372 crore (₹698 crore as on March 31, 2016).
- b) Price Earnings ratio of the Company as at March 31, 2017 was 14.66 and was 20.34 as at 31st March, 2016.
- c) Percentage increase / decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:-

The Company had come out with initial public offer (IPO) in 1994. The share price of the Company first listed on BSE in October 1994 was ₹240 per share of the face value of ₹10/- per share. Share price of the Company quoted on BSE on 31st March, 2017 was ₹940.10. Increase in the Net-worth of the Company was 11.71% as compared to the previous year.

- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-2017 was 9.53% and the increase in the remuneration of KMPs and senior managerial personnel for the same financial year was 8.63%.
- 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
16th August, 2017

Gautam N. Mehra
Managing Director
(DIN: 00296615)

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER SECTION 134(3)(m) READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY:

a) Energy Conservation Measures Taken -

For Turbhe Plant –

- 1) 10KW Solar Panel System installed.
- 2) Installed Jet Bubble Blending System in three tanks.
- 3) Further 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.

For Kharadpada Plant –

- 1) Replaced High Speed diesel with fuel oil in Thermopack.

For Silli Plant –

- 1) 20 HP VFD (Variable Frequency Drive) installed for 3 new blending tanks.

b) Impact of the above measures –

- 1) The above energy conservation measures have reduced the overall energy consumption and fuel usage for the Company by about 5%.

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

Proposed to install 100KW Solar Power System connecting grid.

d) Total Energy Consumption and Energy Consumption per Unit of Production

Form 'A' enclosed.

B. TECHNOLOGY ABSORPTION

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

C. ACTIVITIES RELATING TO EXPORTS

Your Company's value of export sales (FOB value) stood at ₹23,865 lac in the year under review as against ₹24,850 lac during the year 2015-2016, showing a marginal drop of 4%. Your Company has been trying on a continuous basis to consolidate its position in current markets and also explore new markets with renewed vigour.

D. TOTAL FOREIGN EXCHANGE USED AND EARNED

| | ₹ in lacs |
|--------------------------------------|-----------|
| (i) CIF Value of Imports | 93,219.23 |
| (ii) Expenditure in Foreign Currency | 719.90 |
| (iii) Foreign Exchange earned | 24,788.51 |

E. PARTICULARS OF EMPLOYEES

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2017 has been annexed separately.

For and on behalf of the Board

Mumbai
16th August, 2017

Gautam N. Mehra
Managing Director
(DIN: 00296615)

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel consumption

| Particulars | 2016-2017 | 2015-2016 |
|--------------------------------------|-----------|-----------|
| 1. Electricity | | |
| a. Purchased units (million) | 2,873 | 2,969 |
| Total amount (₹ in lac) | 192.49 | 182.34 |
| Average rate/unit (₹) | 6.70 | 6.14 |
| b. Own Generation | | |
| i) Through Diesel Generation | 85,246 | 65,032 |
| Units per litre of diesel oil | 2.84 | 2.43 |
| Average cost/unit (₹) | 19.61 | 21.01 |
| ii) Through Steam Turbine Generators | - | - |
| iii) Through Wind Turbines | - | - |
| Units (million) | - | - |
| Total amount (₹ in lac) | - | - |
| Average rate/unit (₹) | - | - |
| 2. Coal | - | - |
| 3. Furnace Oil | | |
| Quantity (KL) | - | 18 |
| Total amount (₹ in lac) | - | 9.95 |
| Average rate/unit (₹) | - | 56,697 |
| 4. Others | - | - |

B. Consumption per Unit of Production

| Particulars | Year | Transformer Oil | Liquid Paraffins | Lubricating Oils | Others |
|-------------------------|-----------|-----------------|------------------|------------------|--------|
| Electricity (KWH) | 2016-2017 | 5 | 16 | 8 | 5 |
| | 2015-2016 | 6 | 18 | 9 | 6 |
| Furnace Oil (in litres) | 2016-2017 | - | - | - | - |
| | 2015-2016 | - | - | - | - |

For and on behalf of the Board

Mumbai
16th August, 2017

Gautam N. Mehra
Managing Director
(DIN: 00296615)

FORM – B DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT

1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT

R&D continued to work on developing new formulations for your Company's range of Lubricating Oils, Transformer Oils and While Oils with the intent to match the latest global specifications and evolving requirements of your Company's customers. R&D also continued its work on condition monitoring of Lubricating Oils and Transformer Oils.

2. BENEFITS DERIVED

The R&D work is expected to generate new and potential customers for your Company's products within India and overseas.

3. FUTURE PLAN OF ACTION

As global specifications for Lubricating Oils and Transformer Oils continue to evolve, R&D will continue to remain focussed on developing new products that are in line with global standards.

4. EXPENDITURE ON RESEARCH AND DEVELOPMENT

| | ₹ In lacs |
|--|---------------|
| a) Capital | 1.33 |
| b) Recurring | 139.56 |
| Total | <u>140.89</u> |
| Total R&D expenditure as % of turnover | 0.08 |

5. TECHNOLOGY ABSORPTION

The R&D work enabled your Company to broaden its product portfolio to service new customers.

For and on behalf of the Board

Mumbai
16th August, 2017

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 | Nil |
| b) | Nature of contracts/arrangements/transaction | |
| c) | Duration of the contracts/arrangements/transaction | |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | |
| e) | Justification for entering into such contracts or arrangements or transactions | |
| f) | Date of approval by the Board | |
| g) | Amount paid as advances, if any | |
| h) | Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188 | |

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

| Sr. No. | Particulars | Details |
|---------|--|---|
| a) | Name (s) of the related party & nature of relationship | 1. Savita Polymers Limited 2. Savita Petro Additives Limited 3. Basant Lok Trading Co. 4. Chemi Pharmex Pvt. Ltd. 5. Khatri Investments Pvt. Ltd. 6. Kurla Trading Co. Pvt. Ltd. 7. Mansukhmal Investments Pvt. Ltd. 8. Naved Investment & Trading Co. Pvt. Ltd. 9. D. C. Mehra Public Charitable Trust 10. N. K. Mehra Trust 11. Mr. G. N. Mehra 12. Mrs. R. G. Mehra 13. Ms. S. G. Mehra 14. Mr. S. G. Mehra |
| b) | Nature of contracts/arrangements/ transactions | 1. Sale of goods 2. Sale of fixed assets 3. Purchase of goods 4. Dividend received 5. Dividend paid 6. Payment of Rent 7. Car parking charges 8. Remuneration 9. Donation |
| c) | Duration of the contracts/arrangements/transactions | From 01.04.2016 to 31.03.2017 |

| | | |
|----|--|---|
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | <ol style="list-style-type: none"> 1. Sale of goods to Savita Polymers Limited of ₹490.36 lacs 2. Sale of fixed assets to Savita Polymers Limited of ₹1.37 lacs 3. Purchase of goods from Savita Polymers Limited of ₹181.47 lacs 4. Dividend received from <ul style="list-style-type: none"> - Savita Polymers Ltd. ₹1.50 lac - Savita Petro Additives Ltd. ₹0.01 lac 5. Dividend paid to <ul style="list-style-type: none"> - Basant Lok Trading Co. ₹0.83 lacs - Chemi Pharmex Pvt. Ltd. ₹0.14 lacs - Khatri Investments Pvt. Ltd. ₹57.73 lacs - Kurla Trading Co. Pvt. Ltd. ₹1.84 lacs - Mansukhmal Investment Pvt. Ltd. ₹55.35 lacs - Naved Investment & Trading Co. Pvt. Ltd. ₹1.28 lacs - Mr. G. N. Mehra ₹1,284.07 lacs - Mrs. R. G. Mehra ₹4.51 lacs - Ms. S. G. Mehra ₹4.12 lacs - Mr. S. G. Mehra ₹0.08 lacs 6. Rent paid to <ul style="list-style-type: none"> - Chemi Pharmex Pvt. Ltd. ₹44.15 lacs - Savita Polymers Ltd. ₹49.73 lacs 7. Car parking charges paid to <ul style="list-style-type: none"> - Basant Lok Trading Co. ₹0.15 lacs - Chemi Pharmex Pvt. Ltd. ₹0.09 lacs 8. Remuneration paid to Mr. S. G. Mehra ₹20.56 lacs 9. Donation given to <ul style="list-style-type: none"> - D. C. Mehra Public Charitable Trust ₹25.00 lac - N. K. Mehra Trust ₹25.00 lac |
| e) | Date of approval by the Board | 30 th May, 2016 |
| f) | Amount paid as advances, if any | NIL |

For and on behalf of the Board

Mumbai
16th August, 2017

Gautam N. Mehra
Managing Director
(DIN: 00296615)

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2017

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 th 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 | 96.83 |
| 2 | Wind Power | 35106 | 2.62 |

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

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

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

(i) Category-wise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|--------------------------|---|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 9584570 | - | 9584570 | 65.64 | 9584570 | - | 9584570 | 65.64 | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt (s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corporates | 867895 | - | 867895 | 5.94 | 867895 | - | 867895 | 5.94 | - |
| e) Bank/Fl | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - |
| SUB TOTAL:(A) (1) | 10452465 | - | 10452465 | 71.58 | 10452465 | - | 10452465 | 71.58 | - |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |

| 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 | |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other... | - | - | - | - | - | - | - | - | - |
| SUB TOTAL:(A) (2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2) | 10452465 | - | 10452465 | 71.58 | 10452465 | - | 10452465 | 71.58 | - |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 1425024 | - | 1425024 | 9.76 | 1457464 | - | 1457464 | 9.98 | 0.22 |
| b) Banks/FI | - | 499 | 499 | 0.0034 | 53 | 499 | 552 | 0.0038 | 0.0004 |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt. | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | 726826 | - | 726826 | 4.98 | 821130 | - | 821130 | 5.62 | 0.65 |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (B)(1) | 2151850 | 499 | 2152349 | 14.74 | 2278647 | 499 | 2279146 | 15.61 | 0.87 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | - | - | - | - | - | - | - | - | - |
| i) Indian | 251539 | 9821 | 261360 | 1.79 | 270173 | - | 270173 | 1.85 | 0.06 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lac | 1204954 | 236150 | 1441104 | 9.87 | 1132802 | 237127 | 1369929 | 9.38 | -0.49 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lac | 293639 | - | 293639 | 2.01 | 229204 | - | 229204 | 1.57 | -0.44 |
| c) Others (specify)- Trusts | 1000 | 166 | 1166 | 0.01 | 1000 | 166 | 1166 | 0.01 | 0 |
| SUB TOTAL (B)(2): | 1751132 | 246137 | 1997269 | 13.68 | 1633179 | 237293 | 1870472 | 12.81 | -0.87 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 3902982 | 246636 | 4149618 | 28.42 | 3911826 | 237792 | 4149618 | 28.42 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 14355447 | 246636 | 14602083 | 100 | 14364291 | 237792 | 14602083 | 100 | 0 |

(ii) Shareholding of Promoters:

| Sr. No. | Shareholder's Name | 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 | 9,511,656 | 65.14 | 0 | 9,511,656 | 65.14 | 0 | 0 |
| 2 | Reshma Mehra | 33,416 | 0.23 | 0 | 33,416 | 0.23 | 0 | 0 |
| 3 | Ritu Satsangi | 7,749 | 0.05 | 0 | 7,749 | 0.05 | 0 | 0 |
| 4 | Atul Satsangi | 666 | 0.00 | 0 | 666 | 0.00 | 0 | 0 |
| 5 | Simran G. Mehra | 30,500 | 0.21 | 0 | 30,500 | 0.21 | 0 | 0 |
| 6 | Siddharth Mehra | 583 | 0.00 | 0 | 583 | 0.00 | 0 | 0 |
| 7 | Mansukhmal Investments Pvt. Ltd | 410,000 | 2.81 | 0 | 410,000 | 2.81 | 0 | 0 |
| 8 | Khatri Investments Pvt. Ltd. | 427,611 | 2.93 | 0 | 427,611 | 2.93 | 0 | 0 |
| 9 | Kurla Trading Co. Pvt. Ltd | 13,666 | 0.09 | 0 | 13,666 | 0.09 | 0 | 0 |
| 10 | Naved Investment & Trading Co.Pvt.Ltd. | 9,452 | 0.06 | 0 | 9,452 | 0.06 | 0 | 0 |
| 11 | Basant Lok Trading Co. | 6,166 | 0.04 | 0 | 6,166 | 0.04 | 0 | 0 |
| 12 | Chemi Pharmex Pvt. Ltd | 1,000 | 0.01 | 0 | 1,000 | 0.01 | 0 | 0 |
| | Total | 10,452,465 | 71.58 | 0 | 10,452,465 | 71.58 | 0 | 0 |

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

| Sr. No. | Name of the Promoters | Shareholding at the beginning of the year | | Cumulative Shareholding at the end of the year | |
|---------|-----------------------|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | NIL | There is no change in the Promoters' shareholding. | | | |

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

| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Transactions during the year | | Cumulative Shareholding at the end of the year | |
|---------|--|---|----------------------------------|------------------------------|---------------|--|----------------------------------|
| | | No. of Shares Held | % of Total Shares of The Company | Date of Transaction | No. of Shares | No of Shares Held | % of Total Shares of The Company |
| 1 | HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND | 1329732 | 9.1065 | - | - | 1329732 | 9.1065 |
| | AT THE END OF THE YEAR | - | - | - | - | 1329732 | 9.1065 |
| 2 | PARI WASHINGTON INDIA MASTER FUND LTD. | 507955 | 3.4786 | - | - | 507955 | 3.4786 |
| | Transfer | - | - | 17 Jun 2016 | 31818 | 539773 | 3.6965 |
| | Transfer | - | - | 24 Jun 2016 | 9000 | 548773 | 3.7582 |
| | Transfer | - | - | 08 Jul 2016 | 1792 | 550565 | 3.7705 |
| | Transfer | - | - | 15 Jul 2016 | 900 | 551465 | 3.7766 |
| | AT THE END OF THE YEAR | - | - | - | - | 551465 | 3.7766 |
| 3 | EAST SAIL | 216685 | 1.4839 | - | - | 216685 | 1.4839 |
| | Transfer | - | - | 17 Jun 2016 | 29613 | 246298 | 1.6867 |
| | Transfer | - | - | 24 Jun 2016 | 8700 | 254998 | 1.7463 |
| | Transfer | - | - | 08 Jul 2016 | 1640 | 256638 | 1.7575 |
| | Transfer | - | - | 15 Jul 2016 | 725 | 257363 | 1.7625 |
| | AT THE END OF THE YEAR | - | - | - | - | 257363 | 1.7625 |
| 4 | L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND | 95292 | 0.6526 | - | - | 95292 | 0.6526 |
| | Transfer | - | - | 05 Aug 2016 | 6313 | 101605 | 0.6958 |
| | Transfer | - | - | 11 Nov 2016 | 4840 | 106445 | 0.7290 |
| | Transfer | - | - | 27 Jan 2017 | 3666 | 110111 | 0.7541 |
| | Transfer | - | - | 03 Feb 2017 | 4760 | 114871 | 0.7867 |

| | | | | | | | |
|---|--|-------|--------|-------------|-------|--------|--------|
| | Transfer | - | - | 10 Feb 2017 | 1000 | 115871 | 0.7935 |
| | Transfer | - | - | 17 Feb 2017 | 6344 | 122215 | 0.8370 |
| | Transfer | - | - | 24 Feb 2017 | 5222 | 127437 | 0.8727 |
| | Transfer | - | - | 31 Mar 2017 | 295 | 127732 | 0.8748 |
| | AT THE END OF THE YEAR | - | - | - | - | 127732 | 0.8748 |
| 5 | KCP SUGAR AND INDUSTRIES CORPORATION LIMITED | 91762 | 0.6284 | - | - | 91762 | 0.6284 |
| | Transfer | - | - | 19 Aug 2016 | 100 | 91862 | 0.6291 |
| | Transfer | - | - | 18 Nov 2016 | 300 | 92162 | 0.6312 |
| | Transfer | - | - | 25 Nov 2016 | 450 | 92612 | 0.6342 |
| | Transfer | - | - | 02 Dec 2016 | 850 | 93462 | 0.6401 |
| | Transfer | - | - | 30 Dec 2016 | 200 | 93662 | 0.6414 |
| | Transfer | - | - | 06 Jan 2017 | 200 | 93862 | 0.6428 |
| | AT THE END OF THE YEAR | - | - | - | - | 93862 | 0.6428 |
| 6 | VINOD SETHI | 60528 | 0.4145 | - | - | 60528 | 0.4145 |
| | Transfer | - | - | 12 Aug 2016 | 100 | 60628 | 0.4152 |
| | Transfer | - | - | 11 Nov 2016 | 100 | 60728 | 0.4159 |
| | Transfer | - | - | 18 Nov 2016 | 750 | 61478 | 0.4210 |
| | Transfer | - | - | 25 Nov 2016 | 600 | 62078 | 0.4251 |
| | Transfer | - | - | 30 Dec 2016 | 200 | 62278 | 0.4265 |
| | AT THE END OF THE YEAR | - | - | - | - | 62278 | 0.4265 |
| 7 | SEETHA KUMARI | 53453 | 0.3661 | - | - | 53453 | 0.3661 |
| | Transfer | - | - | 11 Nov 2016 | 1042 | 54495 | 0.3732 |
| | Transfer | - | - | 25 Nov 2016 | 15 | 54510 | 0.3733 |
| | AT THE END OF THE YEAR | - | - | - | - | 54510 | 0.3733 |
| 8 | RANVIR RANJIT SHAH | 30342 | 0.2078 | - | - | 30342 | 0.2078 |
| | AT THE END OF THE YEAR | - | - | - | - | 30342 | 0.2078 |
| 9 | INDIA INFOLINE LIMITED | 171 | 0.0012 | - | - | 171 | 0.0012 |
| | Transfer | - | - | 24 Jun 2016 | 25 | 196 | 0.0013 |
| | Transfer | - | - | 30 Jun 2016 | 9 | 205 | 0.0014 |
| | Transfer | - | - | 01 Jul 2016 | (34) | 171 | 0.0012 |
| | Transfer | - | - | 08 Jul 2016 | 100 | 271 | 0.0019 |
| | Transfer | - | - | 15 Jul 2016 | (34) | 237 | 0.0016 |
| | Transfer | - | - | 22 Jul 2016 | (66) | 171 | 0.0012 |
| | Transfer | - | - | 02 Sep 2016 | 20 | 191 | 0.0013 |
| | Transfer | - | - | 09 Sep 2016 | (20) | 171 | 0.0012 |
| | Transfer | - | - | 16 Sep 2016 | 50 | 221 | 0.0015 |
| | Transfer | - | - | 23 Sep 2016 | (49) | 172 | 0.0012 |
| | Transfer | - | - | 30 Sep 2016 | (1) | 171 | 0.0012 |
| | Transfer | - | - | 14 Oct 2016 | 25 | 196 | 0.0013 |
| | Transfer | - | - | 21 Oct 2016 | (15) | 181 | 0.0012 |
| | Transfer | - | - | 28 Oct 2016 | 40 | 221 | 0.0015 |
| | Transfer | - | - | 04 Nov 2016 | (50) | 171 | 0.0012 |
| | Transfer | - | - | 25 Nov 2016 | 14 | 185 | 0.0013 |
| | Transfer | - | - | 02 Dec 2016 | (14) | 171 | 0.0012 |
| | Transfer | - | - | 06 Jan 2017 | 14 | 185 | 0.0013 |
| | Transfer | - | - | 13 Jan 2017 | (14) | 171 | 0.0012 |
| | Transfer | - | - | 20 Jan 2017 | 503 | 674 | 0.0046 |
| | Transfer | - | - | 27 Jan 2017 | (395) | 279 | 0.0019 |
| | Transfer | - | - | 03 Feb 2017 | (108) | 171 | 0.0012 |
| | Transfer | - | - | 10 Feb 2017 | 850 | 1021 | 0.0070 |
| | Transfer | - | - | 17 Feb 2017 | (850) | 171 | 0.0012 |
| | Transfer | - | - | 17 Mar 2017 | 10 | 181 | 0.0012 |

| | | | | | | | |
|----|-----------------------------|-------|--------|-------------|---------|-------|--------|
| | Transfer | - | - | 24 Mar 2017 | (10) | 171 | 0.0012 |
| | Transfer | - | - | 31 Mar 2017 | 29210 | 29381 | 0.2012 |
| | AT THE END OF THE YEAR | - | - | - | - | 29381 | 0.2012 |
| 10 | TEJAS VIDYADHARA RAO SETHI | 27705 | 0.1897 | - | - | 27705 | 0.1897 |
| | AT THE END OF THE YEAR | - | - | - | - | 27705 | 0.1897 |
| 11 | PARAGKUMAR KISHORKUMAR SHAH | 71688 | 0.4909 | - | - | 71688 | 0.4909 |
| | Transfer | - | - | 17 Jun 2016 | (51688) | 20000 | 0.1370 |
| | Transfer | - | - | 24 Jun 2016 | (20000) | 0 | 0.0000 |
| | AT THE END OF THE YEAR | - | - | - | - | 0 | 0.0000 |

Notes:

1. Paid up Share Capital of the Company (Face Value ₹10.00) at the end of the year is 14602083 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name of the Directors/Key Managerial Personnel | Share holding at the beginning of the year | | Cumulative shareholding during the year | |
|---------------------------------|--|--|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| Directors | | | | | |
| 1 | Mr. Gautam N. Mehra | 9511656 | 65.14 | 9511656 | 65.14 |
| 2 | Mr. C. V. Alexander | 833 | 0.01 | 833 | 0.01 |
| 3 | Mr. Siddharth G. Mehra | 583 | 0.00 | 583 | 0.00 |
| Key Managerial Personnel | | | | | |
| 1 | Mr. Suhas M. Dixit | 20 | 0.00 | 20 | 0.00 |
| 2 | Mr. Uday C. Rege | 0 | 0 | 0 | 0.00 |

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

(₹ in lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 3,358.17 | 908.74 | - | 4,266.91 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 22.73 | - | - | 22.73 |
| Total (i+ii+iii) | 3,380.90 | 908.74 | - | 4,289.64 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 9.89 | - | - | 9.89 |
| Reduction | 1,994.62 | 247.07 | - | 2,241.69 |
| Net Change | (1,984.73) | (247.07) | - | (2,231.80) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1,386.28 | 661.67 | - | 2,047.95 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 9.89 | - | - | 9.89 |
| Total (i+ii+iii) | 1,396.17 | 661.67 | - | 2,057.84 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AS ON 31ST MARCH, 2017

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

(in ₹)

| Sr. No. | Particulars of Remuneration | Name of the MD/WTD | | Total Amount |
|---------|---|--|--|-------------------|
| | | Gautam N. Mehra (Managing Director) | C. V. Alexander (Whole-time Director) | |
| 1 | Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 13,143,135 | 3,646,794 | 16,789,929 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 70,551 | 32,400 | 102,951 |
| | (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 (A) | 13,213,686 | 3,679,194 | 16,892,880 |
| | Ceiling as per the Act | As per Schedule V | As per Schedule V | As per Schedule V |

B. Remuneration to other Directors:

(in ₹)

| Sr. No. | Particulars of Remuneration | Directors | | | |
|---------|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | | S. R. Pandit | N. B. Karpe | H. A. Nagpal | M. C. Dalal |
| 1 | Independent Directors | | | | |
| | (a) Fee for attending Board Meetings | 150,000 | 120,000 | 60,000 | 150,000 |
| | (b) Commission for 2015-2016 | 300,000 | 300,000 | 300,000 | 300,000 |
| | (c) Others, please specify | - | - | - | - |
| | Total (1) | 450,000 | 420,000 | 360,000 | 450,000 |
| 2 | Other Non Executive Directors | | | | |
| | (a) Fee for attending Board Meetings | - | - | - | - |
| | (b) Commission | - | - | - | - |
| | (c) Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B)=(1+2) | 450,000 | 420,000 | 360,000 | 450,000 |
| | Total Managerial Remuneration | 450,000 | 420,000 | 360,000 | 450,000 |
| | Overall Ceiling as per the Act | As per Schedule V | As per Schedule V | As per Schedule V | As per Schedule V |

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

(in ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel |
|---------|---|--------------------------|
| | Gross Salary | |
| 1 | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 14,343,019 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 54,000 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission - % of profit - others, specify | - - |
| 5 | Others, please specify | - |
| | Total | 14,397,019 |

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 | | | | | |

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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, 2017 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, 2017 according to the provisions of:

- (i) (i)The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - iii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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
- (d) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings

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

- a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

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: 16th August, 2017

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: 16th August, 2017

Corporate Governance

Report on Corporate Governance for the year 2016-2017 is as under-

1. Philosophy on Corporate Governance

The Company believes in philosophy to deliver value to all its stakeholders including shareholders, customers, partners, employees and the society at large. The Company has a strong sense of ethics and behaves as a responsible corporate citizen. Integrity, fairness and transparency are the three principles adopted by the Company in all its dealings. The Corporate Governance principles are implemented and supervised by the Board of Directors 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 is as 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 2016-2017, the Company had six Directors on Board who are experienced professionals with a Managing Director heading the business, one non-promoter Executive Director and four non-promoter non-executive Independent Directors. All the Directors possess the requisite qualifications and experience in general corporate management, finance, banking, insurance and other allied fields enabling them to contribute effectively in their capacity as Directors of the Company.

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

- are persons of integrity and possess relevant expertise and experience;
- are not the Promoters of the Company or its holding, subsidiary or associate company;
- are not related to Promoters or Directors of the Company, its Holding, Subsidiary or Associate Companies;
- Apart from receiving Director's 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 lacs 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 2013-2014, 2014-2015 and 2015-2016;
- 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 familiarisation programme for Independent Directors has been posted on the website of the Company 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 | - |
| Mr. C. V. Alexander DIN:00253736 | Non-Promoter-Executive | 2 | 1 | - |
| Mr. N. B. Karpe DIN:00030971 | Non-Promoter Non-Executive-Independent | 9 | 3 | 6 |
| Mr. S. R. Pandit DIN:00131424 | Non-Promoter Non-Executive-Independent | 1 | 0 | 1 |
| 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 | - |

Particulars of Director seeking re-appointment are given below-

| | |
|---------------------|---|
| Director | Mr. C. V. Alexander |
| Date of Birth | 29.5.1935 |
| Qualification | M.A., LL.B. |
| Experience | Over 53 years in service |
| Other Directorships | 1 Savita Polymers Ltd. 2 Kurla Trading Co. Pvt. Ltd. |

Number of Board Meetings with dates

During the period 1st April, 2016 to 31st March, 2017, the Board met 5 times. The Board Meetings were held on 30th May, 2016, 12th August, 2016, 5th November, 2016, 4th February, 2017 and 23rd February, 2017.

Attendance of Directors at the Board Meetings held during 2016-2017 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 | 5 | 5 | Yes |
| Mr. N. B. Karpe | 5 | 4 | No |
| Mr. S. R. Pandit | 5 | 5 | Yes |
| Mr. C. V. Alexander | 5 | 4 | Yes |
| Mr. H. A. Nagpal | 5 | 2 | No |
| Mrs. M. C. Dalal | 5 | 5 | Yes |

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

The Board of Directors at its meeting held on 28th July, 2017 appointed Mr. C. V. Alexander as the Whole-time Director of the Company for a period from 1st October, 2017 to 30th September, 2018 subject to the approval of the shareholders at the ensuing Annual General Meeting. The terms and conditions and the remuneration payable to Mr. C. V. Alexander have been detailed in the Notice and Explanatory Statements thereto.

Information placed before the Board

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

- Annual operating plans and budgets and any updates.
- Capital budget-purchase and disposal of plant, machinery and equipment.
- Quarterly, Half yearly and Annual Results of the Company.
- Minutes of the Meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the Board level.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or environmental pollution related matters.
- Any material default in financial obligations to and by the Company, or substantial non-payments by clients.
- Any issue, which involves possible public or product liability/claims of substantial nature, including any judgments or orders which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture agreement or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources or on the industrial relations front such as signing of wage agreement, etc.
- Sale of material nature, of investments, subsidiaries, assets, which are not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by the Management to limit the risk of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and members' service such as non-payment of dividend, delay in share transfer, etc.
- The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Management as well as steps taken by the Company to rectify instances of non-compliances, if any.

3. Committees of The Board

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

A) Audit Committee

The Audit Committee consists of the following Directors –

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

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

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the Management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- Reviewing with the Management, quarterly financial statements before submission to the Board for approval;
- Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the Management, performance of the statutory and internal auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with the internal auditors of any significant findings and follow-up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussions with the statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism/Vigil mechanism.

- Carrying out any other functions as specified in the terms of reference, as amended from time to time;
- Besides the above, the role of the Audit Committee includes mandatory review of the following information -
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors, if any;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of the Internal Auditor;

The Audit Committee met four times (30th May, 2016, 12th August, 2016, 5th November, 2016 and 4th February, 2017) during the year 2016-2017.

Attendance of Director Members at the Audit Committee Meetings

| Names of Director Members | Attended |
|---------------------------|----------|
| Mr. S. R. Pandit | 4 |
| Mr. H. A. Nagpal | 2 |
| Mrs. Meghana 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 (30th May, 2016, 12th August, 2016, 5th November, 2016 and 4th February, 2017) during the year 2016-2017.

Attendance of Director Members at the Meetings

| Names of Director Members | Attended |
|---------------------------|----------|
| Mr. N. B. Karpe | 3 |
| Mr. G. N. Mehra | 4 |
| Mr. C. V. Alexander | 3 |

Details of Shareholders' Grievances and their redressal

| Sr. No. | Type | Received | Cleared |
|---------|---|----------|---------|
| 1. | Transfers/Transmissions/Name Correction | 13 | 12 |
| 2. | Non-receipt of Dividend Warrants | 15 | 15 |
| 3. | De-materialisation | 00 | 00 |
| 4. | Others | 129 | 129 |

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 2016-2017 except in cases which are constrained by disputes and/or legal impediments.

C) Corporate Social Responsibility Committee

The following are the Members of this Committee –

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

The role of the Committee is as under:

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

The Corporate Social Responsibility Committee met four times (30th May, 2016, 5th November, 2016, 4th February, 2017 and 31st March, 2017) during the year 2016-2017.

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 | 3 |
| Mr. S. R. Pandit | 4 |

D) Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following Directors –

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

The Nomination and Remuneration Committee met one time (28th July, 2016) during the year 2016-2017.

Attendance of Director Members at the Nomination and Remuneration Committee Meetings

| Names of Director Members | Attended |
|---------------------------|----------|
| Mr. H. A. Nagpal | 1 |
| Mr. N. B. Karpe | 1 |
| Mrs. Meghana C. Dalal | 1 |

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 27th May, 2017.

Details of remuneration paid/to be paid (₹ in lacs) to the Directors for the year 2016-2017

| Director | All elements of remuneration package taken together | Sitting fees | Commission* |
|--------------------------------|---|--------------|-------------|
| <u>Managing Director</u> | | | |
| Mr. G. N. Mehra | | | |
| Salary | 51.47 | | |
| Perquisites | 38.78 | | |
| Contribution to PF | 5.58 | - | 128.69 |
| Mr. C. V. Alexander | | | |
| Salary | 19.80 | | |
| Perquisites | 17.11 | | |
| Contribution to PF | 2.02 | - | |
| <u>Non-executive Directors</u> | | | |
| Mr. N. B. Karpe | | 1.20 | 3.00 |
| Mr. S. R. Pandit | | 1.50 | 3.00 |
| Mr. H. A. Nagpal | | 0.60 | 3.00 |
| Mrs. M. C. Dalal | | 1.50 | 3.00 |

*Subject to approval of shareholders.

Mr. Gautam N. Mehra was re-appointed as the Managing Director of the Company by the Board for a period from 1st October, 2015 upto 30th September, 2018 vide an agreement dated 1st August, 2015. The said re-appointment was approved by the Members at the 54th Annual General Meeting of the Company.

Mr. C. V. Alexander was re-appointed as the Whole Time Director of the Company by the Board for a period from 1st October, 2016 upto 30th September, 2017 vide an agreement dated 12th August, 2016. The said re-appointment was approved by the Members at the 55th Annual General Meeting of the Company.

The Members at the 52nd Annual General Meeting of the Company had approved payment of remuneration by way of commission, a sum not exceeding 1% per annum of net profits of the Company subject to a ceiling of ₹3 lac each per annum in addition to sitting fees as permissible under the Companies Act, 2013 to the Non-executive Directors. The Company has been paying remuneration to the Non-executive Directors in line with the said approved provision from year to year.

E) Risk Management Committee

In accordance with the provisions of SEBI Regulations, the Board of Directors of the Company at its Meeting held on 21st July, 2014 had constituted the Risk Management Committee. This 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 (Key Managerial Person) |

The Risk Management Committee met two times (30th May, 2016 and 5th November, 2016) during the year 2016-2017.

Attendance of Members at the Risk Management Committee Meetings

| Names of Members | Attended |
|---------------------|----------|
| Mr. G. N. Mehra | 2 |
| Mr. S. R. Pandit | 2 |
| Mr. C. V. Alexander | 1 |
| 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 31st 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.

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 |
|---------|---|--|
| 2015-16 | 24.09.2016 M. C. Ghia Hall, Mumbai 2.30 PM | 1. Re-appointment of Mr. C. V. Alexander as the Whole-time Director from 1 st October, 2016 up to 30 th September, 2017. |
| 2014-15 | 12.9.2015 M. C. Ghia Hall, Mumbai 11.00 AM | 1. Re-appointment of Mr. G. N. Mehra as the Managing Director from 1 st October, 2015 up to 30 th September, 2018. 2. Re-appointment of Mr. C. V. Alexander as the Whole-time Director from 1 st October, 2015 up to 30 th September, 2016. 3. Waiver of excess remuneration of ₹30,12,468/- paid to Mr. Gautam N. Mehra for the financial year 2014-2015. 4. Appointment of Mr. Siddharth G. Mehra, relative of Mr. Gautam N. Mehra, Managing Director, as General Manager – Business Development of the Company w.e.f. 1 st October, 2015. 5. Approval under Section 180 (1) (a) regarding consent to mortgage, hypothecate, pledge on moveable/immoveable properties of the Company. 6. Enhancement of Borrowing Power to ₹500 Crore under Section 180 (1) (c). |
| 2013-14 | 06.9.2014 M. C. Ghia Hall, Mumbai 11.00 AM | Re-appointment of Mr. C. V. Alexander as the Whole-time Director from 1 st October, 2014 up to 30 th September, 2015. |

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 2016-2017, 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.

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, 2017 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. The Company has not 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.

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.

10. Means of Communications

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

The financial results are also displayed on the Company's Website www.savita.com.

11. General Shareholder Information

| | | |
|--|---|--|
| A. Date of Book closure | : | 22.09.2017 to 29.09.2017 |
| B. Date and venue of AGM | : | 29.09.2017 at 2.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4 th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001 |
| C. Dividend Payment (Equity) | : | Interim dividend @ 135% on Equity shares was recommended by the Board on 23 rd February, 2017 and paid on 17 th March, 2017. The Board has not recommended any final dividend for FY 2016-2017. |
| D. Listing on Stock Exchanges in India | : | BSE Limited Phiroze Jeejeebhoy Towers, Dalal street, Mumbai – 400 001 Stock Code: 524667 National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Stock Code: SOTL – EQ |
| E. Status of Listing Fees | : | Paid to BSE Limited and National Stock Exchange of India Limited for 2017-2018. |
| F. Registered office | : | 66/67, Nariman Bhavan, Nariman Point, Mumbai – 400 021 Tel. No.: 91-22-6624 6200 / 6624 6228 Fax: 91-22-2202 9364 |
| G. Works | : | 17/17A, Thane Belapur Road, Turbhe, Navi Mumbai – 400 705 Tel: 91-22-2768 1521 / 6768 3500 Fax: 91-22-2768 2024 Survey No.10/2 Kharadpada, Post Naroli, Silvassa, Dadra and Nagar Haveli – 396 230 Tel: 0260-320 4003 Fax: 0260-265 0182 Survey No.140/1, Village Kuvapada, Silli, P.O. Kilwani, Silvassa, Dadra and Nagar Haveli - 396 230 Tel: 0260-301 3199 |
| H. Depositories | : | National Securities Depository Ltd. 4 th Floor, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400 013 Central Depository Services (India) Ltd. Phiroze Jeejeebhoy Towers, 20 th Floor, Dalal Street, Mumbai-400 001 |

12. Share Transfer in physical form and other communication regarding share certificates, dividends and change of address etc. to be sent either to -

Savita Oil Technologies Limited
 66/67 Nariman Bhavan,
 Nariman Point,
 Mumbai – 400 021
 Tel. No.: 91-22-6624 6200 / 6624 6228
 Fax: 91-22-2202 9364
 E-mail: legal@savita.com

OR

Link Intime India Pvt. Ltd.
 C-101, 247 Park,
 L. B. S. Marg, Vikhroli (West)
 Mumbai – 400 083
 Tel. No.: 91-22-49186000
 Fax: 91-22-49186060
 E-mail: 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 2016-2017 are as follows:

| Category | Requests received | Requests attended | Shares received | Shares processed and settled |
|----------------|-------------------|-------------------|-----------------|------------------------------|
| Physical | 10 | 8 | 1294 | 962 |
| Dematerialised | 41 | 36 | 9826 | 8844 |

14. Distribution of Shareholdings as on 31st March, 2017

| No. of Equity Shares held | No. of Share Holders | % of Share Holders | No. of Shares | % of Share Holding |
|---------------------------|----------------------|--------------------|--------------------|--------------------|
| Up to 500 | 7906 | 94.38 | 829035 | 5.68 |
| 501-1,000 | 254 | 3.03 | 192528 | 1.32 |
| 1,001-2,000 | 108 | 1.29 | 151568 | 1.04 |
| 2,001-3,000 | 25 | 0.30 | 63402 | 0.43 |
| 3,001-4,000 | 15 | 0.18 | 53415 | 0.37 |
| 4,001-5,000 | 10 | 0.12 | 45341 | 0.31 |
| 5,001-10,000 | 28 | 0.33 | 193309 | 1.32 |
| 10,001-Above | 26 | 0.37 | 13073485 | 89.53 |
| Total | 8,372 | 100.00 | 1,46,02,083 | 100.00 |

15. Categories of Shareholdings as on 31st March, 2017

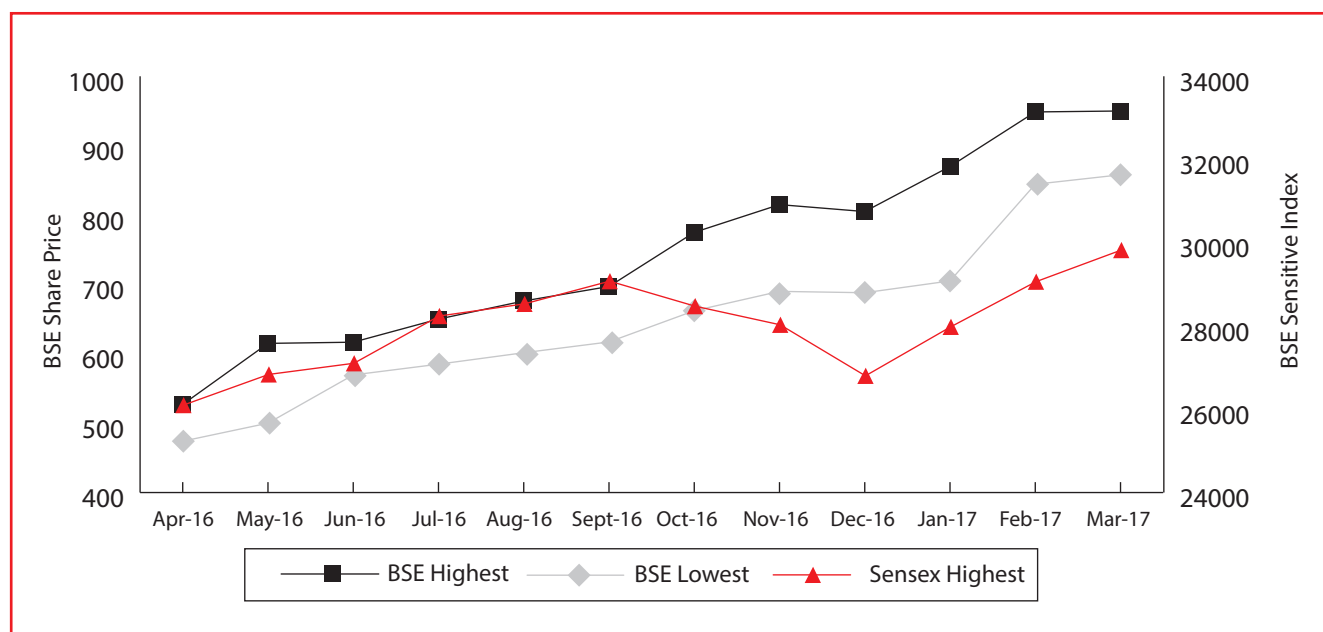
| Category | No. of Share Holders | Voting Strength % | No. of Shares held |
|---|----------------------|-------------------|--------------------|
| Overseas Corporate Bodies | - | - | - |
| Non-resident Individuals | | | |
| On non-repatriable basis | 37 | 0.1135 | 16,570 |
| On repatriable basis | 102 | 0.2538 | 37,058 |
| FII's | 6 | 5.6234 | 8,21,130 |
| Promoters, Directors | 19 | 71.5820 | 1,04,52,465 |
| Banks/Mutual Funds/Public Financial Institutions/Trusts | 10 | 9.9930 | 14,59,189 |
| Other Bodies Corporate | 146 | 1.8502 | 2,70,173 |
| Resident Individuals | 8,052 | 10.5841 | 15,45,505 |
| Total | 8,372 | 100.00 | 1,46,02,083 |

16. Dematerialisation of Shares

The Company's shares are compulsorily traded in dematerialised form as per SEBI guidelines. As on 31st March 2017, 1,43,64,291 shares aggregating to 98.37% 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 2016 | 527.00 | 474.00 | 530.00 | 470.00 | 26100.54 | 24523.20 |
| May 2016 | 615.00 | 500.00 | 615.65 | 501.00 | 26837.20 | 25057.93 |
| June 2016 | 616.70 | 569.50 | 621.00 | 555.00 | 27105.41 | 25911.33 |
| July 2016 | 650.00 | 585.00 | 649.90 | 572.00 | 28240.20 | 27034.14 |
| August 2016 | 676.10 | 601.50 | 690.00 | 601.50 | 28532.25 | 27627.97 |
| September 2016 | 697.00 | 617.05 | 700.00 | 620.00 | 29077.28 | 27716.78 |
| October 2016 | 775.00 | 662.00 | 774.80 | 660.00 | 28477.65 | 27488.30 |
| November 2016 | 815.00 | 689.95 | 815.00 | 690.00 | 28029.80 | 25717.93 |
| December 2016 | 805.00 | 688.00 | 798.00 | 690.20 | 26803.76 | 25753.74 |
| January 2017 | 870.00 | 705.00 | 870.00 | 710.00 | 27980.39 | 26447.06 |
| February 2017 | 948.60 | 844.35 | 949.00 | 835.55 | 29065.31 | 27590.10 |
| March 2017 | 949.95 | 858.00 | 955.00 | 860.00 | 29824.62 | 28716.21 |



18. Financial Calendar 2017-2018

Financial Reporting for the first quarter ending June 30, 2017 – 1st half of August, 2017.

Financial Reporting for the second quarter and half year ending September 30, 2017 - last week of October, 2017.

Financial Reporting for the third quarter ending December 31, 2017 - last week of January, 2018.

Financial Reporting for the fourth quarter ending March 31, 2018 – Month of May, 2018.

Audited Accounts for the year ending March 31, 2018 - Month of May, 2018.

Annual General Meeting for the year ending March, 2018 – first/second week of August/ September, 2018.

The website of the Company is www.savita.com

For and on behalf of the Board

Mumbai
16th August, 2017

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 2016-2017;
2. These statements do not contain any untrue statement of a material fact or any omission to state a material fact on the statements made;
3. The financial statements and other financial information contained thereon in this Report present a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the period ending 31st March 2017. 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
16th August, 2017

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

Gautam N. Mehra
Managing Director
(DIN: 00296615)

Auditors' Certificate on Corporate Governance

To
The Members of Savita Oil Technologies Ltd.

We have examined the compliance of the conditions of Corporate Governance by Savita Oil Technologies Ltd. ("the Company") for the year ended on March 31, 2017 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 and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.

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 8962 COP 10404)

Place: Thane
Date: 16th August, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

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

A. INDUSTRY STRUCTURE AND DEVELOPMENT

I. Petroleum Products:

Transformers play a vital role in all three segments of the power chain viz. generation, transmission and distribution. Transformer Oil filled into transformers mainly functions as an insulating medium. The market for transformer oils is based on the growth of installed power generation capacity, grid and distribution infrastructure. The oil used in transformers is basically hydrocarbon mineral oil. There are two major types of transformer oil used in the industry; naphthenic and paraffinic based. Though bio based transformer oil has gained attention due to stringent safety and environmental issues but its usage as of now is restricted due to higher prices.

Liquid paraffins are highly-refined mineral oils that are suitable for skin care product applications and even for oral ingestion. White Oils are manufactured from highly refined Base Oils and consist of saturated paraffinic and cycloparaffinic hydrocarbons. Cosmetics, personal care and pharmaceutical products have this as an ideal blending base. They lubricate, smoothen, soften, extend and resist moisture in many formulations. Demand for cosmetics, pharmaceutical and personal care products determines the demand for White Oil.

The Lubricating Oil market is dominated by automotive applications followed by industrial, marine, and metal working applications. Lubricating Oils are a combination of Base Oil and a variety of additives to impart specific desired characteristics. The demand for this sector is decided by the general industrial and economic conditions in the country. This segment is fiercely competitive because of the presence of both domestic and multinational players.

II. Wind Power:

Power is one of the most important components of infrastructure that affects economic growth and prosperity of nations. India's power sector is one of the most diversified in the world having a mix of conventional as well as non-conventional sources of energy. While India was pre-dominantly dependent on coal for its energy needs, the nation is looking to alter the generation mix in the years to come. Focusing on a low-carbon growth strategy, renewable energy has emerged as a key component of India's energy strategy. India has taken pro-active measures to discourage use of fossil fuels in a bid to reduce carbon foot print by levying green cess on coal. India's strategic decision to move away from coal as a source of electricity in the long run by ratifying the Paris Agreement on Climate Change (CoP21) is expected to boost the renewable energy sector. The power sector is set to undergo a major transformation with its renewable energy target of 175 GW by 2022 comprising of wind energy target of 60 GW.

In terms of capacity addition, this was a milestone year for wind power sector. During the year, India added 5.4 GW of wind power capacity which surpassed the previous highest capacity addition of 3.43 GW achieved during the previous year. The cumulative installed capacity as on 31.03.2017 for wind power in India now stands at 32.27 GW.

B. OPPORTUNITIES AND THREATS

I. Petroleum Products:

Because of the increasing need for power across the world, the global transformer oil market has been witnessing a high growth rate. The governments in developing nations, especially Asian countries, have been focusing to expand the power infrastructure resulting in increased demand for transformers, thereby boosting the market for Transformer Oil. Developed regions, such as North America and Europe, are expected to re-power/overhaul their existing power infrastructure which is expected to propel this market over the next few years. However, the advent of smart transformers and dry type transformers may restrict this market in certain applications.

With the Indian economy set to expand steadily over the next decade, the demand for both Lubricating Oils and White Oils shall continue to remain buoyant. However, uncertainty in Crude Oil and in turn Base Oil prices coupled with the volatility of Indian Rupee vis-à-vis the US Dollar shall remain the obstacles for the sustained growth of petroleum products in India.

II. Wind Power:

The country's wind power segment has transitioned from a high wind regime to a low and medium wind regime. Accordingly, the technology to capture the various types of wind resources has also evolved. India has a strong manufacturing and

technology base. The National Institute of Wind Energy's (NIWE) latest estimate for India's wind power potential is 302 GW at 100 metre hub height. Aerodynamics is the key to maximizing output from wind turbines and there is ongoing advancement in aerodynamics and material technology. Immense opportunity lies in repowering of old wind turbines at high wind sites. These can be repowered with technological advancements to maximize the potential of site for higher energy yield. The industry is also looking at setting up solar-wind-hybrids.

While there is a strong support from the Central Government for increased use of renewable energy, there remain a number of barriers to wind power reaching its full potential. Distribution segment remains the weakest link in the power sector. Poor financial health with payment delays of up to six months or more by DISCOMs is a major concern. Other challenges for most onshore installations in the country are land acquisition, clear title land, high interest rates and limited availability of affordable debt finance, non-compliance and weak enforcement of the RPO by the states and market regulators, non-availability of good wind potential sites, in-ordinate delays in signing power purchase agreements etc. The new regime of GST may also could pose a challenge in the escalation of capital costs.

C. SEGMENT WISE PERFORMANCE

I. Petroleum Products:

Your Company's sales turnover during the year 2016-2017 stood at ₹1,66,838 lacs against ₹1,65,134 lacs in the year 2015-2016, showing a marginal increase in value terms. The sales volume stood at 2,89,360 KLS/MTs during the year 2016-2017 against 2,68,730 KLS/MTs during 2015-2016. However, the net profit of your Company jumped from ₹3,616 lacs for the previous year to ₹9,362 lacs during the year under review.

II. Wind Power:

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

During the Year 2016-2017, your Company's Wind Power Plants situated in the states of Maharashtra, Karnataka and Tamil Nadu generated 103.40 MU against 83.58 MU generated in the previous year.

D. FUTURE OUTLOOK

I. Petroleum Products:

The stability in prices of Crude Oil and Base Oil during the year 2016-2017 has augured well for your Company. Current outlook on Crude Oil also suggests stability in prices over the next few years. However, the Base Oil prices besides being dependent on Crude Oil will also be determined by the demand-supply gap of Base Oils. The improving economy and emphasis on power sector could result in increased demand for the products of your Company. If the Rupee also stays more or less stable against the US Dollar, that would be good news for Indian Economy and in turn your Company too.

Post Goods and Services Tax Law implementation in India, expected steady growth in GDP over the next decade could turn out to be encouraging for the Power, Lubes and FMCG sectors.

II. Wind Power:

The Government of India has identified power sector as a key sector of focus so as to promote sustained industrial growth. From 1st April 2017, GBI has been withdrawn and Accelerated Depreciation (AD) has been reduced to 40%. The wind power industry is undergoing a transition from the feed-in tariff (FiT) regime to a competitive bidding regime and this has changed the sector dynamics. Going forward, the wind industry will continue to witness significant advancements in technology with the aim of developing more efficient and reliable wind turbines. The Ujwal Discom Assurance Yojna (UDAY) is expected to address the issue of financial ill health of Discoms. To address grid integration challenges, the government has initiated the Green Energy Corridor (GEC) programme. With this, grid integration and evacuation infrastructure for renewable energy will get a facelift in the country. Forecasting and scheduling made mandatory by Karnataka Electricity Regulatory Commission (KERC) is a step towards better grid stability. Country's vast coastline of 7600 km could offer enormous offshore wind energy potential. Offshore wind will address challenges faced by on-shore installation like land acquisition and non-availability of windy sites.

With these measures taken by government, the target of 60 GW of installed capacity of wind energy by 2022 appears to be closer to becoming a reality.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company's Internal Control Systems are monitored and evaluated for their compliance with operating systems, accounting procedures and policies with the help of an outside auditing firm, all with a view to safeguard and protect the resources and assets of your Company. The report of the internal auditors is presented to and discussed by the Audit Committee from time to time. The Audit Committee based on such reports suggests undertaking improvements and also remedial measures in the respective areas and thereby strengthens the controls within the Company. Corrective actions and improvements in processes undertaken are presented by the Audit Committee to the Board of Directors of your Company from time to time.

F. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

The industrial relations in your Company during the year under review remained very harmonious. Periodic reviews of the manpower numbers and costs at various locations and the head office are conducted at regular intervals to ensure that manpower cost remains within the budget and the key manpower related ratios are maintained. Your Company continued to successfully implement employee performance management process during the year under review. Training and development of existing and new employees remain focus areas of your Company.

For and on behalf of the Board

Gautam N. Mehra
Managing Director
(DIN: 00296615)

Mumbai
16th August, 2017

Auditor's Report

To the Members of Savita Oil Technologies Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **SAVITA OIL TECHNOLOGIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in Equity and the Cash Flow Statement, for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

Refer Note no. 26 regarding the payment of remuneration in excess of amount payable as per the provision of the Act to the Chairman and Managing Director aggregating to ₹ 30.12 lacs for the financial year 2014-2015. The Company has already made an application to the Central Government, seeking their approval to waive excess remuneration paid to the Managing Director. The approval from the Central Government is awaited. Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in Equity and the Cash Flow Statement 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 Indian Accounting Standards specified under section 133 of the Act, read with the relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 II and
- (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 as amended by the Companies (Audit and Auditors) Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28 to the standalone Ind AS financial statements;
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - (iv) The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management – Refer Note 37 to the standalone Ind AS financial statements.

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

Place : Mumbai
Dated : 27th May, 2017

Rajen Ashar
Partner
Membership No: 048243

Annexure I referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipments.
- (b) As informed to us, the fixed assets 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, the title deeds of immovable properties, as disclosed in Note no. 3 and 4 to the standalone financial statements, are held in the name of the Company.
- (ii) The inventories have been physically verified at reasonable intervals by the management during the period. The discrepancies noticed on physical verification, as compared to the book records, were not material and have been properly dealt with in the books of account.

- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence, the question of reporting under sub clauses (a), (b) and (c) of the clause 3(iii) of the Order does not arise.
- (iv) The Company has not granted any loans or under section 185, made any investment, provided any guarantee or security. Hence, the question of reporting under clause 3(iv) of the Order does not arise.
- (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, 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 31st March, 2017 for a period of more than 6 months from the date they became payable.
- (b) The particulars of statutory dues that have not been deposited on account of disputes are given in **Annexure A**.
- (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) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us and on the basis of the records examined by us, we state that the Company has prima facie applied the term loan for the purpose for which it was obtained.
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the period by the Company.
- (xi) The managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act. As stated in note no. 26 and as stated in the Emphasis of Matter para of our main report, the payment of remuneration in excess of amount payable as per the provision of the Act to the Managing Director aggregating to ₹ 30.12 lacs for the financial year 2014-2015. The Company has already made an application to the Central Government, seeking their approval to waive excess remuneration paid to the Managing Director. The approval from the Central Government is awaited.
- (xii) The Company is not a chit fund or a Nidhi company. Hence, the question of reporting under clause 3(xii) of the Order does not arise.
- (xiii) The Company has complied with the provisions of sections 177 and 188 of the Act in respect of transactions with the related parties and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him covered under the provisions of section 192 of the Act.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Place : Mumbai
Dated : 27th May, 2017

Rajen Ashar
Partner
Membership No: 048243

Annexure II to our report of even date

Report on the Internal Financial Controls 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 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the period 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 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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by 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, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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 judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the 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, 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 at 31st March, 2017, 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 issued by the Institute of Chartered Accountants of India.

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

Place : Mumbai
Dated : 27th May, 2017

Rajen Ashar
Partner
Membership No: 048243

Annexure A

Re : Savita Oil Technologies Limited

| Sr. No. | Name of the statute | Nature of the dues | Forum where dispute is pending | Period to which the amount relates | Amount (₹ in lacs) |
|--------------------------------|--------------------------|--------------------|---|------------------------------------|--------------------|
| 1 | Central Excise Act, 1944 | Excise Duty | Commissioner of Central Excise | 2006-07 to 2010-11 | 55.88 |
| | | | | 2011-12 | 7.74 |
| | | | | April 2007 to March 2008 | 33.01 |
| | | | | January 2011 to October 2011 | 10.36 |
| | | | | April 2006 to December 2010 | 13.56 |
| | | | Additional Commissioner | July 2015 to January 2016 | 5.61 |
| | | | | December 2013 to May 2015 | 40.51 |
| | | | Additional and Joint Commissioner of Central Excise | February 2011 to March 2011 | 35.86 |
| | | | | July 2012 to December 2012 | 25.99 |
| | | | | June 2011 to February 2012 | 47.37 |
| | | | | June 2010 | 6.34 |
| | | | | October 2010 to April 2011 | 18.69 |
| | | | Deputy and Assistant Commissioner of Central Excise | October 2011 to June 2012 | 58.78 |
| | | | | 1.4.2002 to 31.3.2003 | 2.26 |
| | | | | 1.4.2003 to 31.3.2004 | 1.56 |
| | | | | 1.4.2005 to 31.3.2006 | 0.08 |
| | | | Commissioner Appeal | 1.7.2004 to 31.3.2005 | 0.10 |
| | | | | April 2006 to December 2010 | 76.62 |
| | | | | September 2013 to May 2014 | 11.11 |
| | | | | April 2014 to March 15 | 36.46 |
| | | | Appellate Tribunal | July 2015 to December 2015 | 4.55 |
| | | | | 2008 - 2009 to 2012 - 2013 | 17.54 |
| | | | | 2008-09 to December 2012 | 9.43 |
| | | | | February 2015 to June 2015 | 7.31 |
| | | | | May 2014 to October 2014 | 6.77 |
| | | | | July 2015 to December 2015 | 5.71 |
| | | | | 1.7.2000 to 31.3.2002 | 137.74 |
| April 2013 to August 2013 | 0.26 | | | | |
| April 2012 to September 2015 | 6.58 | | | | |
| January 2013 to August 2013 | 24.33 | | | | |
| 2008-09 | 37.34 | | | | |
| April 1999 to March 2002 | 46.94 | | | | |
| July 2001 to August 2001 | 83.44 | | | | |
| July 2005 to March 2006 | 6.45 | | | | |
| April 2009 to January 2010 | 21.17 | | | | |
| April 2011 to September 2011 | 21.87 | | | | |
| December 2008 to February 2011 | 1.06 | | | | |
| February 2010 to April 2010 | 8.49 | | | | |
| January 2011 to March 2011 | 11.76 | | | | |
| January 2011 to October 2011 | 2.22 | | | | |
| May 2006 to March 2010 | 4.19 | | | | |
| November 2001 to May 2004 | 1.08 | | | | |
| November 2004 to March 2009 | 101.65 | | | | |
| October 2010 to December 2010 | 10.53 | | | | |
| September 2013 to March 2014 | 12.94 | | | | |
| April 2006 to December 2010 | 69.99 | | | | |

| Sr. No. | Name of the statute | Nature of the dues | Forum where dispute is pending | Period to which the amount relates | Amount (₹ in lacs) | |
|--|--|--|---|------------------------------------|--------------------|--------|
| | | Service Tax | Additional Commissioner | April 2012 to March 2016 | 185.47 | |
| | | | Additional and Joint Commissioner of Central Excise | October 2012 to August 2013 | 16.45 | |
| | | | Deputy and Assistant Commissioner of Central Excise | 2009 - 2010 to 2012 - 2013 | 7.75 | |
| | | | | February 2015 to January 2016 | 3.69 | |
| | | | | April 2011 to March 2014 | 1.10 | |
| | | | Superintendent | February 2015 to January 2016 | 0.72 | |
| | | | | July 2014 to September 2015 | 0.44 | |
| | | | | February 2016 to November 2016 | 0.29 | |
| | | | Commissioner Appeal | June 2014 to January 2015 | 25.54 | |
| | | | | April 2013 to September 2015 | 58.68 | |
| | | | | April 2013 to March 2014 | 2.43 | |
| | | | | February 2013 to August 2013 | 3.09 | |
| | | | | July 2014 to September 2015 | 44.09 | |
| | | | | October 2015 to March 2016 | 6.86 | |
| | | April 2015 to March 2016 | | 6.70 | | |
| | | Appellate Tribunal | January 2016 to June 2016 | 0.97 | | |
| | | | April 2009 to May 2013 | 1.32 | | |
| | | | July 2015 to Dec 2015 | 2.37 | | |
| | | | June 2014 to December 2014 | 4.88 | | |
| | | | January-2015 to June 2015 | 0.77 | | |
| | | Nov-2014 to January -2015 | 3.40 | | | |
| | | | October 2015 to March 2016 | 0.81 | | |
| 2 | Finance Act, 1994 | Service Tax | Commissioner (Appeals) of Central Excise | 2006-07 to 2010-11 | 20.16 | |
| 3 | Central Sales Tax Act and Sales Tax Acts of various States | Sales Tax | Assistant Commissioner of Taxes Guwahati Unit -D | 2003-2004 | 0.09 | |
| | | | | Deputy Commissioner (VAT) | 2002-2003 | 184.61 |
| | | | | | 2003-2004 | 202.53 |
| | | | | | 2004-2005 | 207.02 |
| | | | | | 2005-2006 | 428.02 |
| | | | Joint Commissioner (VAT) | 2014-2015 | 0.12 | |
| | | | | 2012-2013 | 91.24 | |
| | | | | 2011-2012 | 0.50 | |
| | | | | 2010-2011 | 23.73 | |
| | | | | 2008-2009 | 16.28 | |
| | | | Commercial Tax Officer (AA) | 2006-2007 | 95.29 | |
| | | | | 2007-2008 | 150.48 | |
| | | | | 2005-2006 | 5.54 | |
| | | | | 2010-2011 | 28.60 | |
| Assistant Commissioner of Commercial Taxes | Appellate Tribunal Ernakulam | 1998-1999 | 0.50 | | | |
| | | 2000-2001 | 0.12 | | | |
| | | Additional Deputy Commissioner of Commercial Taxes | The Assessing Authority, Commercial Tax Circle-L | 2008-2009 | 1.90 | |
| | | | | | | |
| | | Central Sales Tax | Joint Commissioner (CST) | 2010-2011 | 6.06 | |
| | | | | 2008-2009 | 15.47 | |
| 4 | Customs Act, 1962 | Custom Duty | Commissioner of Customs (Imports) | April 1992 | 3.58 | |
| | | | | June 2006 | 399.05 | |
| 5 | Tamil Nadu Panchayat Act, 1994 | House Tax | Thadichery Panchayat, Theni | 2012-2013 | 33.49 | |
| Total | | | | | 3,441.43 | |

Balance Sheet as at 31st March, 2017

| | Notes | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|---|-------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| Assets | | | | |
| 1. Non-current Assets | | | | |
| a. Property, Plant and Equipment | 3 | 21,820.25 | 23,399.23 | 24,909.48 |
| b. Capital Work-in-Progress | 3 | 121.55 | 324.70 | 123.17 |
| c. Investment Property | 4 | 1,136.88 | 1,195.03 | 1,188.63 |
| d. Other Intangible Assets | 5 | 55.02 | 68.80 | 80.54 |
| e. Financial Assets | 6 | | | |
| (i) Investments | 6.1 | 98.21 | 98.21 | 91.05 |
| (ii) Loans | 6.3 | 22.59 | 39.49 | 22.94 |
| (iii) Others | 6.4 | - | 20.71 | 29.56 |
| f. Other Non-current Assets | 8 | 682.42 | 761.88 | 822.65 |
| 2. Current Assets | | | | |
| a. Inventories | 7 | 40,588.82 | 31,219.77 | 30,364.57 |
| b. Financial Assets | 6 | | | |
| (i) Investments | 6.1 | 1,814.86 | 2,354.21 | 3,004.52 |
| (ii) Trade Receivables | 6.2 | 42,267.92 | 38,744.85 | 46,566.79 |
| (iii) Cash and cash equivalents | 6.5 | 1,049.66 | 1,444.67 | 1,606.93 |
| (iv) Bank balances other than (iii) above | 6.6 | 218.49 | 200.79 | 189.14 |
| (v) Loans | 6.3 | 39.50 | 42.76 | 35.58 |
| (vi) Others | 6.4 | 695.55 | 1,160.93 | 1,454.51 |
| c. Current Tax Assets (Net) | 15 | 1,068.90 | 998.84 | 994.09 |
| d. Other Current Assets | 8 | 2,728.21 | 2,985.49 | 3,854.62 |
| e. Assets classified as held for sale | | - | - | - |
| | Total Assets | 1,14,408.83 | 1,05,060.36 | 1,15,338.77 |
| Equity and Liabilities | | | | |
| Equity | | | | |
| a. Equity Share Capital | 9 | 1,460.21 | 1,460.56 | 1,460.56 |
| b. Other Equity | 10 | 64,656.03 | 57,721.06 | 55,499.26 |
| | | 66,116.24 | 59,181.62 | 56,959.82 |
| Liabilities | | | | |
| 1. Non-current Liabilities | | | | |
| a. Financial Liabilities | 11 | | | |
| (i) Borrowings | 11.1 | 547.17 | 1,914.45 | 4,061.00 |
| b. Provisions | 12 | 462.71 | 394.30 | 375.65 |
| c. Deferred Tax Liabilities (Net) | 13 | 1,318.02 | 1,968.10 | 2,492.83 |
| d. Other Non-current Liabilities | 14 | 55.55 | 100.41 | - |
| 2. Current Liabilities | | | | |
| a. Financial Liabilities | 11 | | | |
| (i) Borrowings | 11.2 | 277.42 | 51.81 | 615.87 |
| (ii) Trade Payables | 11.3 | 37,887.49 | 34,468.89 | 44,349.16 |
| (iii) Other Financial Liabilities (other than those specified in (c) below) | 11.4 | 2,635.24 | 3,291.44 | 3,539.14 |
| b. Other Current Liabilities | 14 | 3,777.44 | 3,163.79 | 2,545.17 |
| c. Provisions | 12 | 342.19 | 340.97 | 215.62 |
| d. Current Tax Liabilities (Net) | 15 | 989.36 | 184.58 | 184.51 |
| | Total Equity and Liabilities | 1,14,408.83 | 1,05,060.36 | 1,15,338.77 |
| 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. M. Kapadia & Co.
Chartered Accountants
Firm's Registration No.: 104767W

Rajen Ashar
Partner
Membership No.: 048243

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

S. M. Dixit
Chief
Financial Officer

Mumbai,
27th May, 2017

For and on behalf of the Board

G. N. Mehra (DIN:00296615) Chairman and Managing Director
C. V. Alexander (DIN:00253736) Whole-time Director
M. C. Dalal (DIN:00087178) Non-Executive Director
N. B. Karpe (DIN:00030971) Non-Executive Director
H. A. Nagpal (DIN:00481307) Non-Executive Director
S. R. Pandit (DIN:00131424) Non-Executive Director

Statement of Profit and Loss for the year ended 31st March, 2017

| | Notes | Year ended 31.3.2017 ₹ in lacs | Year ended 31.3.2016 ₹ in lacs |
|---|-------|--------------------------------------|--------------------------------------|
| Income | | | |
| Revenue from Operations | 16 | 168,326.98 | 166,351.82 |
| Other Income | 17 | 1,304.78 | 963.88 |
| Total Income | | 169,631.76 | 167,315.70 |
| Expenditure | | | |
| Cost of Materials Consumed | 18 | 110,290.47 | 113,128.14 |
| Purchase of Stock-in-trade | 19 | 1,029.80 | 1,320.42 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 20 | (1,985.92) | 1,947.76 |
| Excise duty | | 18,609.81 | 17,815.40 |
| Employee Benefits Expense | 21 | 4,060.23 | 3,609.41 |
| Finance Costs | 22 | 1,371.08 | 2,631.03 |
| Depreciation and Amortisation Expense | 23 | 2,828.80 | 3,018.89 |
| Other Expenses | 24 | 20,811.66 | 19,593.74 |
| Total Expenditure | | 157,015.93 | 163,064.79 |
| Profit for the year before tax | | 12,615.83 | 4,250.91 |
| Tax Expenses | | | |
| Current Tax | 35 | 3,875.00 | 1,120.00 |
| Deferred Tax | 35 | (621.12) | (484.68) |
| Total Tax Expenses | | 3,253.88 | 635.32 |
| Profit for the year from continuing operations | | 9,361.95 | 3,615.59 |
| Other Comprehensive Income | | | |
| a) Items that will not be reclassified to profit or loss: | | | |
| i) Re-measurement gains / (losses) on defined benefit plans | 35 | (83.69) | (115.74) |
| ii) Income tax related to such items | 35 | 28.96 | 40.05 |
| Total Comprehensive Income for the period | | 9,307.22 | 3,539.90 |
| Basic and Diluted earnings per share in ₹ (face value of ₹ 10 each) | | 64.11 | 24.76 |
| 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. M. Kapadia & Co.
Chartered Accountants
Firm's Registration No.: 104767W

Rajen Ashar
Partner
Membership No.: 048243

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

S. M. Dixit
Chief
Financial Officer

For and on behalf of the Board

G. N. Mehra (DIN:00296615) Chairman and Managing Director
C. V. Alexander (DIN:00253736) Whole-time Director
M. C. Dalal (DIN:00087178) Non-Executive Director
N. B. Karpe (DIN:00030971) Non-Executive Director
H. A. Nagpal (DIN:00481307) Non-Executive Director
S. R. Pandit (DIN:00131424) Non-Executive Director

Mumbai,
27th May, 2017

Statement of changes in equity for the year ended 31st March, 2017

Equity Share Capital

| | ₹ in lacs |
|---|------------------------|
| Balance as at 1st April, 2015 | 1,460.56 |
| Changes in equity share capital during the year | - |
| Balance as at 31st March, 2016 | <u>1,460.56</u> |
| Changes in equity share capital during the year (Refer Note 9(d)) | <u>(0.35)</u> |
| Balance as at 31st March, 2017 | <u><u>1,460.21</u></u> |

Other Equity

| | Reserves and Surplus | | | | | ₹ in lacs |
|---|---|--------------------------------|----------------------------------|--------------------|----------------------|------------------|
| | Capital reserve - Forfeited shares | Capital reserve - Others | Securities premium reserve | General reserve | Retained earnings | Total Amount |
| Balance at 1st April, 2015 | - | 118.87 | 1,723.60 | 13,365.00 | 40,291.79 | 55,499.26 |
| Profit for the year | - | - | - | - | 3,615.59 | 3,615.59 |
| Other comprehensive income | - | - | - | - | (75.69) | (75.69) |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - |
| Restated balance at the beginning of the reporting period | - | - | - | - | - | - |
| Total comprehensive income for the year | - | 118.87 | 1,723.60 | 13,365.00 | 43,831.69 | 59,039.16 |
| Dividend for 2014-15 | - | - | - | - | (365.05) | (365.05) |
| Tax on Dividend for 2014-15 | - | - | - | - | (74.32) | (74.32) |
| Interim Dividend | - | - | - | - | (730.10) | (730.10) |
| Tax on Interim Dividend | - | - | - | - | (148.63) | (148.63) |
| Transfer from retained earnings / Transfer to General Reserve | - | - | - | 350.00 | (350.00) | - |
| Balance at 31st March, 2016 | - | 118.87 | 1,723.60 | 13,715.00 | 42,163.59 | 57,721.06 |
| Profit for the year | - | - | - | - | 9,361.95 | 9,361.95 |
| Other comprehensive income | - | - | - | - | (54.74) | (54.74) |
| Shares forfeited (Refer note 9(d)) | 0.35 | - | - | - | - | 0.35 |
| | 0.35 | 118.87 | 1,723.60 | 13,715.00 | 51,470.80 | 67,028.62 |
| Interim Dividend | - | - | - | - | (1,971.28) | (1,971.28) |
| Tax on Interim Dividend | - | - | - | - | (401.31) | (401.31) |
| Transfer from retained earnings / Transfer to General Reserve | - | - | - | 1,000.00 | (1,000.00) | - |
| Balance at 31st March, 2017 | <u>0.35</u> | <u>118.87</u> | <u>1,723.60</u> | <u>14,715.00</u> | <u>48,098.21</u> | <u>64,656.03</u> |

Notes :

- Capital Reserve : This reserve represents compensation received for breach of contract during the year 1994-95.
- Securities Premium : Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by The Companies Act, 2013.
- 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 of profits.

As per our report of the even date.

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

Rajen Ashar
Partner
Membership No.: 048243

U. C. Rege
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S. R. Pandit (DIN:00131424) Non-Executive Director

Mumbai,
27th May, 2017

Cash Flow Statement for the year ended 31st March, 2017

| | 2016-2017 ₹ in lacs | 2015-2016 ₹ in lacs |
|---|------------------------|------------------------|
| A. Cash Flow from Operating Activities : | | |
| Profit before tax from continuing operations | 12,615.83 | 4,250.91 |
| Adjustments for - | | |
| Depreciation on property, plant and equipment and investment property | 2,812.48 | 3,002.12 |
| Amortisation on intangible assets | 16.32 | 16.77 |
| Finance costs | 1,308.13 | 2,549.89 |
| Interest on sales tax deferment loan | 62.95 | 81.14 |
| (Profit) / loss on sale of property, plant and equipment (net) | 6.58 | (27.61) |
| Profit on sale of current investments (net) | (109.64) | (79.54) |
| Fair valuation of the non-current investments | - | (7.14) |
| Fair valuation of the current investments | (0.39) | 0.45 |
| Interest income | (119.59) | (120.58) |
| Dividend income | (1.50) | (2.50) |
| Lease rental | 10.03 | 10.01 |
| Bad debts, provision for doubtful debts and advances | 872.91 | 106.08 |
| Balance written off | 15.98 | 2.98 |
| Unrealised exchange loss / (gain) (net) | 155.53 | (333.23) |
| Operating profit before working capital changes | 17,645.62 | 9,449.75 |
| Changes in working capital: | | |
| Increase / (Decrease) in trade payables | 3,263.05 | (9,623.23) |
| Increase / (Decrease) in long-term provisions | 68.41 | 18.65 |
| Increase / (Decrease) in short-term provisions | (82.48) | 9.61 |
| Increase / (Decrease) in other long-term liabilities | 34.75 | 28.28 |
| Increase / (Decrease) in other current liabilities | 663.22 | 756.17 |
| (Increase) / Decrease in trade receivables | (4,372.45) | 7,736.43 |
| (Increase) / Decrease in inventories | (9,369.05) | (855.20) |
| (Increase) / Decrease in long-term loans | (75.18) | (58.09) |
| (Increase) / Decrease in short-term loans | 703.28 | 1,123.48 |
| (Increase) / Decrease in other current assets | 22.63 | 32.58 |
| Cash generated from operations | 8,501.80 | 8,618.43 |
| Interest received | 103.91 | 104.10 |
| Income tax paid | (3,140.28) | (1,124.67) |
| Net cash from Operating Activities | 5,465.43 | 7,597.86 |

Cash Flow Statement for the year ended 31st March, 2017

| | 2016-2017 ₹ in lacs | 2015-2016 ₹ in lacs |
|--|------------------------|------------------------|
| B. Cash Flow from Investing Activities: | | |
| Additions to property, plant and equipment and investment property | (993.90) | (1,735.18) |
| Additions to intangible assets | (2.54) | (5.03) |
| Sale of property, plant and Equipment | 15.13 | 63.03 |
| Purchase of current investments | (42,407.94) | (32,470.00) |
| Sale of current investments | 43,057.32 | 33,199.42 |
| Interest received | 15.69 | 15.95 |
| Dividend received | 1.50 | 2.50 |
| Net cash used in Investing Activities | (314.74) | (929.31) |
| C. Cash Flow from Financing Activities: | | |
| Proceeds from short-term borrowings | 225.61 | - |
| Repayment of long-term borrowings | (2,017.23) | (2,311.83) |
| Repayment of short-term borrowings | - | (564.06) |
| (Increase) / Decrease in earmarked bank balances (net) | 3.01 | (2.84) |
| Interest paid | (1,383.92) | (2,648.71) |
| Dividend paid | (1,971.86) | (1,080.42) |
| Dividend tax Paid | (401.31) | (222.95) |
| Net cash used in Financing Activities | (5,545.70) | (6,830.81) |
| Net Increase / (Decrease) in Cash and Cash Equivalents | (395.01) | (162.26) |
| Cash and Cash Equivalents - Beginning of the year | 1,444.67 | 1,606.93 |
| Cash and Cash Equivalents - End of the year | 1,049.66 | 1,444.67 |
| Net Cash and Cash Equivalents | 395.01 | 162.26 |

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. M. Kapadia & Co.
Chartered Accountants
Firm's Registration No.: 104767W

Rajen Ashar
Partner
Membership No.: 048243

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

S. M. Dixit
Chief
Financial Officer

Mumbai,
27th May, 2017

For and on behalf of the Board

G. N. Mehra (DIN:00296615) Chairman and Managing Director
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S. R. Pandit (DIN:00131424) Non-Executive Director

Notes to Financial Statements for the year ended 31st March, 2017

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 electricity generation through wind power plants.

Authorisation of financial statements

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors passed on 27th May, 2017.

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.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April, 2015. Refer note 39 for an explanation of how the transition from previous Generally Accepted Accounting Principles (GAAP) to Ind AS has affected the Company’s financial position, financial performance and cash flows.

- 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.

Notes to Financial Statements for the year ended 31st March, 2017

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 economic best interest.

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

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

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

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

The property, plant and equipment acquired under finance lease are depreciated over the period of lease. Depreciation on stores and spares specific to an item of property, plant and equipment is based on life of the related property, plant

Notes to Financial Statements for the year ended 31st March, 2017

and equipment. In other cases, the stores and spares are depreciated over their estimated useful life based on the technical assessment.

(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 assessment.

(D) Intangible Assets

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

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

Estimated lives of Computer Software is 5 to 7 years.

(E) Borrowing Costs

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

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

(F) Impairment of Non-financial Assets

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

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

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

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

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

Notes to Financial Statements for the year ended 31st March, 2017

(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 amortised 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. Cost of finished goods includes excise duty. Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods as on the Balance Sheet date.

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

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

(I) Revenue Recognition

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

- a) **Sale of goods:** Sales are accounted on passing of significant risks, rewards and control of ownership attached to the goods to customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, applicable discounts and allowances and is inclusive of excise duty.
- b) **Processing income:** Revenue from services is recognised as and when the services are rendered on proportionate completion method.
- c) **Rental Income:** Rental income arising from operating leases of investment properties is accounted for on a straight-line basis over the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in other income in the Statement of Profit and Loss.
- d) **Incentives based on renewable energy generation:** Incentives for renewable energy generation are recognised as income on passing of significant risks, rewards and control of ownership attached with such incentive.
- e) **Interest income:** Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.
- f) **Dividend income:** Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Notes to Financial Statements for the year ended 31st March, 2017

- 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 recognised 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 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 annually.

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.

Notes to Financial Statements for the year ended 31st March, 2017

Defined benefit costs are categorised as follows:

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

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

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

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

Defined contribution plan

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

Other long-term employee benefit obligations

The eligible employees can accumulate un-availed privilege leave and are entitled to encash the same either while in employment, on termination or on retirement in accordance with the Company's policy. The present value of such un-availed leave is measured using the Projected Unit 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 is transferred to the lessee. Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as finance lease obligation. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
- ii) **Operating lease:** Leases, where the lessor effectively retains substantially all the rights and benefits of ownership of the leased assets, are classified as operating leases. Lease payments under operating leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and is included in revenue in the Statement of Profit or Loss due to its operating nature.

Notes to Financial Statements for the year ended 31st March, 2017

b) As a Lessor

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

(N) Government Grants

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

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

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

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

(P) Segment Reporting

The Chairman and Managing Director (CMD) monitors the operating results of its business segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Notes to Financial Statements for the year ended 31st March, 2017

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 recognised as a finance cost.

Contingent liabilities are disclosed in the case of:

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

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

(S) Financial Instruments

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

I. Financial Assets

A. Initial recognition and measurement :

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of the financial asset [other than financial assets at fair value through profit or loss (FVTPL)] are added to the fair value of

Notes to Financial Statements for the year ended 31st March, 2017

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 recognised 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 recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such instruments.

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

C. De-recognition:

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

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

D. Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The Company follows 'simplified approach' for recognition of

Notes to Financial Statements for the year ended 31st March, 2017

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 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

Notes to Financial Statements for the year ended 31st March, 2017

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.

First-time adoption-mandatory exceptions, optional exemptions

Overall Principle

The Company has prepared the opening Balance Sheet as per Ind AS as of the transition date which is 1st April, 2015, by

- (a) recognising all assets and liabilities whose recognition is required by Ind AS;
- (b) not recognising items of assets or liabilities which are not permitted by Ind AS;
- (c) reclassifying items from previous GAAP to Ind AS as required under Ind AS; and
- (d) applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below :

1. De-recognition of financial assets and liabilities

The Company has applied the de-recognition requirements of financial assets and liabilities prospectively for transactions occurring on or after 1st April, 2015 (date of transition).

2. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transaction date.

3. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

4. Deemed cost for property, plant and equipment, investment property and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of 1st April, 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Notes to Financial Statements for the year ended 31st March, 2017

5. Equity investments at FVTPL

The Company has designated investment in equity shares as at FVTPL on the basis of facts and circumstances that existed at the transition date.

6. Government Grant

The Company has elected to apply the requirements in Ind AS 109 and Ind AS 20 prospectively to government loans existing at the date of transition to Ind AS.

7. Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 determining whether an arrangement contains a lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Significant accounting judgements, estimates and assumptions

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

Judgements

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

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

Estimates and assumptions

The following are the key assumptions concerning the future and other key sources of estimation 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 31st March, 2017

3 Property, Plant and Equipments ₹ in lacs

| Sr. No. | Particulars | Land-Freehold | Buildings | Wind Power Plant | Plant and Machinery | Laboratory Equipment | Electrical Installation and Equipments | Computer and Data Processing | Furniture and Fittings | Office Equipments | Vehicles | Total | Capital Work-in-Progress |
|--|---------------------------------------|---------------|-----------|------------------|---------------------|----------------------|--|------------------------------|------------------------|-------------------|----------|-----------|--------------------------|
| I. Gross Carrying Amount | | | | | | | | | | | | | |
| | Deemed cost as at 1st April, 2015 | 2,104.80 | 5,406.54 | 11,624.65 | 4,892.62 | 109.87 | 229.98 | 45.17 | 257.18 | 64.95 | 173.72 | 24,909.48 | 123.17 |
| | Additions | 88.33 | 135.59 | - | 1,077.38 | 44.97 | 77.37 | 37.08 | 22.84 | 9.27 | 40.85 | 1,533.68 | 274.96 |
| | Deletions | - | 67.70 | 16.32 | 14.26 | 3.54 | - | 0.03 | - | - | 4.83 | 106.68 | 73.43 |
| | Balance as at 31st March, 2016 | 2,193.13 | 5,474.43 | 11,608.33 | 5,955.74 | 151.30 | 307.35 | 82.22 | 280.02 | 74.22 | 209.74 | 26,336.48 | 324.70 |
| II. Accumulated Depreciation and Impairment | | | | | | | | | | | | | |
| | Balance as at 1st April, 2015 | - | - | - | - | - | - | - | - | - | - | - | - |
| | Depreciation for the year | - | 414.83 | 1,442.50 | 798.86 | 37.22 | 65.90 | 23.13 | 70.42 | 32.13 | 56.39 | 2,941.38 | - |
| | Accumulated depreciation on deletions | - | 0.55 | 0.38 | 1.60 | 0.65 | - | - | - | - | 0.95 | 4.13 | - |
| | Balance as at 31st March, 2016 | - | 414.28 | 1,442.12 | 797.26 | 36.57 | 65.90 | 23.13 | 70.42 | 32.13 | 55.44 | 2,937.25 | - |
| III. Net Carrying Amount as at 31st March, 2016 | | | | | | | | | | | | | |
| | Balance as at 1st April, 2016 | 2,193.13 | 5,060.15 | 10,166.21 | 5,158.48 | 114.73 | 241.45 | 59.09 | 209.60 | 42.09 | 154.30 | 23,399.23 | 324.70 |
| | Additions | - | 359.95 | - | 525.64 | 68.94 | 34.64 | 49.33 | 40.71 | 21.32 | 96.52 | 1,197.05 | 88.01 |
| | Deletions | - | 7.81 | - | 1.50 | - | - | 0.18 | - | 0.06 | 17.76 | 27.31 | 291.16 |
| | Balance as at 31st March, 2017 | 2,193.13 | 5,826.57 | 11,608.33 | 6,479.88 | 220.24 | 341.99 | 131.37 | 320.73 | 95.48 | 288.50 | 27,506.22 | 121.55 |
| V. Accumulated Depreciation and Impairment | | | | | | | | | | | | | |
| | Balance as at 1st April, 2016 | - | 414.28 | 1,442.12 | 797.26 | 36.57 | 65.90 | 23.13 | 70.42 | 32.13 | 55.44 | 2,937.25 | - |
| | Depreciation for the year | - | 383.06 | 1,259.36 | 839.83 | 36.66 | 64.63 | 34.23 | 63.15 | 19.51 | 53.89 | 2,754.33 | - |
| | Accumulated depreciation on deletions | - | 1.22 | - | 0.22 | - | - | - | - | 0.04 | 4.13 | 5.61 | - |
| | Balance as at 31st March, 2017 | - | 796.12 | 2,701.48 | 1,636.87 | 73.23 | 130.53 | 57.36 | 133.57 | 51.60 | 105.20 | 5,685.97 | - |
| VI. Net Carrying Amount as at 31st March, 2017 | | | | | | | | | | | | | |
| | Balance as at 1st April, 2017 | 2,193.13 | 5,030.45 | 8,906.85 | 4,843.01 | 147.01 | 211.46 | 74.01 | 187.16 | 43.88 | 183.30 | 21,820.25 | 121.55 |

Notes:

- Leasehold land having carrying value of ₹ 312.23 lacs as at 1st April, 2015, is treated as operating lease as per criteria set out in Ind AS 17 and hence, is re-classified from property, plant and equipments (Refer Note 8).
- Buildings having carrying value of ₹ 1,188.63 lacs are re-classified as investment properties as per Ind AS 40 and are shown separately in the financial statements as on the date of transition i.e. 1st April, 2015.
- Buildings include cost of shares amounting to ₹ 0.03 lacs (as at 31st March, 2016 ₹ 0.03 lacs and as at 1st April, 2015 ₹ 0.03 lacs).
- Additions during the year include capital expenditure amounting to ₹ 1.33 lacs (as at 31.3.2016 ₹ 3.97 lacs and as at 1.4.2015 ₹ 81.31 lacs) towards Research and Development.
- 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 31st March, 2017

| 4 Investment Property | ₹ in lacs |
|--|------------------------|
| | Buildings |
| I. Gross Carrying Amount | |
| Deemed Cost as at 1st April, 2015 | 1,188.63 |
| Additions | 67.15 |
| Deletions | - |
| Balance as at 31st March, 2016 | <u>1,255.78</u> |
| II. Accumulated Depreciation and Impairment | |
| Balance as at 1st April, 2015 | - |
| Depreciation for the year | 60.75 |
| Accumulated depreciation on deletions | - |
| Balance as at 31st March, 2016 | <u>60.75</u> |
| III. Net Carrying Amount as at 31st March, 2016 | <u>1,195.03</u> |
| IV. Balance as at 1st April, 2016 | 1,255.78 |
| Additions | - |
| Deletions | - |
| Balance as at 31st March, 2017 | <u>1,255.78</u> |
| V. Accumulated Depreciation and Impairment | |
| Balance as at 1st April, 2016 | 60.75 |
| Depreciation for the year | 58.15 |
| Accumulated depreciation on deletions | - |
| Balance as at 31st March, 2017 | <u>118.90</u> |
| VI. Net Carrying Amount as at 31st March, 2017 | <u>1,136.88</u> |

Notes:

- a) Buildings include cost of shares amounting to ₹ 0.01 lacs (as at 31.3.2016 ₹ 0.01 lacs and as at 1.4.2015 ₹ 0.01 lacs).
 b) Certain Investment Properties have been mortgaged for borrowing facilities availed by the Company (Refer Note 31).

4.1 For investment property existing as on 1st April, 2015 i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost.

4.2 Information regarding income and expenditure of Investment Property

| | 2016-2017 ₹ in lacs | 2015-2016 ₹ in lacs |
|---|------------------------|------------------------|
| Rental income derived from investment properties | 168.75 | 157.40 |
| Direct operating expenses (including repairs and maintenance) generating rental income | (12.95) | (12.60) |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income | - | - |
| Profit arising from investment properties before depreciation and indirect expenses | <u>155.80</u> | 144.80 |
| Less – Depreciation | (58.15) | (61.30) |
| Profit arising from investment properties before indirect expenses | <u><u>97.65</u></u> | <u><u>83.50</u></u> |

Notes to Financial Statements for the year ended 31st March, 2017

The management has determined that the investment properties consist of two classes of assets – Commercial and residential – based on the nature, characteristics and risks of each property.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

4.3 Fair value of the Company's investment properties

The fair value of the Company's investment properties as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 have been arrived at on the basis of a valuation carried out by independent registered valuers not related to the Company.

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

| Valuation as at | Fair value measurement using | | |
|-----------------|------------------------------|-----------|-----------|
| | 31.3.2017 | Level 2 | 1.4.2015 |
| | ₹ in lacs | ₹ in lacs | ₹ in lacs |
| | 3,016.80 | 2,922.50 | 2,405.30 |

b) Reconciliation of fair value

| | ₹ in lacs |
|--|-----------|
| | Total |
| Opening balance as at 1st April, 2015 | 2,405.30 |
| Fair value difference | 449.50 |
| Purchases / Reclassification | 67.70 |
| Opening balance as at 1st April, 2016 | 2,922.50 |
| Fair value difference | 94.30 |
| Purchases / Reclassification | - |
| Closing balance as at 31st March, 2017 | 3,016.80 |

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

The Investment properties have been valued at Fair Market Value. It is 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 |
| I. Gross Carrying Amount | |
| Deemed Cost as at 1st April, 2015 | 80.54 |
| Additions | 5.03 |
| Deletions | - |
| Balance as at 31st March, 2016 | 85.57 |
| II. Accumulated Depreciation and Impairment | |
| Balance as at 1st April, 2015 | - |
| Depreciation for the year | 16.77 |
| Accumulated depreciation on deletions | - |
| Balance as at 31st March, 2016 | 16.77 |
| III. Net Carrying Amount as at 31st March, 2016 | 68.80 |

Notes to Financial Statements for the year ended 31st March, 2017

| | ₹ in lacs |
|---|---------------------|
| IV. Balance as at 1st April, 2016 | 85.57 |
| Additions | 2.54 |
| Deletions | - |
| Balance as at 31st March, 2017 | <u>88.11</u> |
| V. Accumulated Depreciation and Impairment | |
| Balance as at 1st April, 2016 | 16.77 |
| Depreciation for the year | 16.32 |
| Accumulated depreciation on deletions | - |
| Balance as at 31st March, 2017 | <u>33.09</u> |
| VI. Net Carrying Amount as at 31st March, 2017 | <u><u>55.02</u></u> |

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 | 54.80 | 0.22 | 55.02 |
| | <u>54.80</u> | <u>0.22</u> | <u>55.02</u> |

6 Financial Assets

6.1 Non-current Investments (fully paid up)

| | Face Value ₹ | As at 31.3.2017 Quantity Nos. | As at 31.3.2016 Quantity Nos. | As at 1.4.2015 Quantity Nos. | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|--|--------------------|--|--|---------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| Investments in equity instruments (at FVTPL) | | | | | | | |
| Unquoted | | | | | | | |
| Kavini Ispat Ltd. [at cost less impairment in value ₹ 48.79 lacs (as at 31.3.2016 ₹ 48.79 lacs and as at 1.4.2015 ₹ 48.79 lacs)] | 10 | 1,06,100 | 1,06,100 | 1,06,100 | - | - | - |
| Savita Petro-Additives Ltd. (Refer Note 33) | 10 | 40 | 40 | 40 | 0.16 | 0.16 | 0.15 |
| Savita Polymers Ltd. (Refer Note 33) | 10 | 10,000 | 10,000 | 10,000 | 98.05 | 98.05 | 90.90 |
| | | | | | <u>98.21</u> | <u>98.21</u> | <u>91.05</u> |
| Aggregate amount of Unquoted Investments - gross | | | | | 147.00 | 147.00 | 139.84 |
| Aggregate amount of impairment in value of investments | | | | | 48.79 | 48.79 | 48.79 |
| Aggregate amount of Unquoted Investments - net | | | | | 98.21 | 98.21 | 91.05 |

Notes to Financial Statements for the year ended 31st March, 2017

| | Face Value ₹ | As at 31.3.2017 Quantity Nos. | As at 31.3.2016 Quantity Nos. | As at 1.4.2015 Quantity Nos. | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|--|-----------------|--|--|---------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| Current Investments (at FVTPL) | | | | | | | |
| Unquoted Mutual Funds | | | | | | | |
| Birla Sun Life Cash Plus - Growth - Regular Plan | 10 | 95,991 | 2,88,699 | 4,91,072 | 250.07 | 700.89 | 1,101.40 |
| HDFC Liquid Fund -Growth | 10 | 12,510 | 16,792 | 21,79,333 | 400.26 | 501.15 | 600.98 |
| Kotak Liquid Scheme Plan A - Growth | 1,000 | 12,159 | 19,588 | 28,248 | 400.11 | 601.20 | 801.29 |
| Reliance Liquidity Fund - Growth Plan Growth Option | 1,000 | - | 4,395 | - | - | 100.11 | - |
| SBI Premier Liquid Fund - Regular Plan - Growth | 1,000 | 19,657 | 18,975 | 22,810 | 500.42 | 450.86 | 500.85 |
| SBI Magnum Insta Cash Fund | 1,000 | 1,646 | - | - | 59.01 | - | - |
| Tata Liquid Fund - Growth | 1,000 | 6,856 | - | - | 204.99 | - | - |
| | | | | | 1,814.86 | 2,354.21 | 3,004.52 |
| Aggregate amount of Unquoted Investments - gross | | | | | 1,814.86 | 2,354.21 | 3,004.52 |
| Aggregate amount of impairment in value of investments | | | | | - | - | - |
| Aggregate amount of Unquoted Investments - net | | | | | 1,814.86 | 2,354.21 | 3,004.52 |

6.2 Trade Receivables Current

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|---|---------------------------------|---------------------------------|--------------------------------|
| Unsecured, Considered good | 42,669.03 | 39,075.27 | 47,000.48 |
| Considered doubtful | 1,728.77 | 1,741.07 | 1,779.23 |
| | 44,397.80 | 40,816.34 | 48,779.71 |
| Allowance for doubtful debts | (1,728.77) | (1,741.07) | (1,779.23) |
| | 42,669.03 | 39,075.27 | 47,000.48 |
| Less: Impairment under expected credit loss | (401.11) | (330.42) | (433.69) |
| | 42,267.92 | 38,744.85 | 46,566.79 |

The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and 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 | 0.27 |
| 91-180 days past due | 0.63 |
| 181-270 days past due | 1.37 |
| More than 270 days past due | 15.97 |

Notes to Financial Statements for the year ended 31st March, 2017

| Age of receivables * | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|-----------------------------|---------------------------------|---------------------------------|--------------------------------|
| 0-90 days past due | 36,375.57 | 30,133.10 | 37,442.77 |
| 91-180 days past due | 3,145.79 | 3,529.20 | 3,305.49 |
| 181-270 days past due | 1,537.43 | 1,233.26 | 2,443.92 |
| More than 270 days past due | 1,610.24 | 4,179.71 | 3,808.30 |

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

Movement in the expected credit loss allowance

| | Year ended 31.3.2017 ₹ in lacs | Year ended 31.3.2016 ₹ in lacs |
|---|--------------------------------------|--------------------------------------|
| Balance at the beginning of the year | 330.42 | 433.69 |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | 70.69 | (103.27) |
| Balance at the end of the year | <u>401.11</u> | <u>330.42</u> |

6.3 Loans

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|----------------------------|---------------------------------|---------------------------------|--------------------------------|
| Non-current | | | |
| Other Loans | | | |
| Unsecured, considered good | 22.59 | 39.49 | 22.94 |
| | <u>22.59</u> | <u>39.49</u> | <u>22.94</u> |
| Current | | | |
| Other Loans | | | |
| Unsecured, considered good | 39.50 | 42.76 | 35.58 |
| | <u>39.50</u> | <u>42.76</u> | <u>35.58</u> |
| | <u>62.09</u> | <u>82.25</u> | <u>58.52</u> |

6.4 Other Financial Assets

| Non-current | | | |
|---|---------------|-----------------|-----------------|
| Bank deposits with more than 12 months maturity | - | 20.71 | 29.56 |
| | <u>-</u> | <u>20.71</u> | <u>29.56</u> |
| Current | | | |
| Security Deposits | 475.88 | 514.27 | 562.52 |
| Derivative Asset | 186.38 | 590.73 | 804.01 |
| Other Financial Assets | 33.29 | 55.93 | 87.98 |
| | <u>695.55</u> | <u>1,160.93</u> | <u>1,454.51</u> |
| | <u>695.55</u> | <u>1,181.64</u> | <u>1,484.07</u> |

Notes to Financial Statements for the year ended 31st March, 2017

6.5 Cash and Cash Equivalents

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|---------------------|---------------------------------|---------------------------------|--------------------------------|
| Balances with banks | | | |
| On Current accounts | 1,033.52 | 1,430.71 | 1,586.85 |
| Cash on hand | 16.14 | 13.96 | 20.08 |
| | <u>1,049.66</u> | <u>1,444.67</u> | <u>1,606.93</u> |

6.6 Other bank balances

| | | | |
|---|---------------|---------------|---------------|
| Deposit accounts with more than 3 months but less than 12 months maturity | - | 2.70 | - |
| Security against guarantee / margin money deposits | 114.88 | 93.89 | 99.69 |
| Unpaid dividend accounts | 103.61 | 104.20 | 89.45 |
| | <u>218.49</u> | <u>200.79</u> | <u>189.14</u> |

7 Inventories

| | | | |
|-----------------------------|------------------|------------------|------------------|
| Raw and Packing Materials : | | | |
| on hand | 15,584.78 | 14,277.59 | 13,094.69 |
| in transit | 13,510.13 | 7,430.80 | 5,797.88 |
| Work-in-Process | 895.26 | 721.88 | 1,335.83 |
| Finished Goods : | | | |
| on hand | 8,874.30 | 7,786.08 | 8,989.85 |
| in transit | 1,342.51 | 596.58 | 675.59 |
| Stock-in-trade | 256.21 | 277.82 | 328.85 |
| Stores and Spares | 125.63 | 129.02 | 141.88 |
| | <u>40,588.82</u> | <u>31,219.77</u> | <u>30,364.57</u> |

During the year ended 31st March, 2017, ₹ 329.80 lacs (31st March, 2016: ₹ 216.54 lacs) was recognised as an expense for inventories carried at net realisable value.

Notes to Financial Statements for the year ended 31st March, 2017

8 Other Assets

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|---|---------------------------------|---------------------------------|--------------------------------|
| Non-current | | | |
| Capital Advances | 39.68 | 19.77 | 55.24 |
| Prepaid Lease Rental - Land (Refer Note 3) | 282.17 | 292.20 | 302.21 |
| Others including duties and taxes receivable (other than Cenvat balances) | 595.42 | 539.23 | 465.20 |
| Less: Provision for doubtful advances | (234.85) | (89.32) | - |
| | <u>682.42</u> | <u>761.88</u> | <u>822.65</u> |
| Current | | | |
| Cenvat balances | 1,526.08 | 1,851.86 | 1,531.59 |
| Advances to vendors | 453.52 | 503.38 | 393.62 |
| Prepaid Lease Rental - Land (Refer Note 3) | 10.02 | 10.01 | 10.01 |
| Other loans and advances including duties and taxes receivable (other than Cenvat balances) | 738.59 | 620.24 | 1,919.40 |
| | <u>2,728.21</u> | <u>2,985.49</u> | <u>3,854.62</u> |
| | <u>3,410.63</u> | <u>3,747.37</u> | <u>4,677.27</u> |

9 Equity Share Capital

Authorised shares

3,00,00,000 (As at 31st March, 2016: 3,00,00,000; as at 1st April, 2015: 3,00,00,000) Equity shares of ₹ 10 each

| | | |
|----------|----------|----------|
| 3,000.00 | 3,000.00 | 3,000.00 |
|----------|----------|----------|

Issued shares

1,46,02,083 (As at 31st March, 2016: 1,46,09,183; as at 1st April, 2015: 1,46,09,183) Equity shares of ₹ 10 each

| | | |
|----------|----------|----------|
| 1,460.21 | 1,460.92 | 1,460.92 |
|----------|----------|----------|

Subscribed and fully paid-up shares

1,46,02,083 (As at 31st March, 2016: 1,46,02,083; as at 1st April, 2015: 1,46,02,083) Equity shares of ₹ 10 each

| | | |
|----------|----------|----------|
| 1,460.21 | 1,460.21 | 1,460.21 |
|----------|----------|----------|

Forfeited shares (Refer Note 9(d))

Nil (As at 31st March, 2016: 7,100; as at 1st April, 2015: 7,100) Forfeited Shares

| | | |
|---|------|------|
| - | 0.35 | 0.35 |
|---|------|------|

| | | |
|-----------------|-----------------|-----------------|
| <u>1,460.21</u> | <u>1,460.56</u> | <u>1,460.56</u> |
|-----------------|-----------------|-----------------|

a) Reconciliation of number of shares

| | Nos. | ₹ in lacs |
|------------------------|--------------------|-----------------|
| As at 1.4.2015 | 1,46,02,083 | 1,460.21 |
| Issued during the year | - | - |
| As at 31.3.2016 | <u>1,46,02,083</u> | <u>1,460.21</u> |
| Issued during the year | - | - |
| As at 31.3.2017 | <u>1,46,02,083</u> | <u>1,460.21</u> |

Notes to Financial Statements for the year ended 31st March, 2017

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 31.3.2017 | | As at 31.3.2016 | | As at 1.4.2015 | |
|----------------------------|--------------------|-----------------|--------------------|-----------------|-------------------|-----------------|
| | Nos. | % of holding | Nos. | % of holding | Nos. | % of holding |
| Gautam N. Mehra* | 95,11,656 | 65.14 | 95,11,656 | 65.14 | 95,10,156 | 65.13 |
| HDFC Trustees Company Ltd. | 13,29,732 | 9.11 | 13,29,732 | 9.11 | 13,29,732 | 9.11 |

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

* Includes 94,38,825 (As at 31st March, 2016: 94,38,825; as at 1st April, 2015: 94,37,325) equity shares held as member of Association of Persons and HUFs, wherein he is one of the beneficiaries, and as a trustee of family trusts.

d) Forfeited equity shares

| | As at 31.3.2017 | As at 31.3.2016 | As at 1.4.2015 |
|--|--------------------|--------------------|-------------------|
| No. of shares forfeited | - | 7,100 | 7,100 |
| Amount received for share capital forfeited (₹ in lacs) | - | 0.35 | 0.35 |
| Amount of share premium forfeited (₹ in lacs) | 2.49 | 2.49 | 2.49 |

During the year the board of directors have decided to cancel the 7,100 forfeited shares. Accordingly, an amount of ₹0.35 lacs received against such shares has been transferred to Capital Reserve.

Notes to Financial Statements for the year ended 31st March, 2017

10 Other Equity

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|---|---------------------------------|---------------------------------|--------------------------------|
| Capital Reserve - Forfeited Shares | | | |
| Balance at beginning of the year | - | - | - |
| Add: Forfeiture of Shares (Refer Note 9(d)) | 0.35 | - | - |
| | <u>0.35</u> | <u>-</u> | <u>-</u> |
| Capital Reserve - Others | | | |
| Balance at beginning of the year | 118.87 | 118.87 | 118.87 |
| Security Premium Account | | | |
| Balance at beginning of the year | 1,723.60 | 1,723.60 | 1,723.60 |
| General Reserve | | | |
| Balance at beginning of the year | 13,715.00 | 13,365.00 | 13,365.00 |
| Add: Transfer from surplus in the Statement of Profit and Loss | 1,000.00 | 350.00 | - |
| | <u>14,715.00</u> | <u>13,715.00</u> | <u>13,365.00</u> |
| Surplus in the Statement of Profit and Loss | | | |
| Balance at beginning of the year | 42,163.59 | 40,291.79 | 40,291.79 |
| Add: Profit / (Loss) for the year | 9,361.95 | 3,615.59 | - |
| Add: Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax | (54.74) | (75.69) | - |
| | <u>51,470.80</u> | <u>43,831.69</u> | <u>40,291.79</u> |
| Less: Appropriations | | | |
| Interim Dividend [amount per share ₹ 13.50 (Previous year ₹ 5.00 per share)] | 1,971.28 | 730.10 | - |
| Tax on Interim Dividend | 401.31 | 148.63 | - |
| Dividend Paid 2014-15 [amount per share ₹ 2.50 per share (Previous year Nil)] | - | 365.05 | - |
| Tax on Dividend 2014-15 | - | 74.32 | - |
| Transfer to General Reserve | 1,000.00 | 350.00 | - |
| Total Appropriations | <u>3,372.59</u> | <u>1,668.10</u> | <u>-</u> |
| Net Retained earning | <u>48,098.21</u> | <u>42,163.59</u> | <u>40,291.79</u> |
| | <u>64,656.03</u> | <u>57,721.06</u> | <u>55,499.26</u> |

Notes :

- Capital Reserve : This reserve represents compensation received for breach of contract during the year 1994-95.
- Securities Premium : Premium collected on issue of securities are accumulated as part of securities premium. Utilisation of such reserve is restricted by The Companies Act, 2013.
- 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 of profits.

Notes to Financial Statements for the year ended 31st March, 2017

11 Financial Liabilities

11.1 Long-term Borrowings

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|---|---------------------------------|---------------------------------|--------------------------------|
| Non-current | | | |
| Term Loans from Banks - Secured | | | |
| Foreign Currency Loans | 202.68 | 1,416.14 | 3,152.25 |
| Deferred Payment Liability - Unsecured | | | |
| Sales Tax Deferment | 344.49 | 498.31 | 908.75 |
| | <u>547.17</u> | <u>1,914.45</u> | <u>4,061.00</u> |
| Current | | | |
| Term Loans from Banks - Secured | | | |
| Foreign Currency Loans | 1,183.60 | 1,942.03 | 2,286.59 |
| Deferred Payment Liability - Unsecured | | | |
| Sales Tax Deferment | 216.77 | 247.07 | 233.67 |
| | <u>1,400.37</u> | <u>2,189.10</u> | <u>2,520.26</u> |
| Less : Amount clubbed under "Other current financial liabilities" | 1,400.37 | 2,189.10 | 2,520.26 |
| Net current borrowing | <u>-</u> | <u>-</u> | <u>-</u> |

11.1.1 Government grants

| | | | |
|--|---------------|---------------|----------|
| As at 1st April | 163.36 | - | - |
| Received during the year | - | 244.50 | - |
| Released to the statement of profit and loss | (62.95) | (81.14) | - |
| As at 31st March | <u>100.41</u> | <u>163.36</u> | <u>-</u> |
| Current | 44.86 | 62.95 | - |
| Non-current | 55.55 | 100.41 | - |
| | <u>100.41</u> | <u>163.36</u> | <u>-</u> |

Note:

In terms of the scheme of Government of Maharashtra, the Company was entitled to defer the payment of sales tax liability in certain years. Such deferral is without payment of interest. The grant represents the difference between the carrying amount as on the date of transition and the present value. The grant income is recognised in the statement of profit and loss on a systematic basis.

Notes to Financial Statements for the year ended 31st March, 2017

| | Details of Secured Loans and Securities | Rate of Interest | Date of loan | Tenure of loan | No. of instalments (post moratorium) |
|------|---|-------------------------------|--------------|----------------|--------------------------------------|
| | Foreign Currency Loans | | | | |
| i) | ₹ Nil lac (31.3.2016: ₹ Nil and 1.4.2015: ₹ 133.27 lacs) secured by exclusive hypothecation of certain Wind Power Plants at District Satara, Maharashtra. | 3 months Libor Plus 2.5% p.a. | 6.4.2010 | 5 years | 14 quarterly |
| ii) | ₹ Nil lac (31.3.2016: ₹ 351.97 lacs and 1.4.2015: ₹ 991.15 lacs) secured by exclusive hypothecation of Wind Power Plants at District Coimbatore, Tamilnadu. | 6 months Libor Plus 1.5% p.a. | 25.8.2011 | 5 years | 8 half yearly |
| iii) | ₹ 372.92 lacs (31.3.2016: ₹ 1,142.85 lacs and 1.4.2015: ₹ 1,787.96 lacs) secured by exclusive hypothecation of all movable fixed assets at Silli, Silvassa and certain Wind Power Plants at District Sangli, Maharashtra. | 3 months Libor Plus 2.5% p.a. | 30.8.2012 | 5 years | 16 quarterly |
| iv) | ₹ 1,013.36 lacs (31.3.2016: ₹ 1,863.35 lacs and 1.4.2015: ₹ 2,526.46 lacs) secured by exclusive hypothecation of certain Wind Power Plants at District Sangli, Maharashtra. | 3 months Libor Plus 2.5% p.a. | 30.5.2013 | 5 years | 16 quarterly |

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

Details of Deferred Payment Liability

Deferred Payment Liabilities (without considering the present value) amounting to ₹ 661.67 lacs (as at 31.3.2016 ₹ 908.75 lacs and as at 1.4.2015 ₹ 1,142.42 lacs) are interest free sales tax deferments repayable in 5 equal instalments after 10 years from the respective year of availment.

| Year of deferral | Deferral Amount ₹ in lacs as at | | |
|------------------|---------------------------------|---------------|-----------------|
| | 31.3.2017 | 31.3.2016 | 1.4.2015 |
| 2000-2001 | - | - | 39.12 |
| 2001-2002 | - | 55.74 | 111.48 |
| 2002-2003 | 55.74 | 111.47 | 167.21 |
| 2003-2004 | 86.10 | 129.16 | 172.21 |
| 2004-2005 | 120.07 | 160.09 | 200.11 |
| 2005-2006 | 210.09 | 262.61 | 262.61 |
| 2006-2007 | 127.17 | 127.18 | 127.18 |
| 2007-2008 | 62.50 | 62.50 | 62.50 |
| Total | 661.67 | 908.75 | 1,142.42 |

11.2 Short-term Borrowings (Secured)

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|---|------------------------------|------------------------------|-----------------------------|
| Loans Repayable on demand | | | |
| Cash Credits from banks | 277.42 | 51.81 | 615.87 |
| 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. | | | |
| | 277.42 | 51.81 | 615.87 |

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

Notes to Financial Statements for the year ended 31st March, 2017

11.3 Trade payables and Acceptances

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|--|---------------------------------|---------------------------------|--------------------------------|
| Current | | | |
| Trade payables | | | |
| Micro and Small Enterprises | - | - | - |
| Other than Micro and Small Enterprises | 20,918.93 | 17,628.06 | 13,304.13 |
| Acceptances | 16,968.56 | 16,840.83 | 31,045.03 |
| | <u>37,887.49</u> | <u>34,468.89</u> | <u>44,349.16</u> |

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

11.4 Other Financial Liabilities

| | | | |
|---|-----------------|-----------------|-----------------|
| Current | | | |
| Financial liabilities at fair value through profit or loss (FVTPL) | | | |
| Derivatives liabilities carried at fair value | 155.54 | 19.82 | 3.21 |
| Interest accrued but not due on borrowings | 9.89 | 22.73 | 40.41 |
| Current maturities of long-term borrowings- Term loan | 1,183.60 | 1,942.03 | 2,286.59 |
| Other Financial liabilities at amortised cost | | | |
| Current maturities of long-term borrowings- Sales tax deferment | 216.77 | 247.07 | 233.67 |
| Unpaid dividends | 103.61 | 104.19 | 89.45 |
| Security deposit | 545.74 | 510.99 | 482.71 |
| Other payables | 420.09 | 444.61 | 403.10 |
| | <u>2,635.24</u> | <u>3,291.44</u> | <u>3,539.14</u> |

Note:- There are no amounts due and outstanding in respect of Investor Education and Protection Fund as on 31st March, 2017, 31st March, 2016 and 1st April, 2015.

12 Provisions

| | | | |
|---|---------------|---------------|---------------|
| Non-current | | | |
| Provisions in respect of employee benefits | | | |
| Leave encashment | 462.71 | 394.30 | 375.65 |
| | <u>462.71</u> | <u>394.30</u> | <u>375.65</u> |
| Current | | | |
| Provisions in respect of employee benefits | | | |
| Leave encashment | 223.12 | 256.85 | 215.62 |
| Gratuity (Refer Note 32) | 119.07 | 84.12 | - |
| | <u>342.19</u> | <u>340.97</u> | <u>215.62</u> |
| | <u>804.90</u> | <u>735.27</u> | <u>591.27</u> |

Notes to Financial Statements for the year ended 31st March, 2017

13 Deferred Tax Liability (Net)

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|---|---------------------------------|---------------------------------|--------------------------------|
| Deferred Tax Liability | 2,529.64 | 3,207.33 | 3,708.51 |
| Deferred Tax Assets | 1,211.62 | 1,239.23 | 1,215.68 |
| Net Deferred Tax Liability | 1,318.02 | 1,968.10 | 2,492.83 |
| Deductible temporary differences | | | |
| Option contract | 53.83 | - | - |
| Deferred grant | 34.75 | 55.53 | - |
| Provision for doubtful debts and advances | 818.39 | 734.45 | 752.17 |
| Defined benefit obligation | 237.35 | 221.32 | 200.98 |
| Borrowings | 67.29 | 199.71 | 256.10 |
| Others | - | 28.22 | 6.40 |
| | 1,211.61 | 1,239.23 | 1,215.65 |
| Taxable temporary differences | | | |
| Property, plant and equipment and investment property | 2,396.45 | 2,911.03 | 3,405.68 |
| Borrowings | 34.75 | 55.53 | - |
| Investments | 33.93 | 33.24 | 29.52 |
| Derivative Assets | 64.50 | 200.79 | 273.28 |
| Other financial liabilities | - | 6.74 | - |
| | 2,529.63 | 3,207.33 | 3,708.48 |
| | 1,318.02 | 1,968.10 | 2,492.83 |

14 Other Liabilities

Non-current

| | | | |
|--|--------------|---------------|----------|
| Deferred revenue arising from government grant | 55.55 | 100.41 | - |
| | 55.55 | 100.41 | - |

Current

| | | | |
|--|-----------------|-----------------|-----------------|
| Deferred revenue arising from government grant | 44.86 | 62.96 | - |
| Income tax deducted at source | 316.72 | 281.31 | 209.36 |
| Duties and taxes | 2,033.20 | 1,808.94 | 1,512.03 |
| Advances from customers | 358.34 | 375.19 | 386.04 |
| Other payables | 1,024.32 | 635.39 | 437.74 |
| | 3,777.44 | 3,163.79 | 2,545.17 |

Notes to Financial Statements for the year ended 31st March, 2017

15 Current tax assets and liabilities

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|-------------------------|---------------------------------|---------------------------------|--------------------------------|
| Current tax assets | | | |
| Tax refund receivable | 1,068.90 | 998.84 | 994.09 |
| | <u>1,068.90</u> | <u>998.84</u> | <u>994.09</u> |
| Current tax liabilities | | | |
| Income tax payable | 989.36 | 184.58 | 184.51 |
| | <u>989.36</u> | <u>184.58</u> | <u>184.51</u> |

16 Revenue from Operations

| | 2016-2017 ₹ in lacs | 2015-2016 ₹ in lacs |
|--|------------------------|------------------------|
| Sale of products | | |
| Finished and traded products | 1,66,838.38 | 1,65,133.90 |
| Other operating revenue | | |
| Processing income | 15.48 | 17.82 |
| Government Grants | | |
| Export incentives | 1,167.08 | 1,036.71 |
| Incentives for renewable energy generation | 306.04 | 163.39 |
| Revenue from Operations (gross) | <u>1,68,326.98</u> | <u>1,66,351.82</u> |

Sale of goods includes excise duty collected from customers of ₹ 11,626.35 lacs (Previous year ₹ 11,512.65 lacs).

17 Other Income

| | | |
|---|-----------------|---------------|
| Interest income | 119.59 | 120.58 |
| Dividend income - Long-term investments | 1.50 | 2.50 |
| Net gain on sale of investments - Current | 109.64 | 79.54 |
| Grant income | 62.96 | 81.14 |
| Reversal of provision for doubtful debts | - | 100.21 |
| Gain on fair valuation of unquoted shares | - | 7.14 |
| Gain on fair valuation of current investments | 0.39 | - |
| Gain on Foreign Currency Transactions and Translation (net) | 590.62 | - |
| Profit on sale of property, plant and equipments (net) | - | 27.61 |
| Miscellaneous income | 420.08 | 545.16 |
| | <u>1,304.78</u> | <u>963.88</u> |

Notes to Financial Statements for the year ended 31st March, 2017

18 Cost of Materials Consumed

| | 2016-2017 ₹ in lacs | 2015-2016 ₹ in lacs |
|------------------------------|------------------------|------------------------|
| Base oils | 92,963.46 | 96,966.85 |
| Process chemicals / solvents | 7,562.55 | 7,258.35 |
| Packing materials | 8,641.39 | 8,070.05 |
| Others | 1,123.07 | 832.89 |
| | <u>1,10,290.47</u> | <u>1,13,128.14</u> |

19 Purchase of Traded Goods

| | | |
|----------------------------|-----------------|-----------------|
| Base oils | 722.63 | 436.46 |
| Lubricating oils / Greases | 201.65 | 822.19 |
| Others | 105.52 | 61.77 |
| | <u>1,029.80</u> | <u>1,320.42</u> |

20 (Increase) / Decrease in Inventories

Inventories at the end of the year

| | | |
|-----------------|------------------|-----------------|
| Finished Goods | 10,216.81 | 8,382.66 |
| Work-in-Process | 895.26 | 721.88 |
| Traded Goods | 256.21 | 277.82 |
| | <u>11,368.28</u> | <u>9,382.36</u> |

Inventories at the beginning of the year

| | | |
|-----------------|-------------------|------------------|
| Finished Goods | 8,382.66 | 9,665.44 |
| Work-in-Process | 721.88 | 1,335.83 |
| Traded Goods | 277.82 | 328.85 |
| | <u>9,382.36</u> | <u>11,330.12</u> |
| | <u>(1,985.92)</u> | <u>1,947.76</u> |

21 Employee Benefits Expense (Refer Note 32)

| | | |
|--|-----------------|-----------------|
| Salaries, Wages and Bonus | 3,645.89 | 3,233.64 |
| Contribution to employees' provident and other funds | 285.59 | 250.32 |
| Staff Welfare Expenses | 128.75 | 125.45 |
| | <u>4,060.23</u> | <u>3,609.41</u> |

Notes to Financial Statements for the year ended 31st March, 2017

22 Finance costs

| | 2016-2017 ₹ in lacs | 2015-2016 ₹ in lacs |
|---|------------------------|------------------------|
| Interest and finance charges on financial liabilities not at FVTPL | | |
| Interest on loan | 193.03 | 357.86 |
| Interest on sales tax deferment loan | 62.95 | 81.14 |
| Other borrowing costs | | |
| Interest | 257.78 | 333.45 |
| Net loss on currency fluctuation | 283.46 | 1,233.82 |
| Other borrowing costs and bank charges | 573.86 | 624.76 |
| | <u>1,371.08</u> | <u>2,631.03</u> |

23 Depreciation / Amortisation (Refer Note 3, 4 and 5)

| | | |
|---|-----------------|-----------------|
| Depreciation on property, plant and equipment | 2,754.33 | 2,941.37 |
| Depreciation on investment property | 58.15 | 60.75 |
| Amortisation of intangible assets | 16.32 | 16.77 |
| | <u>2,828.80</u> | <u>3,018.89</u> |

24 Other Expenses

| | | |
|---|----------|----------|
| Stores and spares consumed | 179.57 | 208.33 |
| Fuel and power | 273.91 | 243.18 |
| Rent | 1,239.78 | 992.44 |
| Lease rentals on leasehold land | 10.02 | 10.02 |
| Freight | 4,125.73 | 3,778.21 |
| Rates, taxes and octroi | 144.25 | 142.94 |
| Insurance | 335.08 | 350.10 |
| Commission on sales | 1,461.00 | 1,393.72 |
| Donations | 50.22 | 10.05 |
| Repairs and maintenance: | | |
| Buildings | 25.25 | 39.19 |
| Plant and Machinery | 842.17 | 759.95 |
| Others | 119.62 | 88.89 |
| Discounts | 124.77 | 136.72 |
| Royalty | 7,898.10 | 7,581.30 |
| Advertisement and sales promotion | 942.94 | 922.63 |
| Loss on sale of property, plant and equipments (net) | 6.58 | - |
| Loss on Foreign Currency Transactions and Translation (net) | - | 663.68 |
| Bad debts | 668.98 | 206.30 |

Notes to Financial Statements for the year ended 31st March, 2017

| | 2016-2017 ₹ in lacs | 2015-2016 ₹ in lacs |
|--|------------------------|------------------------|
| Provision for doubtful debts and advances (net) | 203.93 | - |
| Corporate Social Responsibility | 46.10 | 14.00 |
| Fair value loss on financial instruments at FVTPL: | | |
| Current investments (net) | - | 0.45 |
| Miscellaneous expenses | 2,113.66 | 2,051.64 |
| | <u>20,811.66</u> | <u>19,593.74</u> |

The Company's R & D expenses that are not eligible for capitalisation have been expensed in the period incurred ₹ 139.56 lacs (previous year ended 31.3.2016 ₹ 155 lacs) and they are recognised in other expenses.

Payment to auditors

| | | |
|---------------------------|-------|-------|
| a) Audit fees | 16.50 | 16.50 |
| b) Other services | 4.11 | 6.01 |
| c) Out of pocket expenses | 0.37 | 0.26 |

- 25 The Company has spent ₹ 46.10 lacs (Previous year ₹ 14.00 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 ₹ 113.58 lacs computed as per the provisions of section 135(5) of the Companies Act, 2013.
- 26 The Company has filed an application with the Central Government seeking their approval for waiver of excess remuneration of ₹ 30.12 lacs paid to the Chairman and Managing Director for the year ended 31st March, 2015, approval for which is awaited.
- 27 Disclosure of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 (as available with the Company) (Refer Note 11.3)

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|---|---------------------------------|---------------------------------|--------------------------------|
| a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year | - | - | - |
| b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006 | - | - | - |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - | - |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - | - |

Notes to Financial Statements for the year ended 31st March, 2017

28 Contingent Liabilities not provided for

| | 2016-2017 ₹ in lacs | 2015-2016 ₹ in lacs |
|------------------------------------|------------------------|------------------------|
| a) Letters of Credit | 6,727.77 | 1,101.60 |
| b) Guarantees / Bonds | 1,916.31 | 1,841.69 |
| c) Disputed demands | | |
| i) Excise and Customs | 1,949.84 | 2,203.25 |
| ii) Sales Tax | 1,458.10 | 1,366.86 |
| iii) Income Tax | - | 59.56 |
| iv) Others | 33.49 | 76.22 |
| d) Claims not acknowledged as debt | 200.00 | 200.00 |

29 Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 71.16 lacs (as at 31.3.2016 ₹ 218.38 lacs and as at 1.4.2015 ₹ 465.85 lacs).
- The Company has set up wind power projects in the states of Maharashtra, Karnataka and Tamilnadu. The Company, in case of specific projects, has entered into agreements for sale of power exclusively to the state utility companies in the respective states, for periods varying from 13 to 20 years.

30 Leases

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

- The lease expenditure / income recognised in the Statement of Profit and Loss :
 Expenditure ₹ 1,240.91 lacs (Previous year ₹ 992.23 lacs)
 Income ₹ 168.75 lacs (Previous year ₹ 157.40 lacs)
- Under these agreements, refundable interest free deposits are given / taken except in case of land.
- All these agreements have restriction on further leasing.
- Agreements for office, factory premises and land provide for revision in the rent.

Notes to Financial Statements for the year ended 31st March, 2017

31 Assets hypothecated / pledged as security

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

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|--|---------------------------------|---------------------------------|--------------------------------|
| Non-current Borrowings | | | |
| Exclusive Hypothecation of certain Property, plant and equipment (Refer Note 11.1) | 7,537.18 | 8,582.76 | 9,942.63 |
| | <u>7,537.18</u> | <u>8,582.76</u> | <u>9,942.63</u> |
| Current Borrowings | | | |
| Hypothecation of | | | |
| i) Inventories | 40,588.82 | 31,219.77 | 30,364.57 |
| ii) Trade receivables | 42,267.92 | 38,744.85 | 46,566.79 |
| iii) Current assets other than inventories and trade receivables | 7,615.17 | 9,187.69 | 11,139.39 |
| | <u>90,471.91</u> | <u>79,152.31</u> | <u>88,070.75</u> |
| First charge on | | | |
| Property, plant and equipment | 6,960.19 | 6,730.27 | 6,022.46 |
| Investment Property | 2.20 | 2.32 | 2.44 |
| | <u>6,962.39</u> | <u>6,732.59</u> | <u>6,024.90</u> |
| Second charge on | | | |
| Property, plant and equipment | 2,680.22 | 3,027.72 | 3,587.00 |
| | <u>2,680.22</u> | <u>3,027.72</u> | <u>3,587.00</u> |
| (Refer Note 11.2) | <u>1,00,114.52</u> | <u>88,912.62</u> | <u>97,682.65</u> |

32 Employee Benefits: (Refer Notes 12 and 21)

i) Defined Contribution Plan:

Company's contribution to Provident Fund ₹ 192.14 lacs (Previous year ₹ 179.04 lacs).

The company also contributes to the following:

- National Pension Scheme (NPS) : ₹ 17.69 lacs (Previous year ₹ 12.93 lacs)
- Labour Welfare Fund : ₹ 0.04 lacs (Previous year ₹ 0.06 lacs)

ii) Defined Benefit Plan: The following table sets out the funded status of the Gratuity Plan and the amounts recognised in the Company's financial statements:

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|---|---------------------------------|---------------------------------|--------------------------------|
| a) Change in the obligation benefits: | | | |
| Projected benefit obligation at the beginning of the year | 1,047.38 | 868.77 | 895.10 |
| Service cost | 51.09 | 46.55 | 50.31 |
| Interest cost | 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 | 45.96 | (9.66) | (26.03) |
| Actuarial (Gains) / Losses on Obligations - Due to Experience | 38.52 | 117.42 | (63.46) |
| Benefits paid | (144.78) | (44.76) | (70.84) |
| Projected benefit obligation at the end of the year | <u>1,123.22</u> | <u>1,047.39</u> | <u>868.77</u> |

Notes to Financial Statements for the year ended 31st March, 2017

| | As at 31.3.2017 ₹ in lacs | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|---|---------------------------------|---------------------------------|--------------------------------|
| b) Change in the plan assets: | | | |
| Fair value of the plan assets at the beginning of the year | 963.26 | 927.06 | 854.74 |
| Expected return on plan assets | 78.22 | 73.70 | 79.92 |
| Employer's contribution | 106.62 | 15.25 | 71.84 |
| Benefits paid | (144.78) | (44.76) | (70.84) |
| Return on plan assets, excluding interest income | 0.78 | (7.99) | (8.61) |
| Fair value of the plan assets at the end of the year | <u>1,004.10</u> | <u>963.26</u> | <u>927.05</u> |
| Funded status [Surplus / (Deficit)] | <u>(119.12)</u> | <u>(84.13)</u> | <u>58.28</u> |
| c) Net Gratuity and other cost: | | | |
| Service cost | 51.09 | 46.55 | 50.31 |
| Interest on defined benefit obligation | 85.05 | 69.07 | 83.69 |
| Interest income | (78.22) | (73.70) | (79.92) |
| Net gratuity cost | <u>57.92</u> | <u>41.92</u> | <u>54.08</u> |
| d) Amounts recognised in the statement of other comprehensive income: | | | |
| Actuarial gains / (losses) | (84.48) | (107.75) | - |
| Return on plan assets, excluding interest income | 0.78 | (7.99) | - |
| Net income / (expense) for the period recognised in other comprehensive income | <u>(83.70)</u> | <u>(115.74)</u> | <u>-</u> |
| e) Category of Assets: | | | |
| Corporate Bonds | 0.36 | 0.36 | 0.36 |
| Special Deposits Scheme | 43.65 | 43.66 | 43.66 |
| Others | 960.09 | 919.24 | 883.04 |
| | <u>1,004.10</u> | <u>963.26</u> | <u>927.06</u> |
| f) Assumptions used in accounting for the Gratuity Plan: | | | |
| | % | % | % |
| Discount rate | 7.27 | 8.12 | 7.95 |
| Expected rate of return on plan assets | 7.27 | 8.12 | 7.95 |
| 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 | 1,123.22 | 1,047.38 | 868.78 |
| Delta effect of +1% change in rate of discounting | (53.58) | (44.89) | 133.72 |
| Delta effect of -1% change in rate of discounting | 60.90 | 50.86 | 229.46 |
| Delta effect of +1% change in rate of salary increase | 59.87 | 50.42 | 229.03 |
| Delta effect of -1% change in rate of salary increase | (53.71) | (45.33) | 133.27 |
| Delta effect of +1% change in rate of employee turnover | (3.23) | (0.13) | 178.48 |
| Delta effect of -1% change in rate of employee turnover | 3.54 | 0.10 | 178.70 |

Notes to Financial Statements for the year ended 31st March, 2017

33 Details of related party transactions in accordance with Ind AS 24 'Related Party Disclosures'

Controlled by: Mr. G. N. Mehra

Key Management Personnel:

Mr. G. N. Mehra

Mr. C. V. Alexander

Mr. S. R. Pandit

Mr. H. A. Nagpal

Mr. N. B. Karpe

Mrs. M. C. Dalal

Mr. S. M. Dixit

Mr. U. C. Rege

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

Basant Lok Trading Co.

Chemi Pharmex Pvt. Ltd

D. C. Mehra Public Charitable Trust

Khatri Investments Pvt. Ltd.

Kurla trading Co. Pvt. Ltd.

Madhu Trust

Mansukhmal Investment Pvt. Ltd.

N. K. Mehra Trust

Naved Investment & Trading Co. Pvt. Ltd.

NKM Grand Children's Trust

Savita Petro-Additives Ltd.

Savita Polymers Ltd.

Relatives of key management personnel and relationship

Mrs. R. G. Mehra – Wife

Ms. S. G. Mehra – Daughter

Mr. S. G. Mehra – Son

Details of transactions during the year:

Enterprises

| | | 2016-2017 ₹ in lacs | 2015-2016 ₹ in lacs |
|---------------------------------------|--|------------------------|------------------------|
| Sale of goods | - Savita Polymers Ltd. | 490.36 | 91.17 |
| Sale of property, plant and equipment | - Savita Polymers Ltd. | 1.37 | 6.02 |
| Purchase of goods | - Savita Polymers Ltd. | 181.47 | 212.31 |
| Dividend received | - Savita Polymers Ltd. | 1.50 | 2.50 |
| | - Savita Petro-Additives Ltd. | 0.01 | 0.01 |
| Dividend paid | - Basant Lok Trading Co. | 0.83 | 0.46 |
| | - Chemi Pharmex Pvt. Ltd. | 0.14 | 0.08 |
| | - Khatri Investments Pvt. Ltd. | 57.73 | 32.07 |
| | - Kurla Trading Co. Pvt. Ltd. | 1.84 | 1.02 |
| | - Mansukhmal Investment Pvt. Ltd. | 55.35 | 30.75 |
| | - Naved Investment & Trading Co. Pvt. Ltd. | 1.28 | 0.71 |
| Rent Paid | - Chemi Pharmex Pvt. Ltd. | 44.15 | 43.75 |
| | - Savita Polymers Ltd. | 49.73 | 46.94 |
| Car Parking charges | - Basant Lok Trading Co. | 0.15 | 0.14 |
| | - Chemi Pharmex Pvt. Ltd. | 0.09 | 0.09 |
| Donations | - D. C. Mehra Public Charitable Trust | 25.00 | 5.00 |
| | - N. K. Mehra Trust | 25.00 | 5.00 |

Notes to Financial Statements for the year ended 31st March, 2017

| Key management personnel | | 2016-2017 ₹ in lacs | 2015-2016 ₹ in lacs |
|--|------------------------------|------------------------|------------------------|
| Dividend | - Mr. G. N. Mehra | 1,284.07 | 713.37 |
| Remuneration | - Mr. G. N. Mehra * | | |
| | Short term employee benefits | 218.07 | 138.93 |
| | Post employment benefits | 5.58 | 5.33 |
| | Medical benefits | 0.87 | 0.74 |
| | - Mr. C. V. Alexander | | |
| | Short term employee benefits | 35.55 | 31.14 |
| | Post employment benefits | 2.02 | 1.90 |
| | Medical benefits | 1.35 | 0.55 |
| | - Mr. S. M. Dixit | | |
| | Short term employee benefits | 73.90 | 65.05 |
| | Post employment benefits | 2.97 | 2.76 |
| | Medical benefits | 1.30 | 0.61 |
| | - Mr. U. C. Rege | | |
| | Short term employee benefits | 68.47 | 61.81 |
| | Post employment benefits | 2.69 | 2.49 |
| | Medical benefits | 0.30 | 0.30 |
| Commission and sitting fees to non-executive directors | | | |
| | - Mr. S. R. Pandit | 4.50 | 4.10 |
| | - Mr. H. A. Nagpal | 3.60 | 3.90 |
| | - Mr. N. B. Karpe | 4.20 | 4.10 |
| | - Mrs. M. C. Dalal | 4.50 | 4.10 |
| Relatives of key management personnel: | | | |
| Remuneration | - Mr. S. G. Mehra | 20.56 | 10.98 |
| Dividend paid - | | | |
| | - Mrs. R. G. Mehra | 4.51 | 2.51 |
| | - Ms. S. G. Mehra | 4.12 | 2.29 |
| | - Mr. S. G. Mehra | 0.08 | 0.04 |

Balance outstanding

| | As at 31.3.2017 ₹ in lacs | | As at 31.3.2016 ₹ in lacs | | As at 1.4.2015 ₹ in lacs | |
|---------------------------|------------------------------|--------|------------------------------|--------|-----------------------------|--------|
| | Debit | Credit | Debit | Credit | Debit | Credit |
| Enterprises: | | | | | | |
| Basant Lok Trading Co. | 3.50 | - | 3.50 | - | 3.50 | - |
| Chemi Pharmex Pvt. Ltd. | 1.00 | - | 1.00 | - | 1.00 | - |
| Savita Polymers Ltd. | 92.62 | 0.51 | 20.03 | 0.27 | 20.00 | 0.96 |
| Key management personnel: | | | | | | |
| Mr. G. N. Mehra | - | 128.69 | - | 42.09 | - | - |
| Mr. C. V. Alexander | - | - | - | - | - | - |
| Mr. S. R. Pandit | - | 3.00 | - | 3.00 | - | - |
| Mr. H. A. Nagpal | - | 3.00 | - | 3.00 | - | - |
| Mr. N. B. Karpe | - | 3.00 | - | 3.00 | - | - |
| Mrs. M. C. Dalal | - | 3.00 | - | 3.00 | - | - |

* Note - As the liabilities for gratuity and leave encashment are provided on an actuarial basis for company as a whole, the amounts pertaining to the key managerial personnel are not included.

Notes to Financial Statements for the year ended 31st March, 2017

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 type of business / products and has two reportable segments, as follows:

- manufacturing of petroleum speciality products including transformer oils, white oils, mineral oils, liquid paraffins and lubricating oils;
- electricity generation through wind power plants.

The Chairman and Managing Director (CMD) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. The CMD reviews revenue and gross profit as the performance indicator for all of the operating segments. However, the Company's finance (including finance cost and finance income) and income taxes are managed on a company as a whole basis and are not allocated to any segment.

B. Information about reportable segments

| | As at 2016-2017 ₹ in lacs | As at 2015-2016 ₹ in lacs | |
|---|---------------------------------|---------------------------------|-----------------------|
| (a) Segment Revenue: | | | |
| Petroleum Products | 1,64,840.44 | 1,63,492.21 | |
| Wind Power | 4,672.77 | 3,630.07 | |
| Other unallocated revenue | 118.55 | 193.42 | |
| Net Income from Operations | <u>1,69,631.76</u> | <u>1,67,315.70</u> | |
| (b) Segment Results: | | | |
| Profit / (Loss) before taxation and interest for each segment | | | |
| Petroleum Products | 13,228.25 | 6,727.57 | |
| Wind Power | 2,439.25 | 1,412.21 | |
| | <u>15,667.50</u> | <u>8,139.78</u> | |
| Less: i) Finance Costs | 1,371.08 | 2,631.03 | |
| ii) Other unallocated expenditure | 1,680.59 | 1,257.84 | |
| | <u>3,051.67</u> | <u>3,888.87</u> | |
| Profit / (Loss) before tax | <u>12,615.83</u> | <u>4,250.91</u> | |
| (c) Segment Assets: | | | |
| | 31.3.2017 ₹ in lacs | 31.3.2016 ₹ in lacs | 1.4.2015 ₹ in lacs |
| Petroleum Products | 95,724.49 | 84,706.41 | 93,707.37 |
| Wind Power | 12,462.34 | 13,442.99 | 14,082.41 |
| Unallocated | 6,222.00 | 6,910.97 | 7,548.99 |
| | <u>1,14,408.83</u> | <u>1,05,060.37</u> | <u>1,15,338.77</u> |

Notes to Financial Statements for the year ended 31st March, 2017

| | 31.3.2017 ₹ in lacs | 31.3.2016 ₹ in lacs | 1.4.2015 ₹ in lacs |
|---------------------------------|------------------------|------------------------|-----------------------|
| (d) Segment Liabilities: | | | |
| Petroleum Products | 44,469.75 | 41,192.26 | 51,235.64 |
| Wind Power | 1,238.04 | 2,481.99 | 3,850.10 |
| Unallocated | 2,584.80 | 2,204.49 | 3,293.21 |
| | <u>48,292.59</u> | <u>45,878.74</u> | <u>58,378.95</u> |

| | As at 2016-2017 ₹ in lacs | As at 2015-2016 ₹ in lacs |
|--|---------------------------------|---------------------------------|
| (e) Secondary Business Segment: | | |
| Revenue by Geographical Segment | | |
| Domestic | 1,42,061.91 | 1,38,231.92 |
| Export | 27,569.85 | 29,083.78 |
| | <u>1,69,631.76</u> | <u>1,67,315.70</u> |

35 Tax expense

| | Year ended 31.3.2017 ₹ in lacs | Year ended 31.3.2016 ₹ in lacs |
|---|--------------------------------------|--------------------------------------|
| (a) Amounts recognised in the statement of profit and loss | | |
| Current tax expense | | |
| Current year | 3,875.00 | 1,120.00 |
| Changes in estimates relating to prior years | - | - |
| | <u>3,875.00</u> | <u>1,120.00</u> |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | (644.66) | (484.68) |
| Change in tax rate | 23.54 | - |
| | <u>(621.12)</u> | <u>(484.68)</u> |
| Tax expense recognised in the statement of profit and loss | <u>3,253.88</u> | <u>635.32</u> |

| | ₹ in lacs | | |
|---|----------------------|-------------------------------|----------------|
| | Year ended 31.3.2017 | | |
| | Before tax | Tax (expense) / benefit | Net of tax |
| (b) Amounts recognised in other comprehensive income | | | |
| Items that will not be reclassified to profit or loss: | | | |
| a) Re-measurements of the defined benefit plans | (83.69) | 28.96 | (54.73) |
| b) Equity instruments through Other Comprehensive Income | - | - | - |
| | <u>(83.69)</u> | <u>28.96</u> | <u>(54.73)</u> |

Notes to Financial Statements for the year ended 31st March, 2017

₹ in lacs

| | Year ended 31.3.2016 | | |
|--|----------------------|-------------------------------|----------------|
| | 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 | (115.74) | 40.05 | (75.69) |
| b) Equity instruments through Other Comprehensive Income | - | - | - |
| | <u>(115.74)</u> | <u>40.05</u> | <u>(75.69)</u> |

(c) Reconciliation of effective tax rate

| | Year ended 31.3.2017 ₹ in lacs | Year ended 31.3.2016 ₹ in lacs |
|---|--------------------------------------|--------------------------------------|
| Profit before tax | 12,615.83 | 4,250.91 |
| Tax using the Company's domestic tax rate | 4,366.09 | 1,444.88 |
| Increase due to change in tax rate | 23.54 | - |
| Tax effect of: | | |
| Non-deductible tax expenses / disallowances under Income Tax Act | 27.32 | 13.43 |
| Tax-exempt income and deductions under Chapter VI A of Income Tax Act | (1,024.08) | (802.68) |
| Allowable income tax on indexation of investment property | (122.77) | (40.77) |
| Temporary difference recognised in deferred taxes | (50.65) | (15.17) |
| Others | 5.47 | (4.42) |
| Amounts recognised in other comprehensive income | 28.96 | 40.05 |
| | <u>3,253.88</u> | <u>635.32</u> |

(d) Movement in deferred tax balances

| | Net balance 1.4.2016 | Recognised in profit or loss | Recognised in OCI | Net balance 31.3.2017 | Deferred tax asset | Deferred tax liability |
|---|----------------------------|------------------------------------|----------------------|-----------------------------|-----------------------|---------------------------|
| Derivative Liability - Options contracts for Import | (6.73) | (60.56) | - | 53.83 | 53.83 | - |
| External Commercial Borrowings (ECB) Loans | 199.72 | 132.42 | - | 67.30 | 67.30 | - |
| Leave encashment | 221.32 | (16.03) | - | 237.35 | 237.35 | - |
| Property, plant and equipment and intangible assets | (3,153.30) | (356.92) | - | (2,796.38) | - | 2,796.38 |
| Investment property | 242.27 | (157.65) | - | 399.92 | 399.92 | - |
| Investment in unquoted equity instruments | (31.87) | 0.51 | - | (32.38) | - | 32.38 |
| Provision for doubtful debts and advances | 734.46 | (83.93) | - | 818.39 | 818.39 | - |
| Inventories - stores and spares | 2.17 | 2.17 | - | - | - | - |
| Prepaid expenses | 26.03 | 26.03 | - | - | - | - |
| Derivative asset - Option contracts for ECB Loans | (200.79) | (136.29) | - | (64.50) | - | 64.50 |
| Current investment | (1.38) | 0.17 | - | (1.55) | - | 1.55 |
| Tax assets / (liabilities) | <u>(1,968.10)</u> | <u>(650.08)</u> | <u>-</u> | <u>(1,318.02)</u> | <u>1,576.79</u> | <u>2,894.81</u> |

Notes to Financial Statements for the year ended 31st March, 2017

| | Net balance 1.4.2015 | Recognised in profit or loss | Recognised in OCI | Net balance 31.3.2016 | Deferred tax asset | Deferred tax liability |
|---|----------------------------|------------------------------------|----------------------|-----------------------------|-----------------------|---------------------------|
| Derivative Liability - Options contracts for Import | - | 6.73 | - | (6.73) | - | 6.73 |
| External Commercial Borrowings (ECB) Loans | 256.10 | 56.38 | - | 199.72 | 199.72 | - |
| Trade payables | 1.05 | 1.05 | - | - | - | - |
| Leave encashment | 200.97 | (20.35) | - | 221.32 | 221.32 | - |
| Property, plant and equipment and intangible assets | (3,567.12) | (413.82) | - | (3,153.30) | - | 3,153.30 |
| Investment property | 161.45 | (80.82) | - | 242.27 | 242.27 | - |
| Investment in unquoted equity instruments | (29.52) | 2.35 | - | (31.87) | - | 31.87 |
| Provision for doubtful debts and advances | 752.18 | 17.72 | - | 734.46 | 734.46 | - |
| Inventories - Stores and spares | 2.17 | - | - | 2.17 | 2.17 | - |
| Prepaid expenses | 3.17 | (22.86) | - | 26.03 | 26.03 | - |
| Derivative Asset - Option contracts for ECB Loans | (273.28) | (72.49) | - | (200.79) | - | 200.79 |
| Current investment | - | 1.38 | - | (1.38) | - | 1.38 |
| Tax assets / (liabilities) | (2,492.83) | (524.73) | - | (1,968.10) | 1,425.97 | 3,394.07 |

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.

Notes to Financial Statements for the year ended 31st March, 2017

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 31st March, 2017

| | Note | Carrying Value | Classification | | | Fair Value | | | ₹ in lacs |
|--|------|------------------|-----------------|----------|------------------|-----------------|-----------------|----------|-----------|
| | | | FVTPL | FVTOCI | Amortised Cost | Level 1 | Level 2 | Level 3 | |
| Financial assets | | | | | | | | | |
| Investments | | | | | | | | | |
| Investment in equity shares (unquoted) | 6.1 | 98.21 | 98.21 | - | - | - | 98.21 | - | - |
| Investment in mutual funds | 6.1 | 1,814.86 | 1,814.86 | - | - | 1,814.86 | - | - | - |
| Trade receivables | 6.2 | 42,267.92 | - | - | 42,267.92 | - | - | - | - |
| Loans and advances | | | | | | | | | |
| Loans to employees | 6.3 | 62.09 | 62.09 | - | - | - | 62.09 | - | - |
| Other financial assets | | | | | | | | | |
| Derivative instruments | 6.4 | 186.38 | 186.38 | - | - | - | 186.38 | - | - |
| Other receivables (current) | 6.4 | 509.17 | - | - | 509.17 | - | - | - | - |
| Cash and cash equivalents | 6.5 | 1,049.66 | - | - | 1,049.66 | - | - | - | - |
| Bank balances | 6.6 | 218.49 | - | - | 218.49 | - | - | - | - |
| | | <u>46,206.78</u> | <u>2,161.54</u> | <u>-</u> | <u>44,045.24</u> | <u>1,814.86</u> | <u>346.68</u> | <u>-</u> | <u>-</u> |
| Financial liabilities | | | | | | | | | |
| Borrowings | | | | | | | | | |
| Loans from foreign banks | 11.1 | 1,386.28 | 1,386.28 | - | - | - | 1,386.28 | - | - |
| Interest free sales tax deferral loans | 11.1 | 561.26 | - | - | 561.26 | - | 561.26 | - | - |
| Short term loan from bank | 11.2 | 277.42 | - | - | 277.42 | - | - | - | - |
| Trade payables and acceptances | 11.3 | 37,887.49 | - | - | 37,887.49 | - | - | - | - |
| Other financial liabilities | | | | | | | | | |
| Derivative instruments | 11.4 | 155.54 | 155.54 | - | - | - | 155.54 | - | - |
| Others | 11.4 | 1,079.33 | - | - | 1,079.33 | - | - | - | - |
| | | <u>41,347.32</u> | <u>1,541.82</u> | <u>-</u> | <u>39,805.50</u> | <u>-</u> | <u>2,103.08</u> | <u>-</u> | <u>-</u> |

Notes to Financial Statements for the year ended 31st March, 2017

As at 31st March, 2016

| | Note | Carrying Value | Classification | | | Fair Value | | |
|---|------|------------------|-----------------|--------|--------------------|-----------------|-----------------|----------|
| | | | FVTPL | FVTOCI | Amortised Cost | Level 1 | Level 2 | Level 3 |
| | | | ₹ in lacs | | | | | |
| Financial assets | | | | | | | | |
| Investments | | | | | | | | |
| Investment in equity shares (unquoted) | 6.1 | 98.21 | 98.21 | - | - | - | 98.21 | - |
| Investment in mutual funds | 6.1 | 2,354.21 | 2,354.21 | - | - | 2,354.21 | - | - |
| Trade receivables | 6.2 | 38,744.85 | - | - | 38,744.85 | - | - | - |
| Loans and advances | | | | | | | | |
| Loans to employees | 6.3 | 82.25 | 82.25 | - | - | - | 82.25 | - |
| Other financial assets | | | | | | | | |
| Derivative instruments | 6.4 | 590.73 | 590.73 | - | - | - | 590.73 | - |
| Bank deposits with more than 12 months maturity | 6.4 | 20.71 | - | - | 20.71 | - | - | - |
| Other receivables (current) | 6.4 | 570.20 | - | - | 570.20 | - | - | - |
| Cash and cash equivalents | 6.5 | 1,444.67 | - | - | 1,444.67 | - | - | - |
| Bank balances | 6.6 | 200.79 | - | - | 200.79 | - | - | - |
| | | <u>44,106.62</u> | <u>3,125.40</u> | | <u>- 40,981.22</u> | <u>2,354.21</u> | <u>771.19</u> | <u>-</u> |
| Financial liabilities | | | | | | | | |
| Borrowings | | | | | | | | |
| Loans from foreign banks | 11.1 | 3,358.17 | 3,358.17 | - | - | - | 3,358.17 | - |
| Interest free sales tax deferral loans | 11.1 | 745.38 | - | - | 745.38 | - | 745.38 | - |
| Short term loan from bank | 11.2 | 51.81 | - | - | 51.81 | - | - | - |
| Trade payables and acceptances | 11.3 | 34,468.89 | - | - | 34,468.89 | - | - | - |
| Other financial liabilities | | | | | | | | |
| Derivative instruments | 11.4 | 19.82 | 19.82 | - | - | - | 19.82 | - |
| Others | 11.4 | 1,082.52 | - | - | 1,082.52 | - | - | - |
| | | <u>39,726.59</u> | <u>3,377.99</u> | | <u>- 36,348.60</u> | <u>-</u> | <u>4,123.37</u> | <u>-</u> |

Notes to Financial Statements for the year ended 31st March, 2017

As at 1st April, 2015

| | Note | Carrying Value | Classification | | | Fair Value | | |
|---|------|------------------|-----------------|--------|--------------------|-----------------|-----------------|----------|
| | | | FVTPL | FVTOCI | Amortised Cost | Level 1 | Level 2 | Level 3 |
| | | | ₹ in lacs | | | | | |
| Financial assets | | | | | | | | |
| Investments | | | | | | | | |
| Investment in equity shares (unquoted) | 6.1 | 91.05 | 91.05 | - | - | - | 91.05 | - |
| Investment in mutual funds | 6.1 | 3,004.52 | 3,004.52 | - | - | 3,004.52 | - | - |
| Trade receivables | 6.2 | 46,566.79 | - | - | 46,566.79 | - | - | - |
| Loans and advances | | | | | | | | |
| Loans to employees | 6.3 | 58.52 | 58.52 | - | - | - | 58.52 | - |
| Other financial assets | | | | | | | | |
| Derivative instruments | 6.4 | 804.01 | 804.01 | - | - | - | 804.01 | - |
| Bank deposits with more than 12 months maturity | 6.4 | 29.56 | - | - | 29.56 | - | - | - |
| Other receivables (current) | 6.4 | 650.50 | - | - | 650.50 | - | - | - |
| Cash and cash equivalents | 6.5 | 1,606.93 | - | - | 1,606.93 | - | - | - |
| Bank balances | 6.6 | 189.14 | - | - | 189.14 | - | - | - |
| | | <u>53,001.02</u> | <u>3,958.10</u> | | <u>- 49,042.92</u> | <u>3,004.52</u> | <u>953.58</u> | <u>-</u> |
| Financial liabilities | | | | | | | | |
| Borrowings | | | | | | | | |
| Loans from foreign banks | 11.1 | 5,438.84 | 5,438.84 | - | - | - | 5,438.84 | - |
| Interest free sales tax deferral loans | 11.1 | 1,142.42 | - | - | 1,142.42 | - | 1,142.42 | - |
| Short term loan from bank | 11.2 | 615.87 | - | - | 615.87 | - | - | - |
| Trade payables and acceptances | 11.3 | 44,349.16 | - | - | 44,349.16 | - | - | - |
| Other financial liabilities | | | | | | | | |
| Derivative instruments | 11.4 | 3.21 | 3.21 | - | - | - | 3.21 | - |
| Others | 11.4 | 1,015.67 | - | - | 1,015.67 | - | - | - |
| | | <u>52,565.17</u> | <u>5,442.05</u> | | <u>- 47,123.12</u> | <u>-</u> | <u>6,584.47</u> | <u>-</u> |

During the reporting period ending 31st March, 2017 and 31st March, 2016, 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 31st March, 2017

(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) | 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 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G. S. R. 308(E) dated 30th March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per notification is given below:

| | ₹ in lacs | | |
|--|-----------|--------------------------------|-----------------|
| | SBNs* | Other Denomination Notes | Total Amount |
| Closing cash on hand as on 8 th November, 2016 | 8.10 | 8.02 | 16.12 |
| (+) Permitted receipts | - | 20.30 | 20.30 |
| (-) Permitted payments | - | (20.34) | (20.34) |
| (-) Amount deposited in Banks | (8.10) | - | (8.10) |
| Closing cash on hand as on 30 th December, 2016 | - | 7.98 | 7.98 |

* For the purpose of this clause, the term Specified Bank Notes shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S. O. 3407(E), dated 8th November, 2016.

Note: Above does not include direct deposit by customers amounting to ₹ 4.00 lacs in Company's bank account.

38 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:

Notes to Financial Statements for the year ended 31st March, 2017

(i) Credit risk

Credit risk refers to the possibility of a customer and other counterparties not meeting their obligations and terms and conditions which would result into financial losses. Such risk arises mainly from trade receivables and investments. Credit risk is managed through internal credit control mechanism such as credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the following:

Petroleum Products Segment – As per the credit policy of the Company, generally no credit are given exceeding the accepted credit norms. The Company deals with State Electricity Boards and large corporate houses after considering their credit standing. The credit policy with respect to other customers is strictly monitored by the Company at periodic intervals. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers. In addition, for amounts recoverable on exports, the Company has adequate insurance to mitigate overseas customer and country risk.

Wind Energy Segment – Since the sale of wind energy is mostly to State Electricity Boards and reputed private big corporates mostly against performance bank guarantees, the Company is of the view that the risk is highly mitigated.

As at 31.3.2017, the Company's most significant customer accounted for ₹ 2,700.30 lacs of the trade receivables carrying amount (31.3.2016 : ₹ 3,086.50 lacs and 1.4.2015 : ₹ 3,274.59 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:

| Ageing | Gross Carrying Amount | Expected Credit Loss Rate | Credit Loss | ₹ in lacs |
|-----------------------------|-----------------------|---------------------------|---------------|---------------------|
| | | | | Net Carrying Amount |
| 0-90 days past due | 36,375.57 | 0.27% | 103.21 | 36,272.36 |
| 91-180 days past due | 3,145.79 | 0.63% | 19.70 | 3,126.09 |
| 181-270 days past due | 1,537.43 | 1.37% | 20.99 | 1,516.44 |
| More than 270 days past due | 1,610.24 | 15.97% | 257.21 | 1,353.03 |
| | <u>42,669.03</u> | | <u>401.11</u> | <u>42,267.92</u> |

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 ₹ 1,049.66 lacs at 31.3.2017 (31.3.2016: ₹ 1,444.67 lacs, 1.4.2015 : ₹ 1,606.93 lacs). The cash and cash equivalents are held with banks with good credit ratings. Also, the Company invests its surplus funds in bank fixed deposits and 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.

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.

Notes to Financial Statements for the year ended 31st March, 2017

Security Deposit

The Company has taken premises on lease and has paid security deposit. 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 borrowing limits with reputed banks in place duly approved.

a) Financing arrangements

The Company has an adequate fund and non-fund based limits lines with various banks. The Company's diversified source of funds and strong operating cash flow enables it to maintain requisite capital structure discipline. The financing products include working capital loans, buyer's credit loan, External Commercial Borrowings (ECB) Loans etc.

b) Maturities of financial liabilities

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

| | ₹ in lacs | | | |
|---|-----------------------|---------------|-------------------------|------------------|
| As at 31.3.2017 | Less than one year | 1 to 5 years | More than Five Years | Total |
| Borrowings (including current maturities of long-term debts) | 1,234.33 | 619.15 | - | 1,853.48 |
| Interest accrued but not due on borrowings | 9.89 | - | - | 9.89 |
| Trade payables | 37,887.49 | - | - | 37,887.49 |
| Other financial liabilities (other than derivative liabilities) | 1,069.44 | - | - | 1,069.44 |
| Derivative liabilities | 155.54 | - | - | 155.54 |
| Total | 40,356.69 | 619.15 | - | 40,975.84 |

| | ₹ in lacs | | | |
|---|-----------------------|-----------------|-------------------------|------------------|
| As at 31.3.2016 | Less than one year | 1 to 5 years | More than Five Years | Total |
| Borrowings (including current maturities of long-term debts) | 1,825.85 | 1,840.99 | 12.50 | 3,679.34 |
| Interest accrued but not due on borrowings | 22.73 | - | - | 22.73 |
| Trade payables | 34,468.89 | - | - | 34,468.89 |
| Other financial liabilities (other than derivative liabilities) | 1,059.79 | - | - | 1,059.79 |
| Derivative liabilities | 19.82 | - | - | 19.82 |
| Total | 37,397.08 | 1,840.99 | 12.50 | 39,250.57 |

Notes to Financial Statements for the year ended 31st March, 2017

| As at 1.4.2015 | | | | ₹ in lacs |
|---|--------------------|-----------------|----------------------|------------------|
| | Less than one year | 1 to 5 years | More than Five Years | Total |
| Borrowings (including current maturities of long-term debts) | 2,148.47 | 3,628.90 | 50.44 | 5,827.81 |
| Interest accrued but not due on borrowings | 40.41 | - | - | 40.41 |
| Trade payables | 44,349.16 | - | - | 44,349.16 |
| Other financial liabilities (other than derivative liabilities) | 975.26 | - | - | 975.26 |
| Derivative liabilities | 3.21 | - | - | 3.21 |
| Total | 47,516.51 | 3,628.90 | 50.44 | 51,195.85 |

(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 covers. The Company has a policy in place for hedging its foreign currency borrowings alongwith interest. The Company does not use derivative financial instruments for trading or speculative purposes.

Following are the derivative financial instruments to hedge the foreign exchange rate risk as of dates:

| Category | Instrument | Currency | Cross Currency |
|---|----------------------------|----------|----------------|
| Hedges of recognised assets and liabilities | Forward / Option contracts | USD | INR |

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

| | As at 31.3.2017 | | As at 31.3.2016 | | As at 1.4.2015 | |
|---|--------------------|-----------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
| | ₹ in lacs | Exposure in USD (INR terms) | ₹ in lacs | Exposure in USD (INR terms) | ₹ in lacs | Exposure in USD (INR terms) |
| Financial assets | | | | | | |
| Trade and other receivables | 3,659.18 | 55,61,286 | 3,498.24 | 54,20,979 | 3,895.08 | 64,26,993 |
| Cash and cash equivalents | 57.14 | 88,131 | 253.44 | 3,82,592 | 735.11 | 11,76,280 |
| Derivative Assets | 186.38 | 2,87,380 | 590.73 | 8,91,639 | 801.20 | 12,86,881 |
| Net exposure for assets - A | 3,902.70 | 59,36,796 | 4,342.41 | 66,95,210 | 5,431.39 | 88,90,154 |
| Financial liabilities | | | | | | |
| Long term borrowings and interest thereon | 1,396.17 | 21,55,245 | 3,380.90 | 51,10,269 | 5,479.04 | 88,20,689 |
| Trade payables | 27,897.54 | 4,28,76,327 | 25,881.18 | 3,95,35,979 | 37,840.02 | 6,13,43,832 |
| Other financial liabilities | 212.17 | 3,27,150 | 192.57 | 2,90,673 | 258.33 | 4,13,340 |
| Less: Foreign currency forward exchange contracts | 12,487.96 | 1,90,00,120 | 14,404.18 | 2,16,77,111 | 7,959.49 | 1,27,08,655 |
| Net exposure for liabilities - B | 17,017.92 | 2,63,58,602 | 15,050.47 | 2,32,59,810 | 35,617.90 | 5,78,69,205 |
| Net exposure (A-B) | (13,115.22) | (2,04,21,806) | (10,708.06) | (1,65,64,599) | (30,186.51) | (4,89,79,051) |

Notes to Financial Statements for the year ended 31st March, 2017

| | As at 31.3.2017 | | As at 31.3.2016 | | As at 1.4.2015 | |
|---|-----------------|--|-----------------|--|----------------|--|
| | ₹ in lacs | Exposure in Other Foreign Currencies (INR terms) | ₹ in lacs | Exposure in Other Foreign Currencies (INR terms) | ₹ in lacs | Exposure in Other Foreign Currencies (INR terms) |
| Financial assets | | | | | | |
| Trade and other receivables | 195.38 | 2,77,773 | 223.96 | 2,97,009 | 86.93 | 1,29,125 |
| Cash and cash equivalents | 18.59 | 26,778 | 61.76 | 81,534 | 0.75 | 782 |
| Net exposure for assets - A | 213.97 | 3,04,551 | 285.72 | 3,78,543 | 87.68 | 1,29,907 |
| Financial liabilities | | | | | | |
| Trade payables | (2.36) | (2,994) | 18.11 | 23,940 | (21.66) | (30,304) |
| Other financial liabilities | 21.42 | 1,14,809 | 23.28 | 1,16,526 | 20.65 | 1,14,809 |
| Less: Foreign currency forward exchange contracts | - | - | - | - | - | - |
| Net exposure for liabilities - B | 19.06 | 1,11,815 | 41.39 | 1,40,466 | (1.01) | 84,504 |
| Net exposure (A-B) | 194.91 | 1,92,736 | 244.33 | 2,38,077 | 88.69 | 45,402 |

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

| | 31.3.2017 | 31.3.2016 |
|-------|-----------|-----------|
| | ₹ | ₹ |
| USD 1 | 64.86 | 66.25 |

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

| | 2016-17 | | 2015-16 | |
|--------------|----------|------------|----------|------------|
| | Increase | (Decrease) | Increase | (Decrease) |
| Movement (%) | 1% | 1% | 1% | 1% |
| USD | 132.46 | (132.46) | 109.74 | (109.74) |

₹ in lacs

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Company agrees with other parties to exchange, at specified intervals (i.e. quarterly), the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. The management also maintains a portfolio mix of floating and fixed rate debt. Borrowings issued at variable rates expose the Company to cashflow interest rate risk.

The Company is not exposed to significant interest rate risk during the respective reporting periods.

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

| Category | Purpose | Currency | Cross Currency | ₹ in lacs | | | |
|--|--------------------------------|----------|----------------|-----------|-----------|----------|----------|
| | | | | 31.3.2017 | 31.3.2016 | 1.4.2015 | Buy/Sell |
| Forwards contracts / Options Contracts | Imports | USD | INR | 11,122.63 | 11,594.19 | 3,281.25 | Buy |
| Currency and Interest Rates Swaps | External Commercial Borrowings | USD | INR | 1,191.81 | 2,770.59 | 4,685.39 | Buy |

Notes to Financial Statements for the year ended 31st March, 2017

Interest rate risk exposure:

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

| Carrying amount as at | 31.3.2017 ₹ in lacs | 31.3.2016 ₹ in lacs | 1.4.2015 ₹ in lacs |
|----------------------------------|------------------------|------------------------|-----------------------|
| Fixed-rate instruments | | | |
| Financial assets | - | - | - |
| Financial liabilities | 1,386.28 | 3,358.17 | 5,438.84 |
| Variable-rate instruments | | | |
| Financial assets | - | - | - |
| Financial liabilities | 17,245.98 | 16,892.64 | 31,660.90 |

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.

| | 2016-2017 ₹ in lacs | 2015-2016 ₹ in lacs |
|--------------------------|------------------------|------------------------|
| Floating rate borrowings | 43.11 | 42.23 |

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 the 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 the 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 RPO enforcement, resistance to Open Access by State Electricity Boards, lack of adequate transmission infrastructure can effect the decisions to invest and to operate this segment. Company tries its best to carry out a thorough feasibility study before embarking on investment in this segment. The Company also explores the possibility of scattering its investments over various states and over a period of time.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

i) Debt Equity Ratio

The Company monitors capital using debt equity ratio. The Company's debt to equity ratios are as follows:

| | 31.3.2017 ₹ in lacs | 31.3.2016 ₹ in lacs | 1.4.2015 ₹ in lacs |
|---|------------------------|------------------------|-----------------------|
| Total borrowings (Refer note 11.1 and 11.2) | 2,224.96 | 4,155.36 | 7,197.13 |
| Total equity (Refer note 9 and 10) | 66,116.24 | 59,181.62 | 56,959.82 |
| Debt to Equity ratio | 0.03 | 0.07 | 0.13 |

Notes to Financial Statements for the year ended 31st March, 2017

ii) Dividends

Dividends paid during the year

| | | Year ended 31.3.2017 | Year ended 31.3.2016 | Year ended 31.3.2015 |
|------------------|--------------------|-------------------------|-------------------------|-------------------------|
| Interim Dividend | Rate per share | ₹ 13.5/- | ₹ 5/- | |
| | Amount (₹ in lacs) | 1,971.28 | 730.01 | |
| Final Dividend | Rate per share | | | ₹ 2.50/- |
| | Amount (₹ in lacs) | | | 365.05 |

39 First time adoption of Ind AS

39.1 Mandatory exceptions, optional exemptions

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2014, notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act ('IGAAP'). The accounting policies set out in Note 2 have been applied in preparing these Financial Statements for the year ended 31st March, 2016 and the opening Ind AS Balance Sheet on the date of transition (i.e. 1st April, 2015). In preparing its Ind AS Balance Sheet as at 1st April, 2015 and in presenting the comparative information for the year ended 31st March, 2016, the Company has adjusted amounts previously reported in the Financial Statements prepared in accordance with IGAAP. This note explains the principal adjustments made by the Company in restating its Financial Statements prepared in accordance with IGAAP, and how the transition from IGAAP to Ind AS has impacted the Company financial position, financial performance and cash flows.

Exemptions and exceptions availed

In preparing the Financial Statement, the Company has availed the below mentioned optional exemptions and mandatory exceptions.

A. Exceptions :

1 Classification and measurement of financial assets

As permitted under Ind AS 101, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. In line with Ind AS 101, measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

2 Estimates

Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with IGAAP. Company has made estimates for following items in accordance with Ind AS at the date of transition as these were not required under IGAAP:

- investment in equity instruments carried at FVTPL;
- impairment of financial assets based on expected credit loss model;
- determination of the discounted value for financial instruments carried at amortised cost.

3 Government Grant

The Company has elected to apply the requirements in Ind AS 109 and Ind AS 20 prospectively to government loans existing at the date of transition to Ind AS and has not recognised the corresponding benefit of the government loan at a below-market rate of interest as a government grant as on date of transition. Consequently, the Company has used its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet.

B. Optional exemptions :

Property, plant and equipment and intangible assets

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangible assets as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition (1st April, 2015).

Notes to Financial Statements for the year ended 31st March, 2017

39.2 First time adoption reconciliations

Effect of Ind AS adoption on the balance sheet as at 31st March, 2016 and 1st April, 2015

₹ in lacs

| | Notes | As at 31.3.2016 | | | As at 1.4.2015 | | |
|---|-------|--|--------------------------------|--------------------|--------------------|--------------------------------|--------------------|
| | | End of last period presented under previous GAAP | | | Date of Transition | | |
| | | Previous GAAP | Effect of transition to Ind AS | Ind AS | Previous GAAP | Effect of transition to Ind AS | Ind AS |
| Non-current Assets | | | | | | | |
| a. Property, Plant and Equipment | 1,2,4 | 24,891.25 | 1,492.02 | 23,399.23 | 26,403.98 | 1,494.50 | 24,909.48 |
| b. Capital Work-in-Progress | | 324.70 | - | 324.70 | 123.17 | - | 123.17 |
| c. Investment Property | 1 | - | (1,195.03) | 1,195.03 | - | (1,188.63) | 1,188.63 |
| d. Other Intangible Assets | | 68.80 | - | 68.80 | 80.54 | - | 80.54 |
| e. Financial Assets | | | | | | | |
| (i) Investments | 3 | 1.01 | (97.20) | 98.21 | 1.01 | (90.04) | 91.05 |
| (ii) Trade Receivables | 5 | 307.72 | 307.72 | - | 335.39 | 335.39 | - |
| (iii) Loans | 14 | 2,020.38 | 1,980.89 | 39.49 | 2,098.15 | 2,075.21 | 22.94 |
| (vi) Others | 6,14 | - | (20.71) | 20.71 | - | (29.56) | 29.56 |
| f. Other Non-current Assets | 2,14 | 20.71 | (741.17) | 761.88 | 29.56 | (793.09) | 822.65 |
| Total Non-current Assets (A) | | 27,634.57 | 1,726.52 | 25,908.06 | 29,071.80 | 1,803.78 | 27,268.02 |
| Current Assets | | | | | | | |
| a. Inventories | 4 | 31,226.14 | 6.37 | 31,219.77 | 30,370.94 | 6.37 | 30,364.57 |
| b. Financial Assets | | | | | | | |
| (i) Investments | 3 | 2,350.12 | (4.09) | 2,354.21 | 3,000.00 | (4.52) | 3,004.52 |
| (ii) Trade Receivables | 5 | 38,767.55 | 22.70 | 38,744.85 | 46,665.09 | 98.30 | 46,566.79 |
| (iii) Cash and Cash Equivalents | 13 | 1,645.46 | 200.79 | 1,444.67 | 1,789.88 | 182.95 | 1,606.93 |
| (iv) Bank balances other than (iii) above | 13 | - | (200.79) | 200.79 | - | (189.14) | 189.14 |
| (v) Loans | 14 | 3,096.76 | 3,054.00 | 42.76 | 3,891.43 | 3,855.85 | 35.58 |
| (vi) Others | 6,14 | - | (1,160.93) | 1,160.93 | - | (1,454.51) | 1,454.51 |
| c. Current Tax Assets (Net) | | - | (998.84) | 998.84 | - | (994.09) | 994.09 |
| d. Other Current Assets | 2,14 | 55.93 | (2,929.56) | 2,985.49 | 87.99 | (3,766.63) | 3,854.62 |
| Total Current Assets (B) | | 77,141.96 | (2,010.35) | 79,152.31 | 85,805.33 | (2,265.42) | 88,070.75 |
| Total Assets (A+B) | | 1,04,776.53 | (283.83) | 1,05,060.36 | 1,14,877.13 | (461.64) | 1,15,338.77 |

Notes to Financial Statements for the year ended 31st March, 2017

₹ in lacs

| Notes | As at 31.3.2016 | | | As at 1.4.2015 | | |
|--|--|--------------------------------|--------------------|--------------------|--------------------------------|--------------------|
| | End of last period presented under previous GAAP | | | Date of Transition | | |
| | Previous GAAP | Effect of transition to Ind AS | Ind AS | Previous GAAP | Effect of transition to Ind AS | Ind AS |
| Equity | | | | | | |
| a. Equity share capital | 1,460.56 | - | 1,460.56 | 1,460.56 | - | 1,460.56 |
| b. Other equity | 8,9,10 57,586.06 | (135.00) | 57,721.06 | 55,034.46 | (464.80) | 55,499.26 |
| Total equity (shareholders' funds as per previous GAAP) (A) | 59,046.62 | (135.00) | 59,181.62 | 56,495.02 | (464.80) | 56,959.82 |
| Liabilities | | | | | | |
| 1. Non-current Liabilities | | | | | | |
| a. Financial liabilities | | | | | | |
| (i) Borrowings | 12 1,853.49 | (60.96) | 1,914.45 | 3,679.34 | (381.66) | 4,061.00 |
| b. Provisions | 394.30 | - | 394.30 | 375.65 | - | 375.65 |
| c. Deferred tax liability (net) | 10 2,406.79 | 438.69 | 1,968.10 | 2,820.62 | 327.79 | 2,492.83 |
| d. Other non-current liabilities | 14 510.99 | 410.58 | 100.41 | 482.71 | 482.71 | - |
| Total Non-current Liabilities (i) | 5,165.57 | 788.31 | 4,377.26 | 7,358.32 | 428.84 | 6,929.48 |
| 2. Current Liabilities | | | | | | |
| a. Financial liabilities | | | | | | |
| (i) Borrowings | 51.81 | - | 51.81 | 615.87 | - | 615.87 |
| (ii) Trade payables | 6 34,508.00 | 39.11 | 34,468.89 | 44,389.42 | 40.26 | 44,349.16 |
| (iii) Other financial liabilities | 14 - | (3,291.44) | 3,291.44 | - | (3,539.14) | 3,539.14 |
| b. Other current liabilities | 14 5,459.16 | 2,295.37 | 3,163.79 | 5,180.34 | 2,635.17 | 2,545.17 |
| c. Provisions | 8,9 545.37 | 204.40 | 340.97 | 838.16 | 622.54 | 215.62 |
| d. Current tax liabilities (net) | - | (184.58) | 184.58 | - | (184.51) | 184.51 |
| Total Current Liabilities (ii) | 40,564.34 | (937.14) | 41,501.48 | 51,023.79 | (425.68) | 51,449.47 |
| Total Liabilities (i+ii) (B) | 45,729.91 | (148.83) | 45,878.74 | 58,382.11 | 3.16 | 58,378.95 |
| Total Equity and Liabilities (A+B) | 1,04,776.53 | (283.83) | 1,05,060.36 | 1,14,877.13 | (461.64) | 1,15,338.77 |

Reconciliation of total equity as at 31st March, 2016 and 1st April, 2015

| Notes | As at 31.3.2016 ₹ in lacs | As at 1.4.2015 ₹ in lacs |
|--|------------------------------|-----------------------------|
| Total equity (shareholders' funds) under previous GAAP | 59,046.62 | 56,495.02 |
| Reversal of proposed dividend and tax on dividend for F.Y.2015-16 | 8 - | 438.04 |
| Fair valuation of financial assets | 3 101.28 | 94.57 |
| (Provision) / Write back for expected credit loss | 5 (330.42) | (433.69) |
| Fair valuation of derivatives and long term borrowings | 6 (73.39) | 38.09 |
| Depreciation impact on account of reclassification of stores and spares as property, plant and equipment | 4 (1.15) | - |
| Increase in total comprehensive income due to Ind AS adjustments | 7 40.05 | - |
| Deferred tax | 10 398.63 | 327.79 |
| Total adjustment to equity | 135.00 | 464.80 |
| Total equity as per Ind AS | 59,181.62 | 56,959.82 |

Notes to Financial Statements for the year ended 31st March, 2017

Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March, 2016

| | Notes | Previous GAAP | Effect of transition to Ind AS | ₹ in lacs Ind AS |
|---|-------|------------------------|--------------------------------|------------------------|
| Revenue from operations | 11 | 1,50,186.93 | (16,164.89) | 1,66,351.82 |
| Other income | 3 | 775.39 | (188.49) | 963.88 |
| Total Income (A) | | <u>1,50,962.32</u> | <u>(16,353.38)</u> | <u>1,67,315.70</u> |
| Expenditure | | | | |
| Cost of materials consumed | | 1,13,128.14 | - | 1,13,128.14 |
| Purchase of stock-in-trade | | 1,320.42 | - | 1,320.42 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | | 1,947.76 | - | 1,947.76 |
| Excise duty | 11 | (15.81) | (17,831.21) | 17,815.40 |
| Employee benefits expense | 9 | 3,725.15 | 115.74 | 3,609.41 |
| Finance costs | 12 | 2,549.89 | (81.14) | 2,631.03 |
| Depreciation and amortisation expense | 2,4 | 3,027.75 | 8.87 | 3,018.88 |
| Other expenses | | 21,141.19 | 1,547.45 | 19,593.74 |
| Total Expenditure (B) | | <u>1,46,824.49</u> | <u>(16,240.30)</u> | <u>1,63,064.79</u> |
| Profit for the year before tax (A-B) | | 4,137.83 | (113.08) | 4,250.91 |
| Tax Expenses | | | | |
| Current Tax | | 1,120.00 | - | 1,120.00 |
| Deferred Tax | 10 | (413.83) | 70.85 | (484.68) |
| | | <u>706.17</u> | <u>70.85</u> | <u>635.32</u> |
| Profit for the year from continuing operations | | 3,431.66 | (183.93) | 3,615.59 |
| Other Comprehensive Income | | | | |
| a) Items that will not be reclassified to profit or loss: | | | | |
| i) Re-measurement gains / (losses) on defined benefit plans | 7,9 | - | 115.74 | (115.74) |
| ii) Income tax related to such items | | - | (40.05) | 40.05 |
| Total comprehensive income (i - ii) | | <u>-</u> | <u>75.69</u> | <u>(75.69)</u> |
| Total comprehensive income for the period | | <u>3,431.66</u> | <u>(108.24)</u> | <u>3,539.90</u> |

Reconciliation of total comprehensive income for the year ended 31st March, 2016

| | Notes | ₹ in lacs Amount |
|--|-------|---------------------|
| Profit as per previous GAAP* | | 3,431.66 |
| Adjustments : | | |
| Grant income recognised under Ind AS on Government Grant | 12 | 81.14 |
| Reversal of provision for doubtful debts | 5 | 103.26 |
| Gain on fair valuation of unquoted shares | 3 | 7.14 |
| Advance lease rental (leased land) | 2 | (10.01) |
| Net loss on fair valuation of current investments | 3 | (0.45) |

Notes to Financial Statements for the year ended 31st March, 2017

| | Notes | ₹ in lacs Amount |
|---|-------|------------------------|
| Fair value loss on long-term borrowings | | (44.58) |
| Fair value loss on derivative contracts | 6 | (66.88) |
| Remeasurement of defined benefit obligation recognised in other comprehensive income | 7 | 115.74 |
| Depreciation on stores item reclassified as property, plant and equipment as per Ind AS | 4 | (1.15) |
| Depreciation on leasehold land written back | 2 | 10.01 |
| Finance cost recognised under Ind AS on Government Grant | 12 | (81.14) |
| Recognition of deferred taxes as per Ind AS | 10 | 70.85 |
| Total effect of transition to Ind AS | | 183.93 |
| Profit for the year as per Ind AS | | 3,615.59 |
| Other comprehensive income for the year (net of tax) | 7 | (75.69) |
| Total comprehensive income for the period as per Ind AS | | <u>3,539.90</u> |

* Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

Effect of Ind AS adoption on the statement of cash flows for the year ended 31st March, 2016

| | Year ended 31.3.2016 | | |
|---|----------------------|--------------------------------|-----------------|
| | Previous GAAP | Effect of transition to Ind AS | Ind AS |
| Net cash flows from operating activities | 7,359.52 | 238.34 | 7,597.86 |
| Net cash flows from investing activities | (929.32) | 0.01 | (929.31) |
| Net cash flows from financing activities | (6,586.26) | (244.55) | (6,830.81) |
| Net increase / (decrease) in cash and cash equivalents | (156.06) | (6.20) | (162.26) |
| Cash and cash equivalents at the beginning of the period | 1,600.73 | 6.20 | 1606.93 |
| Cash and cash equivalents at the end of the period | 1,444.67 | - | 1,444.67 |

39.3 Notes to the reconciliations

- Property, plant and equipment:** Under previous GAAP, there was no requirement to present investment property separately and the same was included under tangible fixed assets (buildings) and measured at cost less accumulated depreciation. Under Ind AS, investment property is required to be presented separately in the balance sheet and depreciation is charged on it. Accordingly, the carrying amount of investment property as at 1st April, 2015 of ₹ 1,188.63 lacs and as at 31st March, 2016 of ₹ 67.70 lacs (before considering depreciation) under previous GAAP has been reclassified to a separate line item on the face of the balance sheet. There is no impact on the statement of profit and loss.
- Leases :** As per Ind AS, a test for leases is carried out and leasehold land having carrying value of ₹ 312.23 lacs as at 1st April, 2015, is treated as operating lease. The same is reclassified under other assets as advance lease rentals. The net effect of the same on total equity as at 1st April, 2015 is NIL and a decrease in the depreciation on tangible assets of ₹ 10.01 lacs and increase in lease rental expenses of ₹ 10.01 lacs, resulting in Nil impact on profit before tax for the year ended 31st March, 2016.
- Fair valuation of investments:** Under previous GAAP, long term investments were measured at cost less diminution in the value which is other than temporary. Under Ind AS, these assets are classified as financial assets measured at fair value through profit or loss (FVTPL). On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount by ₹ 90.04 lacs as at 1st April, 2015 and by ₹ 97.20 lacs as at 31st March, 2016. The corresponding deferred taxes have also been recognised as at 1st April, 2015 and as at 31st March, 2016. The result of these changes is an increase in total equity as at 1st April, 2015 ₹ 90.04 lacs, increase in profit before tax by ₹ 7.14 lacs for the year ended 31st March, 2016.

Notes to Financial Statements for the year ended 31st March, 2017

Under previous GAAP, current investments were measured at lower of cost or fair value. Under Ind AS, these assets are classified as financial assets measured at FVTPL. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per previous GAAP, resulting in an increase in the carrying amount by ₹ 4.52 lacs as at 1st April, 2015 and by ₹ 4.09 lacs as at 31st March, 2016. The corresponding deferred taxes have also been recognised as at 1st April, 2015 and as at 31st March, 2016. The result of these changes is an increase in total equity as at 1st April, 2015 by ₹ 4.52 lacs, increase in profit before tax by ₹ 0.45 lacs for the year ended 31st March, 2016.

- 4 **Stores and spares:** Under previous GAAP, stores and spares were shown under inventories. Under Ind AS, the items which fit the criteria given under Ind AS 16 are reclassified as property, plant and equipments from inventories and depreciation is charged on the same. On the date of transition to Ind AS, stores and spares having carrying value of ₹ 6.37 lacs have been capitalised. The corresponding deferred taxes have also been recognised as at 1st April, 2015 and as at 31st March, 2016. The result of these changes is a decrease in total equity as at 1st April, 2015 by ₹ 1.15 lacs, an increase in the depreciation leading to decrease in profit before tax by ₹ 1.15 lacs.
- 5 **Trade receivables:** Under Indian GAAP, the Company has created provision for impairment of receivables only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Due to ECL model, the Company impaired its trade receivable by ₹ 433.69 lacs on 1st April, 2015 which has been eliminated against retained earnings. The impact of ₹ 330.42 lacs for year ended on 31st March, 2016 has been recognised in the statement of profit and loss. Moreover, all trade receivables are now classified as current financial assets as per Ind AS.
- 6 **Derivative instruments:** Under previous GAAP, foreign exchange loss on option contracts was recognised ignoring the gains and gains or losses on forward contracts were recognised. As per Ind AS, gains or losses on all option and forward contracts are recognised at fair value based on bank's mark to market certificates. As a result, derivative asset of ₹ 804.01 lacs and liability of ₹ 3.21 lacs is created as at 1st April, 2015, and derivative asset of ₹ 590.73 lacs and liability of ₹ 19.82 lacs is created as 31st March, 2016 under other financial assets or liabilities.
- 7 **Other Comprehensive income:** Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in other comprehensive income.
- 8 **Dividend (including dividend tax):** Under previous GAAP, proposed dividends including Dividend Distribution Tax (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (usually when approved by shareholders in a general meeting) or paid. In the case of the company, the declaration of dividend occurs after period end. Therefore, the short term provision of ₹ 438.04 lacs (including DDT) for the year ended on 31st March, 2015 recorded for dividend has been derecognised against retained earnings on 1st April, 2015. There was no proposed dividend for the year ended 31st March, 2016 as the company had declared and paid interim dividend and the same was treated as full and final dividend.
- 9 **Employee benefits:** Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements are to be recognised under other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. On the date of transition, this change does not affect total equity. For the year ended 31st March, 2016, the employee benefit expenses are reduced by ₹ 115.74 lacs and are recognised under other comprehensive income (net of deferred tax).
- 10 **Deferred tax:** Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in co-relation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax assets is of ₹ 327.79 lacs with corresponding impact on retained earning. For the year ended 31st March, 2016, deferred tax expenses are reduced by ₹ 398.63 lacs.

Notes to Financial Statements for the year ended 31st March, 2017

- 11 **Revenue:** Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented on the face of the statement of profit and loss. The change does not affect total equity as at 1st April, 2015 and 31st March, 2016, profit before tax or total profit for the year ended 31st March, 2016.
- 12 **Government Grant:** Under previous GAAP, there was no specific guidance on accounting for government loan at below market rate of interest. Hence, these were recognised and carried at the amount of the proceeds received. Under Ind AS, 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. On the transition date, there is an exception to retrospective application of Ind AS 20, thus no impact. For the year ended 31st March, 2016, there is an increase in other income as grant income by ₹ 81.14 lacs with a corresponding debit to deferred grant and increase in interest expense by ₹ 81.14 lacs with a corresponding credit to sales tax deferment loan. The corresponding deferred taxes has also been recognised as at 31st March, 2016.
- 13 As per Ind AS, cash and cash equivalents are shown as a separate item and other bank balances are shown separately.
- 14 As per Ind AS, certain assets and liabilities are reclassified as financial assets or liabilities based on the recognition criteria for financial asset or financial liability.

40 Basic and diluted earnings per share:

| | 2016-2017 | 2015-2016 |
|--|-------------|-------------|
| Profit for the year after tax (₹ in lacs) | 9,361.95 | 3,615.59 |
| Number of ordinary shares outstanding (Nos.) | 1,46,02,083 | 1,46,02,083 |
| Nominal value of the share ₹ | 10 | 10 |
| Basic and diluted earnings per share ₹ | 64.11 | 24.76 |

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

As per our report of the even date.

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

Rajen Ashar
Partner
Membership No.: 048243

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

S. M. Dixit
Chief
Financial Officer

Mumbai,
27th May, 2017

For and on behalf of the Board

G. N. Mehra (DIN:00296615) Chairman and Managing Director
C. V. Alexander (DIN:00253736) Whole-time Director
M. C. Dalal (DIN:00087178) Non-Executive Director
N. B. Karpe (DIN:00030971) Non-Executive Director
H. A. Nagpal (DIN:00481307) Non-Executive Director
S. R. Pandit (DIN:00131424) 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

56TH ANNUAL GENERAL MEETING – 29TH SEPTEMBER, 2017

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/Client Id:

DP ID:

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint

(1) Name: _____

Address: _____

E-mail Id: _____

Signature: _____ or failing him;

(2) Name: _____

Address: _____

E-mail Id: _____

Signature: _____ or failing him;

(3) Name: _____

Address: _____

E-mail Id: _____

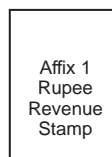
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56th Annual General Meeting of the Company to be held on Friday, 29th September, 2017 at 2.30 P.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th 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 st March, 2017 together with the Reports of the Board of Directors and the Auditors thereon | Ordinary | | | |
| 2 | Confirmation of payment of Interim Dividend as Final Dividend | Ordinary | | | |
| 3 | Appointment of Director in place of Mr. Gautam N. Mehra, who retires by rotation, and being eligible, offers himself for re-appointment | Ordinary | | | |
| 4 | Appointment of Statutory Auditors and to fix their remuneration | Ordinary | | | |
| Special Business - | | | | | |
| 5 | Appointment of Mr. C. V. Alexander as the Whole-time Director of the Company and to fix his remuneration | Special | | | |
| 6 | Appointment of Mr. Siddharth G. Mehra as the Whole-time Director of the Company and to fix his remuneration | Special | | | |
| 7 | Appointment of Mr. Suhas M. Dixit as the Whole-time Director of the Company and to fix his remuneration | Special | | | |
| 8 | Appointment of Ms. Simran G. Mehra as the Non-Executive Director of the Company | Special | | | |
| 9 | Appointment of Cost Auditors and to fix their remuneration | Ordinary | | | |

Signed this day of, 2017.

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.

Five Year Performance at a Glance

₹ in lacs

| Particulars | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 | 2012-2013 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| A. Revenue And Appropriations | | | | | |
| Sales and Other Income | 1,69,632 | 1,67,316 | 1,85,769 | 2,09,565 | 2,01,248 |
| Profit Before Tax | 12,616 | 4,251 | (418) | 13,263 | 15,055 |
| Profit After Tax | 9,362 | 3,616 | (127) | 8,974 | 10,332 |
| Dividend % | 135 | 50 | 25 | 175 | 175 |
| B. Assets Employed | | | | | |
| Net Fixed Assets | 23,134 | 24,988 | 26,302 | 29,179 | 23,259 |
| Investments | 1,913 | 2,452 | 3,096 | 1,222 | 3,240 |
| Other Assets | 43,453 | 36,119 | 34,492 | 36,285 | 33,702 |
| Total | 68,500 | 63,559 | 63,890 | 66,686 | 60,201 |
| C. Financed By | | | | | |
| Equity Shares | 1,460 | 1,461 | 1,461 | 1,461 | 1,461 |
| Reserves | 64,656 | 57,721 | 55,499 | 55,639 | 49,655 |
| Other Liabilities | 1,065 | 2,409 | 4,437 | 6,294 | 5,633 |
| Deferred Tax | 1,318 | 1,968 | 2,493 | 3,292 | 3,452 |
| Total | 68,500 | 63,559 | 63,890 | 66,686 | 60,201 |

SAVSOL

WORLD CLASS LUBRICANTS

*Simply
The
Best!*

**1ST
TIME
MADE IN
INDIA**



Improved fuel efficiency

1

Ensures cleaner engines

2

Heat resistance - better cooling

3

Excellent gear protection

4

Longer clutch life

5

Recommended drain period 15000km

6

Available in 900ml & 1L Pack

Recommended for all bikes

**ULTIMATE 4T OIL TECHNOLOGY,
FIRST TIME MADE IN INDIA**



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.

E-mail: legal@savita.com CIN-L24100MH1961PLC012066

www.savita.com | www.savsol.com



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

ATTENDANCE SLIP

56TH ANNUAL GENERAL MEETING – 29TH SEPTEMBER, 2017

I/We hereby record my/our presence at the 56th Annual General Meeting of the Company on Friday, 29th September, 2017 at 2.30 P.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai 400 001.

Name of the Member/Proxy

Signature of the Member/Proxy

Members/Proxy holders are requested to fill in Attendance Slip and hand it over at the entrance of the meeting hall.

REMOTE EVOTING PARTICULARS

| EVEN (Remote E-voting Event Number) | USER ID | PASSWORD |
|--|---------|----------|
| | | |