

**30th
Annual Report
2012-13**



Sah Petroleums Limited

Directors	: Mr. Rajendra Sah Mr. Vivek Sah Mr. Aditya Sah Mr. Bruno P.Y.G. Seghin Mr. Ashish Agarwal Mr. Aditya Arora Mr. Noshir B. Dubash Mr. Pradip C. Shah Mr. Alok D. Sukhani (upto 28th March, 2013) Mr. Vinay G. Rao (upto 28th March, 2013) Mr. Ravi Kamal Bhargava (From 28th March, 2013) Mr. Ashish Dinesh Gandhi (From 28th March, 2013) Mr. Ramesh Chander Razdan (From 28th March, 2013) Mr. Rajan Singh (From 28th March, 2013)	Chairman Managing Director Joint Managing Director Director Director (w.e.f. 28th March, 2013) Director (w.e.f. 28th March, 2013) Independent, Non Executive Director Independent, Non Executive Director Independent, Non Executive Director (Resigned) Independent, Non Executive Director (Resigned) Independent, Non Executive Director (Appointed) Independent, Non Executive Director (Appointed) Independent, Non Executive Director (Appointed) Independent, Non Executive Director (Appointed)
Company Secretary	: Mr. D. Malla Reddy	
Auditors	: N.D. Daga & Co. Chartered Accountants 5/2, Tardeo AC Market Building, Tardeo Road, Mumbai – 400 034.	
Bankers	: Axis Bank Ltd, Nariman Point, Mumbai - 400 021 Dena Bank, Sachivalaya Corner, Mumbai - 400 021 IDBI Bank, Mumbai.	
Registered Office	: 406/407, Embassy Centre, Nariman Point, Mumbai - 400 021	
Registrars & Share Transfer Agents	: Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri(E)-Mumbai - 400 072. Telephone No: 28515606/28515644: Fax: 28512885	
Plant Locations	: 1) Plot No. 5 to 14, Behind Dewan & Shah Indl. Estate, Village: Valiv, Vasai (E), Dist: Thane. India. 2) Survey No. 97 / 2, Daman Industrial Estate, Kadaiya, Daman Pataliya Road, Nani Daman – 396 210.	

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NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of Sah Petroleums Limited will be held on Monday, the 30th September, 2013 at 3.00 P.M. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at that date, together with the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Noshir B. Dubash, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Bruno P.Y.G. Seghin, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors of the Company to hold office upto the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:
“RESOLVED that Mr. Ashish Agarwal, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 28th March, 2013 and who holds office till the ensuing 30th Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received proposing him as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”
7. To consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:
“RESOLVED that Mr. Aditya Arora, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 28th March, 2013 and who holds office till the ensuing 30th Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received proposing him as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”
8. To consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:
“RESOLVED that Mr. Ravi Kamal Bhargava, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 28th March, 2013 and who holds office till the ensuing 30th Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received proposing him as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”
9. To consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:
“RESOLVED that Mr. Ashish Dinesh Gandhi, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 28th March, 2013 and who holds office till the ensuing 30th Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received proposing him as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”
10. To consider and if thought fit, to pass the following resolution with or without modification(s) as an **Ordinary Resolution**:
“RESOLVED that Mr. Ramesh Chander Razdan, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 28th March, 2013 and who holds office till the ensuing 30th Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received proposing him as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”
11. To consider and if thought fit, to pass the following resolution with or without modification (s), as an **Ordinary Resolution**:
“RESOLVED that Mr. Rajan Singh, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 28th March, 2013 and who holds office till the ensuing 30th Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received proposing him as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation.”
12. To consider and, if thought fit, to pass the following resolution with or without modification(s), as a **Special Resolution**:
“RESOLVED THAT in accordance with the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article No. 71 of the Articles of Association of the Company be deleted and substituted by the following:
Article No.71:
“The directors shall from time to time decide their own remuneration for the attendance of the board meeting, but in no case it shall exceed Rs.10,000/- for every meeting of the board of Directors attended by them.”

By order of the Board
For SAH PETROLEUMS LIMITED
D. MALLA REDDY
Company Secretary

Mumbai, 13th August, 2013.

Registered Office:
406/407, Embassy Centre,
Nariman Point, Mumbai – 400 021

NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company.**
2. The instrument(s) appointing the proxy, if any, shall be delivered at the Registered Office of the Company, not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
3. The relative Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of special business set out above is annexed hereto.
4. Members are requested to address all their correspondence including change of address and e-mail registration, etc. to the Company's Registrar and Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (E) -Mumbai – 400 072.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 25-09-2013 to 30-09-2013 (both days inclusive) for the purpose of determination & entitlement of payment of dividend, if declared, at the ensuing Annual General Meeting. The dividend will be paid on or before 29th October 2013.
6. Pursuant to the provisions of Section 205C of the Companies Act, 1956 as amended, final dividend warrants for the financially year 2005-06, which remains unpaid or unclaimed for a period of 7 years will be transferred to "Education and Protection Fund" of the Central Government on its due date 9th October, 2013. Therefore, Members advised to write to the Company's Registrars and Transfer Agents regarding their unclaimed dividends without delay.
7. Members desiring any information as regards the Accounts are requested to write to the Asst. Vice President (Finance) at the address of Registered Office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.
8. Members / Proxies are requested to bring the Attendance Slip duly filled in.
9. Members are requested to bring their copies of the Annual Report to the meeting.
10. Details of Directors seeking appointment and re-appointment at the ensuing Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement).

Name of Director	Mr. Ashish Agarwal	Mr. Aditya Arora	Mr. Ravi K. Bhargava	Mr. Ashish Dinesh Gandhi	Mr. Ramesh C. Razdan	Mr. Rajan Singh	Mr. Bruno P.Y.G. Seghin	Mr. Noshir B. Dubash
Date of Birth	21-06-1977	01-09-1980	15-11-1947	20-12-1970	15-04-1951	03-08-1972	07-05-1957	14-04-1941
Nationality	Indian	Indian	Indian	Indian	Indian	Indian	Belgian	Indian
Date of Appointment on Board	28-03-2013	28-03-2013	28-03-2013	28-03-2013	28-03-2013	28-03-2013	02-02-2009	05-04-2004
Qualifications	MBA & MS-USA	PGPM & CA	MA & M.Sc	BCom & MMS	Mast. Mktg Mgmt.	B.Tech & MBA	LAW & MBA	BA & LLB
Expertise in Functional Area	Investment Professional	Investment Professional	Retired Officer	Entrepreneur	Professional	Entrepreneur	Investment Professional	Legal
No. of Shares held in the Company as on 31.03.2013)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
List of Directorships held in other Companies	Five Directorships in other Companies	Three Directorships in other Companies	Two Directorships in other Companies	NIL	NIL	One Directorship in other Companies	Five Directorships in other Companies	NIL
Chairman/Member Committee of Boards of other Companies in which he is a Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

By order of the Board
For **SAH PETROLEUMS LIMITED**
D. MALLA REDDY
Company Secretary

Mumbai, 13th August, 2013.
Registered Office:
406/407, Embassy Centre,
Nariman Point, Mumbai – 400 021

ANNEXURE TO NOTICE EXPLANATORY STATEMENT :

The Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 for the item numbers 6 to 12 of the accompanying notice is as under.

ITEM NO. 6 to 11:

The Board of Directors of the Company appointed Mr. Ashish Agarwal, Mr. Aditya Arora, Mr. Ravi Kamal Bhargava, Mr. Ashish Dinesh Gandhi, Mr. Ramesh Chander Razdan and Mr. Rajan Singh, as an Additional Directors at its meeting held on 28th March, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 36(e) of Articles of Association of the Company, the said additional directors holds office only upto the date of 30th Annual General Meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the candidatures Mr. Ashish Agarwal, Mr. Aditya Arora, Mr. Ravi Kamal Bhargava, Mr. Ashish Dinesh Gandhi, Mr. Ramesh Chander Razdan and Mr. Rajan Singh as Directors of the Company and liable to retire by rotation.

Mr. Ashish Agarwal and Mr. Aditya Arora nominee directors of foreign promoter "NAF India Holdings Limited" Mauritius, Mr. Ravi Kamal Bhargava, Mr. Ashish Dinesh Gandhi, Mr. Ramesh Chander Razdan and Mr. Rajan Singh were Independent, Non Executive Directors and in the personal capacity, all of them do not hold any shares in the Company.

None of the Director except Mr. Ashish Agarwal, Mr. Aditya Arora, Mr. Ravi Kamal Bhargava, Mr. Ashish Dinesh Gandhi, Mr. Ramesh Chander Razdan and Mr. Rajan Singh concerned or interested in the resolution. Keeping in view of the experience and expertise of these persons, the Board recommends appointment as directors and they are liable to retire by rotation.

ITEM NO. 12:

Item No. 12 of the notice, an increase in the director fee for attending board meetings and alteration of Article No. 71 in its Articles of Association of the company requires member approvals in the Annual General Meeting of the Company.

None of the directors are interested or concerned in the resolution, except to the extent of their shareholdings in the Company.

Your directors recommend the resolutions as at item Nos. 6 to 12 for your approval.

By order of the Board

For **SAH PETROLEUMS LIMITED**

D. MALLA REDDY
Company Secretary

Mumbai, 13th August, 2013.

Registered Office:
406/407, Embassy Centre,
Nariman Point, Mumbai – 400 021

DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting their 30th Annual Report together with the Audited Accounts for the year ended 31st March 2013.

1. FINANCIAL RESULTS:

Particulars	(₹ In Lacs)	
	2012-13	2011-12
Net Sales/Income from operations	41736.95	48006.95
Profit before Depreciation, Interest & Taxation	1825.70	3080.75
Interest & Financial Charges	1811.94	2815.21
Depreciation	219.62	222.60
Profit before Taxation	(205.86)	42.94
Provision for taxes including Deferred tax	(79.51)	28.09
Profit for the year after taxation	(126.35)	14.85
Prior Period Adjustments (Net)	0.00	8.98
Profit / (Loss) for the year	(126.35)	5.87
Balance brought forward from previous year	4962.05	4966.31
Amount available for appropriation	4835.70	4972.18
Appropriations:		
-Proposed Dividend	4.40	4.40
-Tax on Dividends	0.75	0.72
-Residual Dividend	0.02	0.01
-General Reserve	0.00	5.00
Total	5.17	10.13
Balance carried to Balance Sheet	4830.53	4962.05

2. BUSINESS RESULTS:

Net Sales/Income from operations for the year ended 31st March, 2013 amounted to ₹ 41,736.95 lacs against ₹ 48,006.95 lacs in the previous year. The loss for the year stood at ₹ 126.35 lacs against the profit of ₹ 5.87 lacs in the previous year.

3. DIVIDEND:

The Board of Directors, at its meeting held on 30th May, 2013, recommended dividend of ₹ 0.01 per share (0.2%) on the Equity Shares of ₹ 5/- each for the year ended 31st March, 2013. The dividend will be paid subject to approval of Shareholders at the ensuing Annual General Meeting.

4. RECOMMENDATION & ALLOTMENT OF BONUS SHARES:

The Board of Directors, at its Meeting held on 24th May 2013, have recommended the issue of bonus shares to the Non Promoter Shareholders in the ratio of 23:19 to comply with minimum public shareholding requirement under clause 40A of the listing agreement and consequently approved an increase in the authorised share capital from Rs. 22.00 Crores to 26.00 Crores, subject to approval of the shareholders.

The Company has for the issue of Bonus Shares obtained shareholders approvals at the Extraordinary General Meeting, held on 28th June, 2013, and allotted 69,84,383 equity shares of Rs.5/- each to the public shareholders and complied with the minimum public shareholding requirement under clause 40A of the listing agreement.

5. DIRECTORS:

Directors Mr. Noshir B. Dubash and Mr. Bruno P.Y.G. Seghin retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

During the year, Mr. Vinay G. Rao and Mr. Alok D. Sukhani resigned from Board of Directors of the Company w.e.f. 28th March, 2013. Your Directors place on record their sincere appreciation of the valuable services rendered by them during their tenure as Independent, Non Executive Directors of your Company.

Mr. Ashish Agarwal, Mr. Aditya Arora, Mr. Ravi Kamal Bhargava, Mr. Ashish Dinesh Gandhi, Mr. Ramesh Chander Razdan and Mr. Rajan Singh, were appointed as Additional Directors w.e.f. 28th March, 2013 by the Board of Directors of the Company in its meeting held on 28th March, 2013. All the said appointed directors hold office of directorship up to the date of ensuing Annual General Meeting. The Company has received notice from a member under Section 257 of the Companies Act, 1956 for their appointment as directors on board of the Company.

A brief resume, nature of expertise, details of directorships held in other companies and shareholding in the company as stipulated under clause 49 of the listing agreement with the stock exchanges is appended as an annexure to the notice of the ensuing Annual General Meeting.

6. FIXED DEPOSITS:

Your Company has not accepted any Fixed Deposits from the Public and therefore is not required to furnish information in respect of outstanding deposits under Non-Banking Non-Financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

7. AUDITORS:

The Statutory Auditors of the Company Messrs. N.D. Daga & Co., Chartered Accountants retire at the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The company has also received Certificate from them under section 224(1B) of the Companies Act, 1956.

As per the requirement of Central Government, pursuant to Section 233B of the Companies Act, 1956 and subject to the approval of the Central Government, the Company has appointed Mr. Dilip Murlidhar Bathija, Cost Accountant, as Cost Auditors to audit the cost accounts of the Company for the financial year ending 31st March, 2013.

8. PARTICULARS OF EMPLOYEES:

The company has not paid any remuneration attracting the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975. Hence no information is required to be appended.

9. CORPORATE GOVERNANCE:

Your Company has complied with the requirements of Clause 49 of the listing agreement regarding Corporate Governance. A report on the Corporate Governance practice followed by the Company, the Auditors' Certificate on compliance of mandatory requirements thereof and Management Discussion and Analysis are given as annexure to this report.

10. CODE OF CONDUCT:

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors and Senior Management Personnel of the Company. This helps in dealing with ethical issues and also in fostering a culture of accountability and integrity.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2013 and of the profit of the company for the year ended on that date;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (iv) they have prepared the annual accounts on a going concern basis.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO:

i. CONSERVATION OF ENERGY:

The Company's operations involve low energy consumption. Adequate measures have, however, been taken to conserve energy.

ii. TECHNOLOGY ABSORPTION:

The Company is carrying on Research and Development in manufacturing process and the R & D is busy in developing new products to absorb full Technology available with Company.

iii. FOREIGN EXCHANGE EARNINGS / OUTGO:

(a) Earnings in Foreign Exchange:	
Export of Sales (FOB)	: ₹ 29,84,27,033/-
(b) Expenditure in Foreign Exchange:	
Import of Raw Material	: ₹ 2,40,62,65,946/-
Travelling Expenses	: ₹ 14,09,720/-
Royalty	: ₹ 2,21,870/-
Commission on Export Sales:	₹ 12,84,775/-
Sales Promotion Expenses	: ₹ 11,57,088/-
Interest Charges	: ₹ 4,04,02,595/-
Others	: ₹ 12,60,523/-

13. INDUSTRIAL RELATIONS:

Industrial Relations continued to remain cordial and peaceful.

14. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of the employees at all levels for their dedicated service and contribution to the growth and prosperity of the Company. Your directors also wish to place on record their appreciation for the assistance and co-operation received from Central & State Governments, banks, shareholders and business associates.

On behalf of the Board

Place: Mumbai
Date: 13th August, 2013

RAJENDRA SAH
Chairman

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Sah Petroleums Limited's philosophy on good Corporate Governance envisages a combination of business practices that result in enhancement of the value of the Company to the shareholders and simultaneously enable the Company to fulfill its obligations to other stakeholders such as customers, employees, vendors, dealers, financier's and to the society at large. Your Company firmly believes that such practices are founded upon the core values of transparency, professionalism, empowerment, equity and accountability.

Your Company makes best endeavors to uphold and nurture these core values in all facets of its operations and aims to increase and sustain its corporate value through growth and innovation. Your Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance as recommended by SEBI Guidelines in clause 49 of the Listing Agreement with the Stock Exchanges which is set out below:

2. BOARD OF DIRECTORS

2.1. Composition

The Board of Directors as at 31st March, 2013 comprises of following Twelve Directors, out of which six are the Independent, Non Executive Directors. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the company.

Name of the Director	Position
Mr. Rajendra Sah	Chairman
Mr. Vivek Sah	Managing Director
Mr. Aditya Sah	Joint Managing Director
Mr. Bruno P.Y.G. Seghin	Director
Mr. Ashish Agarwal **	Director
Mr. Aditya Arora **	Director
Mr. Noshir B. Dubash	Independent, Non Executive Director
Mr. Pradip C. Shah	Independent, Non Executive Director
Mr. Alok D. Sukhani *	Independent, Non Executive Director
Mr. Vinay G. Rao *	Independent, Non Executive Director
Mr. Ravi Kamal Bhargava **	Independent, Non Executive Director
Mr. Ashish Dinesh Gandhi **	Independent, Non Executive Director
Mr. Ramesh Chander Razdan **	Independent, Non Executive Director
Mr. Rajan Singh **	Independent, Non Executive Director

Note: * Resigned w.e.f. 28th March, 2013; ** Appointed as additional directors w.e.f. 28th March, 2013.

2.2. Meetings and attendance record of each Director

Sah Petroleums Limited held Six Board Meetings during the year ended 31st March, 2013. These were as under:

30th May, 2012, 10th August, 2012, 22nd October, 2012, 17th December, 2012, 14th February, 2013 and 28th March, 2013.

Director's attendance record and directorships held:

Name of the Director	Attendance Particulars		No. of Other		
	Board Meetings	Last AGM	Director-ships	Committee Memberships	Committee Chairmanships
Mr. Rajendra Sah	6	Yes	Nil	Nil	1
Mr. Vivek Sah	6	Yes	Nil	Nil	Nil
Mr. Aditya Sah	5	Yes	Nil	1	Nil
Mr. Bruno P.Y.G. Seghin	1	No	5	Nil	Nil
Mr. N. B. Dubash	6	Yes	Nil	2	1
Mr. Pradip C. Shah	6	Yes	Nil	2	1
Mr. Alok Sukhani *	5	No	Nil	2	Nil
Mr. Vinay G. Rao *	5	No	Nil	Nil	Nil
Mr. Ashish Agarwal **	Nil	NA	5	Nil	Nil
Mr. Aditya Arora **	Nil	NA	3	Nil	Nil
Mr. Ravi Kamal Bhargava **	Nil	NA	2	Nil	Nil
Mr. Ashish Dinesh Gandhi **	Nil	NA	Nil	1	Nil
Mr. Ramesh Chander Razdan **	Nil	NA	Nil	Nil	Nil
Mr. Rajan Singh **	Nil	NA	1	Nil	Nil

Note: * Resigned w.e.f. 28th March, 2013; ** Appointed as additional directors w.e.f. 28th March, 2013.

2.3. Directors proposed to be reappointed

The brief particulars of the Directors of the Company proposed to be reappointed at the ensuing Annual General Meeting are as under:

Mr. Noshir B. Dubash, B.A., LLB, aged 70 years and possesses rich experience in the Legal, Administration and Company Law matters for more than 47 years. He is the chairman of the Shareholder Investors/ grievances Committee and a member of the Audit Committee of the Company.

Mr. Bruno P.Y.G. Seghin, nominated as director by the Investor NAF India (Holdings) Limited, Mauritius and possesses very rich professional experience in the Corporate Finance, Investments and Management exposures for more than 30 years. He is the Law & MBA graduate, foreign national (Belgian) and aged 56 years old.

3. BOARD COMMITTEES:

(a) AUDIT COMMITTEE

- i) The Audit Committee comprises of three independent non-executive directors, Mr. Pradip C. Shah, Mr. Noshir B. Dubash, Mr. Alok D. Sukhani* and Mr. Ashish D. Gandhi**. Mr. Pradip C. Shah is a Chairman of the Audit Committee.
- ii) The Audit Committee met four times during the year i.e., 30th May, 2012, 10th August, 2012, 22nd October, 2012 and 14th February, 2013. Attendance record of each member is as under:

Sr. No.	Name of the Director	No. of Meetings attended
1	Mr. Pradip C. Shah - (Chairman)	4
2	Mr. Noshir B. Dubash	4
3	Mr. Ashish D. Gandhi **	Nil
4	Mr. Alok D. Sukhani *	4

Note: * Resigned w.e.f. 28th March, 2013; ** Appointed as a member w.e.f. 30th May, 2013.

- iii) The Committee acts as a link between the Management, Statutory Auditors and the Board of Directors and oversees the financial reporting process.

(b) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

- i) The Shareholders'/Investors' Grievance Committee comprises of three directors, Mr. Noshir B. Dubash, Mr. Alok D. Sukhani*, Mr. Pradip C. Shah** and Mr. Aditya Sah.
- ii) The Committee met four times during the year i.e., on 21st May, 2012, 26th July, 2012, 25th October, 2012 and 21st January, 2013. The attendance record of each member is as under:

Sr. No.	Name of the Director	No. of Meetings attended.
1	Mr. Noshir B. Dubash - (Chairman)	4
2	Mr. Alok D. Sukhani *	4
3	Mr. Pradip C. Shah **	Nil
4	Mr. Aditya Sah	4

Note: * Resigned w.e.f. 28th March, 2013; ** Appointed as a member w.e.f. 30th May, 2013.

The shareholders/investors grievance committee specifically looks into redressing of shareholders' and investors' complaints such as transfer of shares, non-receipt of dividend warrants, others if any and ensures expeditious share transfer process.

4. ANNUAL GENERAL MEETINGS

The Annual General Meetings (AGM) of the company was held at the following places in the last three years.

Year	Date	Time	Venue
2009-10	30.09.2010	10.00 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai- 400 001.
2010-11	30.09.2011	10.00 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai- 400 001.
2011-12	29.09.2012	10.00 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai- 400 001.

No Special Resolutions were put through postal ballot by the Company during the Financial Year 2012-13.

5. CODE OF CONDUCT

The Board of Directors has adopted the Code of Business Conduct and Ethics for all Directors of the Company and Senior Management personnel. The Code of Conduct provisions has been communicated to the directors and members of the Senior Management personnel. The Code has also been posted on the Company's website – www.sahpetroleums.com

6. DISCLOSURES

There were no materially significant related party transactions during the year having conflict with the interest of the company.

The Company has complied with all requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties were levied by SEBI, Stock Exchanges or any other Statutory Authorities nor passed strictures on matters relating to capital markets during the financial year.

7. CEO/CFO CERTIFICATION

The CEO and the CFO certified to the Board that:

1. They have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statement;
2. Based on their knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made;
3. Based on their knowledge, information and belief, the financial statements and other financial information included in this Report present a true and fair view of the Company's affairs for the period presented in this Report and are in compliance with the existing accounting standards, applicable laws and regulations;

4. To the best of their knowledge, information and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
5. They are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
6. They have disclosed, based on their most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be taken to rectify the deficiencies;

They have indicated to the Auditors and the Audit Committee:

- a) Significant changes in the Company's internal control over financial reporting during the year;
- b) all significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
- c) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

8. MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly results of the Company were published as under.

Quarter (F.Y.2012-13)	Date of Publication	Name of the Newspaper
First	12.08.2012	The Free Press Journal & Navshakti – Mumbai
Second	23.10.2012	The Free Press Journal & Navshakti – Mumbai
Third	15.02.2013	The Free Press Journal & Navshakti – Mumbai
Fourth	01.06.2013	The Free Press Journal & Navshakti – Mumbai

9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date and Time : 30th September, 2013 at 3.00 P.M.

Venue : M.C. Ghia Hall, Bhogilal Hargovindas - Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.

Book Closure : 25th September, 2013 to 30th September, 2013. (Both days inclusive)

Dividend Date

The Board of Directors recommended dividend of ₹ 0.01 per share (0.2%) on the Equity Shares of ₹ 5/- each. The dividend will be paid on or before 29th October 2013, after its approval of Shareholders at the ensuing Annual General Meeting.

Financial Calendar

Financial Year : 1st April 2013 to 31st March 2014

Results Announcements :

First quarterly results : Second week of August, 2013
 Second quarterly results : Second week of November, 2013
 Third quarterly results : Second week of February, 2014
 Fourth quarterly/
 Audited results : Audited results by 30th May, 2014.

Listing of Securities

- a. National Stock Exchange of India Limited, Mumbai.
- b. Bombay Stock Exchange Limited, Mumbai.
- c. Stock Symbol at the National Stock Exchange, Mumbai : SAHPETRO
- d. Stock Code at the Bombay Stock Exchange, Mumbai : 532543
- e. ISIN No. for Dematerialisation of shares : INE586G01017

Market Price Data

High & Low price for shares traded during each month in the financial year at the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, Mumbai.

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2012	39.00	30.55	38.50	30.60
May, 2012	35.90	28.70	35.90	28.50
June, 2012	36.00	26.80	36.00	26.85
July, 2012	34.50	25.20	34.50	25.30
August, 2012	31.25	23.80	31.05	23.80
September, 2012	28.00	23.50	26.15	23.45
October, 2012	32.40	24.75	37.00	24.65
November, 2012	28.00	25.85	29.50	25.40
December, 2012	34.90	26.50	35.45	26.50
January, 2013	28.10	23.75	28.40	23.60
February, 2013	25.85	19.05	29.50	19.35
March, 2013	20.70	14.40	20.60	14.75

Registrar & Transfer Agents

SHAREX DYNAMIC (INDIA) PVT. LTD
 Unit-1, Luthra Industrial Premises,
 Andheri Kurla Road, Safed Pool,
 Andheri(E)-Mumbai - 400 072.
 Telephone No: 28515606/28515644
 Fax: 28512885.
 E-mail: sharexindia@vsnl.com

Share Transfer System

Shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within 15 days of receipt of the documents and transfer of dematerialized shares are done through the depositories with no involvement of the company.

Distribution of Shareholding

Distribution of Shareholding as on 31.03.2013:

No. of Equity Shares	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
UPTO - 100	2992	36.23	161369	0.37
101 - 200	1416	17.14	242504	0.55
201 - 500	2212	26.78	791249	1.80
501 - 1000	875	10.59	715159	1.63
1001 - 5000	655	7.93	1389744	3.16
5001 - 10000	66	0.80	500191	1.14
10001 - 100000	34	0.41	775632	1.75
100001 - ABOVE	9	0.12	39424152	89.60
Total	8259	100.00	44000000	100.00

Shareholding Pattern as on 31.03.2013:

Category	No. of Shares held	% to total shares
Promoters	38230292	86.89
NRI	86509	0.20
FII	1038860	2.36
Bodies Corporate	682927	1.55
Public	3961412	9.00
Total	44000000	100.00

Dematerialisation of Shares and Liquidity

The equity shares of the Company are available under dematerialisation form with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Total of 4,39,99,550 equity shares aggregating to 99.999% of the total Equity Share Capital is held in dematerialized form as on 31st March, 2013 and the balance of 450 equity shares are held in re-mat physical form.

Plant Locations

Vasai Plant : Plot No. 5 to 14, Behind Dewan & Shah Industrial Estate, Village Valiv, Vasai (E), Dist: Thane, India.

Daman Plant : Plot No. 97/2, Daman Industrial Estate, Kadaiya, Daman Pataliya Road, Nani Daman – 396 210.

Registered Office & Address for Correspondence

Sah Petroleums Limited,

406/407, Embassy Centre,

Nariman Point,

Mumbai – 400 021.

Tel No: 022-6630 1911 / 2287 3097:

Fax: 022 – 2287 5751:

On behalf of the Board

Place : Mumbai

Date : 13th August, 2013

RAJENDRA SAH

Chairman

AUDITORS CERTIFICATE

To

The Members of Sah Petroleums Limited

We have examined the compliance of conditions of Corporate Governance by Sah Petroleums Limited for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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 N.D. DAGA & CO.

Firm Registration No.101993W
CHARTERED ACCOUNTANT

Place: Mumbai

Date : 13th August, 2013

Cert. No.: 04 23 13-14

N.D. DAGA

(PROPRIETOR)

Membership No. 9921

MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure & Development:

Sah Petroleums Limited (SPL) is one of the leading manufacturer of industrial lubricants in India and manufacturing wide range of industrial and automotive lubricants, specialties and process oils etc. under the brand name of "IPOL®" at Vasai and Daman plants. This industry has much growth potential and is growing globally.

B) Overview:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and made on a prudent and reasonable basis in order that the financial statements reflects a true and fair manner the form and substance of transactions and reasonably present our state of affairs and profit for the year.

The Company's Net Sales/Income from operations for the year ended 31st March, 2013 amounted to ₹ 41,736.95 lacs as compared to ₹ 48,006.95 lacs in the previous year. The loss for the year stood at ₹ 126.35 lacs against the net profit of ₹ 5.87 lacs in the previous year.

Considering the performance of the company, the Board of Directors recommended dividend ₹ 0.01 per share (0.2%) on the equity shares of Rs.5/- each for the financial year 2012-13.

C) Industry outlook:

The public sector undertakings have dominated the Indian lubes market upto 1993 and they had a collective market share of approximately 89%, but after 1993, the Government has liberalized and decentralised the norms of import of key raw material, determination of pricing regulations and reduction in the custom duties on import of base oil. Due to liberalization policy, the fair competition took place between the private players and public sector undertakings. In today's position, around more than 20 companies are operating in the Indian lubricants market. Until the 1980, lubricants produced in the country were basically simple blends based on low and medium level technologies. More sophisticated lubricants were imported and these amounted for a very small market. The entry of multinationals has led to complex and premium brands being introduced into the Indian market. The Indian lubricants market is the fourth largest in the world.

Market Segments: There are two major segments of the lubricants industry. The automotive lubricants segment, which has an approximate market share of 65% and the industrial lubricants segment accounting for the rest.

Import Threat: Lubricants are usually made according to the nature of use, climatic conditions, type of road, nature of automobiles and so on. Therefore, it would not be logical to import the same in the country. But at the same time, there is not much difference and the same can be imported if one prefers to do so. In fact, premium products, even as on today, are imported. However, in the general outlook of things, import of lubricants in India would not be competitive due to the prevailing import duty structure as well as high freight costs.

In consideration of above, it could be safely noted that the key factors to success for any company in the Lubricant industry would be:

- Good brand image.
- An extensive marketing network.
- Strong financial resources.
- Technological innovations and R&D backup.
- Strategically located manufacturing facilities.

D) Marketing Strategy:

Company has been in the market for more than three decades under the brand name IPOL. The strategy is to cater to the specific need of the company by way of customising our products, offering the right price at right time. The Company has a marketing network setup all over India. IPOL brand is registered in the name of the Company. The company presently markets its products through its sales offices / depots located at Pune, Delhi, Faridabad, Chandigarh, Chennai, Bangalore, Hyderabad, Baroda, Kolkata, Jamshedpur, Jaipur, Indore, Mehsana, Jabalpur, Patiala, Gaziabad and many Clearing & Forwarding Agents at different locations in India.

In addition to the direct marketing efforts, the company also appoints distributors/agents for both domestic and overseas markets.

E) Business Strategy:

The Company would continue to focus on the current segments of business considering the market potential, its own inherent strength in terms of its quality, price and timely delivery. The Company has requisite infrastructure and manufacturing facilities due to its constant upgradation/modernization and phased expansion programme.

The Company is constantly introducing new products on account of its strong in-house R&D and will continue to do the same in the near future and will also direct efforts for increasing its presence in the export markets.

F) Research and Development:

The Company's research and development activities are focused on process improvements to optimize cost, introduction of new products. The selection, composition and precise balanced application of additives are necessary for consistent product quality and optimum performance. The Company's research scientists and production technicians work cohesively with high quality additive packages creating quality products adhering to strict Indian and International Quality Standards.

G) Quality Systems and Certification:

The Company attaches high priority to Quality Control/Quality Assurance. The Company's products are subjected to the strictest quality control systems IPOL range is manufactured to meet national and international standards.

Each IPOL batch, after blending and processing is tested in-house to meet stringent quality standards. The Company's blending facilities and filling plant are in tune with the increasing sophistication of engineering technology, packaging and zero contamination conditions.

ISO Certification: The Company has obtained ISO – 9001:2008 and ISO – 14001:2004 certifications from

International Certifications Limited for its quality systems and environment, applicable to manufacturing practices and distribution process across the entire product chain of the company.

H) Cautionary Statement:

Statements in this report on Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities law or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global and domestic demand–supply, finished goods price in the domestic and overseas markets in which the Company operates, raw-materials cost and availability, changes in Government regulations, tax regimes, economic developments within or outside India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAH PETROLEUMS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Sah Petroleums Limited (the Company) which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (the Act). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; and
 - e) on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For N.D.DAGA & CO.

Firm Registration No.101993 W
Chartered Accountants

Mumbai.

Date: 30th May, 2013

N. D. Daga

Proprietor

Membership No. 9921

ANNEXURE TO INDEPENDENT AUDITORS' REPORT:

Referred to in Paragraph 1 under the heading of "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 fixed assets.
 - b) All the Fixed assets have not been physically verified by management during the year but there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) During the year the company has not disposed off a substantial part of its fixed assets.
- ii.
 - a) The inventory (excluding stocks with third parties) has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to books records.
- iii. The Company has neither granted nor taken, during the year, any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in these internal controls.
- v. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- vi. The Company has not accepted any deposits from public within the meaning of Section 58A & 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. We have broadly reviewed the basic cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix.
 - a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. There were no arrears as at 31st March 2013 for a period of more than six months from the date they became payable.
 - b) On the basis of our examination of the documents and records, there are no dues of Income Tax, Wealth Tax, Service Tax, Customs duty and Cess which have not been deposited on account of any dispute. The particulars of Sales tax as on 31st March 2013 which have not been deposited on account of disputes is as follows:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax, 1956 and Sales Tax Acts of various States	Central Sales Tax, Local Sales Tax and Commercial Tax	4,15,75,724	2003-04	Appellate Tribunal
		3,06,00,650	2003-04, 2004-05, 2005-06	Departmental Authorities

- x. The Company has no accumulated losses as at 31st March, 2013 and has not incurred any cash losses in the financial year ended on that date and in the immediately preceding financial year.

- xi. Based on the examination of the books of account and related records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks.
- xii. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xv. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, during the year.
- xvi. On the basis of an overall examination of the Balance Sheet of the company, in our opinion, there are no funds raised on short-term basis which have been used for long-term investment.
- xvii. The Company has not made any Preferential Allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, during the year.
- xviii. 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, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- xix. The Company has not raised any money by public issue during the year.

For N.D.DAGA & CO.
Firm Registration No.101993 W
Chartered Accountants

N.D. Daga
Proprietor
Membership No. 9921

Mumbai.
Date: 30th May 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	220,000,000	220,000,000
Reserves & Surplus	2	1,027,626,305	1,041,763,038
Less: Revaluation Reserve		<u>30,901,547</u>	<u>31,886,313</u>
		<u>996,724,758</u>	<u>1,009,876,725</u>
		<u>1,216,724,758</u>	<u>1,229,876,725</u>
Non Current Liabilities			
Long Term Borrowings		-	-
Deferred Tax Liability (Net)	3	2,689,844	24,788,827
Other Long-Term Liabilities	4	5,385,000	10,885,000
Long-Term Provisions	5	<u>5,060,043</u>	<u>4,537,038</u>
		<u>13,134,887</u>	<u>40,210,865</u>
Current Liabilities			
Short Term Borrowings	6	-	-
Trade Payables	7	1,614,619,772	2,105,446,951
Other Current Liabilities	8	128,400,410	160,528,315
Short Term Provisions	9	<u>1,035,946</u>	<u>991,376</u>
		<u>1,744,056,129</u>	<u>2,266,966,642</u>
		<u>2,973,915,773</u>	<u>3,537,054,232</u>
TOTAL EQUITY AND LIABILITIES			
ASSETS			
Non Current Assets			
Fixed Assets	10		
Tangible Assets		321,459,906	344,736,000
Intangible Assets		6,973,116	6,763,544
Capital Work-In-Progress		-	-
Intangible Assets Under Development		-	797,090
		<u>328,433,022</u>	<u>352,296,634</u>
Less: Revaluation Reserve		<u>30,901,547</u>	<u>31,886,313</u>
		<u>297,531,475</u>	<u>320,410,322</u>
Long Term Loans & Advances	11	62,032,385	67,306,855
Other Non Current Assets	12	<u>49,108,460</u>	<u>62,049,211</u>
		<u>111,140,845</u>	<u>129,356,066</u>
Current Assets			
Current Investments	13	350,620,966	455,224,663
Inventories	14	888,233,974	873,556,312
Trade Receivables	15	926,281,183	1,312,406,370
Cash And Cash Equivalent	16	243,665,806	293,769,989
Short Term Loans & Advances	17	<u>156,441,524</u>	<u>152,330,511</u>
		<u>2,565,243,453</u>	<u>3,087,287,845</u>
		<u>2,973,915,773</u>	<u>3,537,054,232</u>

Significant Accounting Policies
Notes On Financial Statements

1 to 39

As per our report of even date.

For **N. D. DAGA & CO.**

Firm Registration No. 101993 W
Chartered Accountants

N. D. Daga

Proprietor
Membership No. 9921

Mumbai 30.05.2013

For **SAH PETROLEUMS LIMITED**

Rajendra Sah

Chairman

Aditya Sah

Jt. Managing Director

D. Malla Reddy

Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
INCOME			
Revenue From Operations	18	4,173,694,652	4,800,695,467
Other Income	19	43,494,625	45,401,549
Total Income		4,217,189,276	4,846,097,016
EXPENDITURE			
Cost Of Materials Consumed	20	3,380,813,237	3,737,385,310
Purchases Of Stock-in-Trade		-	127,690,575
Changes In Inventories Of Finished Goods	21	(12,509,159)	(14,726,409)
Employee Benefit Expenses	22	161,776,680	150,116,472
Finance Costs	23	181,193,712	287,684,828
Depreciation & Amortization Expenses	24	21,961,880	22,260,290
Other Expenses	25	504,539,026	531,391,943
Total Expenditure		4,237,775,376	4,841,803,008
PROFIT / (LOSS) BEFORE TAX		(20,586,099)	4,294,008
Tax Expense :			
Current Tax		-	-
MAT Credit (Entitlement) / Reversal		14,148,331	-
Deferred Tax		(22,098,983)	2,808,853
Tax In Respect Of Earlier Years		-	898,037
Profit / (Loss) For The Year		(12,635,447)	587,118
Earning Per Equity Share [Face value of Rs. 5/-]			
Basic & Diluted		(0.29)	0.01
Significant Accounting Policies			
Notes on Financial Statements	1 to 39		

As per our report of even date.

For **N. D. DAGA & CO.**
Firm Registration No. 101993 W
Chartered Accountants

N. D. Daga
Proprietor
Membership No. 9921

Mumbai 30.05.2013

For **SAH PETROLEUMS LIMITED**

Rajendra Sah
Chairman

Aditya Sah
Jt. Managing Director

D. Malla Reddy
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	2012-13	2011-12
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	(20,586,099)	4,294,009
Adjustments for :		
Depreciation	21,961,880	22,260,290
Interest Expenses (Net)	26,534,785	37,425,206
(Profit) / Loss on Fixed Assets sold	6,509,423	4,294,203
Dividend Income	(27,096,303)	(33,359,540)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	7,323,685	34,914,167
Adjustments for :		
Decrease / (Increase) in trade and other receivables	375,744,175	(270,228,160)
Decrease / (Increase) in inventories	(14,677,662)	(82,846,958)
Increase / (Decrease) in trade and other payables	(527,890,907)	478,878,203
CASH GENERATED FROM OPERATIONS	(159,500,709)	160,717,252
Income Taxes Refund / (Paid) (net)	10,336,887	(24,315,179)
NET CASH FROM OPERATING ACTIVITIES	(149,163,822)	136,402,073
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Fixed Assets	3,552,222	203,300
Sale / redemption / (Purchase) of Investments (net)	104,603,697	(44,863,774)
Dividend Received	27,096,303	33,359,540
Purchase of Fixed Assets	(9,144,683)	(21,092,549)
NET CASH (USED IN) / FROM INVESTING ACTIVITIES	126,107,539	(32,393,483)
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividends Paid (including tax thereon)	(513,116)	(2,567,367)
Interest and Finance Charges paid	(26,534,785)	(37,425,206)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	(27,047,901)	(39,992,573)
NET INCREASE IN CASH AND EQUIVALENTS	(50,104,183)	64,016,017
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	293,769,989	229,753,973
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	243,665,806	293,769,989

Notes:

Previous year's figures have been regrouped/recast wherever necessary

For **N. D. DAGA & CO.**
Firm Registration No. 101993 W
Chartered Accountants

N. D. Daga
Proprietor
Membership No. 9921

Mumbai 30.05.2013

D. Malla Reddy
Company Secretary

For **SAH PETROLEUMS LIMITED**

Rajendra Sah
Chairman

Aditya Sah
Jt. Managing Director

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

B. Use of Estimates

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

C. Fixed Assets

Fixed Assets are stated at their original cost except certain Fixed Assets which are adjusted for revaluation.

D. Depreciation

Depreciation on Fixed Assets has been provided on "Straight Line Method" at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on account of enhancement in the value of certain Fixed Assets on account of revaluation is adjusted against Revaluation Reserve.

E. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is identification that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

F. Investment

Current Investments are stated at cost or market value whichever is lower.

G. Inventories

- Inventories are valued at cost or market value whichever is lower. Costs comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. The company has been following this generally accepted accounting policy in accordance with the Accounting Standard (AS2) on valuation of Inventories.
- Moulds are amortized over a period of Three years.

H. Revenue Recognition

Sales are recognized when goods are invoiced on dispatch to customers and are recorded inclusive of Excise duty but are net of trade discount and Sales Tax.

Dividend income is recognized when right to receive is established.

Interest Income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

I. Expenditure Recognition

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

J. Research and Development

Capital expenditure on Research and Development (R & D) is included in fixed assets under appropriate heads and revenue expenditure on R & D is charged as expenditure in the year in which it is incurred.

K. Foreign Currency Transactions

- Transactions in foreign currency are recorded at the exchange rate existing at the time of the transaction.
- Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- Any income or expense on account of exchange difference either on settlement or on translation is recognized as Revenue.

L. Retirement and other Employee's Benefit

- Retirement benefits in the form of Provident Fund & Superannuation Fund is a defined contribution scheme and the contributions are charged to the Profit & Loss Account of the year when the contributions to the respective funds are due. The Company has no other obligation other than the contributions payable.
- Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method calculated at the end of each financial year.
- Leave encashment liability is provided for based on actuarial valuation done as per Projected Unit Credit Method calculated at the end of each financial year.
- Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.

M. Taxation

The current charge for Income Tax is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred Tax is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in subsequent periods, subject to consideration of prudence.

In case the Company is liable to pay income tax u/s 115JB of Income Tax Act, 1961 (i.e. MAT), the amount of tax paid in excess of normal income tax is recognised as an asset (MAT Credit Entitlement) only if there is convincing evidence for realisation of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

N. Segment Reporting

The Company is engaged mainly in Manufacturing of Industrial Oils & Lubricants and as such it is the only reportable segment as per Accounting Standard (AS 17) on Segment Reporting. The geographical segmentation is not relevant as export turnover is not significant in respect to total turnover.

O. Provision/Contingencies

A provision is recognised when there is a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined (as provided/charged to the Statement of Profit & Loss) based on the estimate of the amount required to settle the obligation at the Balance Sheet Date and are not discounted to its present value.

Contingent Liabilities are not recognized but are disclosed in the financial statements. Claims against the Company where the possibility of materialization is remote are not considered as contingent liabilities.

Contingent Assets are neither recognised nor disclosed, in the financial statements.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
1 SHARE CAPITAL		
Authorized		
4,40,00,000 (4,40,00,000) Equity Shares, Rs. 5/- Par Value	<u>220,000,000</u>	<u>220,000,000</u>
Issued, Subscribed And Paid-Up		
4,40,00,000 (4,40,00,000) Equity Shares, Rs. 5/- Par Value	<u>220,000,000</u>	<u>220,000,000</u>
	<u>220,000,000</u>	<u>220,000,000</u>
Reconciliation of the shares outstanding at the beginning and at the end of the year		
Particulars	No. of Shares	No. of Shares
Shares outstanding at the beginning of the year	44,000,000	44,000,000
Shares issued during the year	-	-
Shares outstanding at the end of the year	44,000,000	44,000,000
The details of Shareholders holding more than 5% shares:		
Name Of The Shareholders	No. of Shares	No. of Shares
NAF India Holdings Ltd.	27,300,000	27,300,000
% Age Held	62.045%	62.045%
Shobha Sah	2,704,000	2,704,000
% Age Held	6.145%	6.145%
Rajendra Sah	1,565,935	3,565,935
% Age Held	3.560%	8.104%
2 RESERVES AND SURPLUS		
Capital Reserve	300,000	300,000
Securities Premium Reserve	488,370,841	488,370,841
Revaluation Reserve		
Balance at the beginning of the year	31,886,313	32,871,081
Less: Transferred to Profit & Loss Account	<u>984,766</u>	<u>984,768</u>
	30,901,547	31,886,313
General Reserve		
Balance at the beginning of the year	25,000,000	24,500,000
Add: Transferred from Profit & Loss Account	<u>-</u>	<u>500,000</u>
	25,000,000	25,000,000
Profit and Loss Account		
Balance at the beginning of the year	496,205,884	496,631,081
Add: Net Profit / (Loss) for the Year	<u>(12,635,447)</u>	<u>587,118</u>
Amount Available For Appropriation	483,570,437	497,218,199
Less: Appropriations		
Transfer to General Reserve	-	500,000
Proposed Dividend #	440,000	440,000
Corporate Dividend Tax thereon	74,778	71,512
Residual Dividend	<u>1,742</u>	<u>803</u>
Balance at the end of the year	<u>483,053,917</u>	<u>496,205,884</u>
	<u>1,027,626,305</u>	<u>1,041,763,038</u>

Dividend proposed to be distributed to equity shareholders is Rs. 0.01 (Previous Year Rs. 0.01) per equity share.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
3 DEFERRED TAX LIABILITY (Net)		
Deferred Tax Liability		
Depreciation	24,927,440	24,909,544
Deduction u/s. 35D	-	1,619,758
Deferred Tax Asset		
Disallowances u/s. 43B	1,902,084	1,740,475
Unabsorbed Depreciation	16,831,297	-
Unabsorbed Business Losses	3,504,215	-
	2,689,844	24,788,827
4 OTHER LONG-TERM LIABILITIES		
Dealer Deposits	5,385,000	10,885,000
	5,385,000	10,885,000
5 LONG TERM PROVISIONS		
Provision for Employee Benefits		
Leave Encashment	5,060,043	4,537,038
	5,060,043	4,537,038
6 SHORT TERM BORROWINGS		
Secured		
Working Capital Loans From Banks	-	-
	-	-
Nature of Security:		
A. Working Capital Loans from Banks are secured by pari pasu charge by way of:		
i) Hypothecation of:		
a) Entire current assets of the company both present and future in favour of the Company's Bankers for Working Capital facilities;		
b) Entire movable and immovable fixed assets of the company both present & future in favour of the Company's Bankers for Working Capital facilities;		
ii) Equitable Mortgage on Factory Premises of the Company at Plot No. 5 to 14, Village Valiv, Taluka Vasai, District Thane.		
iii) Equitable Mortgage on office premises at 406/407 and 612 Embassy Centre, Nariman Point, Mumbai - 400021.		
B. The charges created as per Para (A) above also extends to the guarantees given by the banks on behalf of the company, aggregating Rs. 8,773,490/- (31st March, 2012 - Rs. 10,173,994/-)		
7 TRADE PAYABLE		
Acceptances (Refer Note 38)	1,382,473,397	1,854,317,703
Trade Payables	232,146,376	251,129,248
	1,614,619,772	2,105,446,951

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year Ended 31st March, 2013 Rs.	Year Ended 31st March, 2012 Rs.
8 OTHER CURRENT LIABILITIES		
Advance from Customers	6,413,844	2,316,506
Other Payables *	121,540,096	157,639,406
Investors Education & Protection Fund to be credited as and when due :		
Unpaid Dividend	446,471	572,404
	128,400,410	160,528,315
* Includes Statutory Liabilities, Security Deposit, Payable to Staff and Foreign Currency Payable		
9 SHORT TERM PROVISION		
Provision for Employee Benefits	521,168	479,997
Proposed Dividend	440,000	440,000
Corporate Dividend Tax	74,778	71,379
	1,035,946	991,376

10 FIXED ASSETS (AT COST)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2012	Additions during the year	Deductions during the year	As at 31.03.2013	Upto 31.03.2012	Provided during the year	W/Back on Deduction/ Adjustment	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible										
Land	58,196,798	1,113,962	-	59,310,760	-	-	-	-	59,310,760	58,196,798
Buildings	67,668,446	-	-	67,668,446	20,825,201	1,455,717	-	22,280,918	45,387,528	46,843,245
Plant & Equipment	233,736,184	3,718,568	-	237,454,752	61,870,817	11,004,240	-	72,875,057	164,579,695	171,865,367
Furniture & Fixtures	22,458,878	152,215	-	22,611,093	8,972,844	1,203,415	-	10,176,259	12,434,834	13,486,034
Office Equipments	7,650,433	360,763	-	8,011,196	1,288,586	375,773	-	1,664,359	6,346,837	6,361,847
Vehicles	56,435,625	1,429,912	16,692,741	41,172,796	15,108,785	5,286,295	6,700,953	13,694,127	27,478,669	41,326,840
Computer Systems	11,707,266	1,202,704	452,986	12,456,984	5,051,400	1,867,129	383,129	6,535,400	5,921,584	6,655,866
Total	457,853,630	7,978,124	17,145,727	448,686,027	113,117,633	21,192,569	7,084,082	127,226,120	321,459,907	344,735,997
Intangible										
Software	10,342,288	1,963,649	-	12,305,937	3,578,744	1,754,077	-	5,332,821	6,973,116	6,763,544
Total	10,342,288	1,963,649	-	12,305,937	3,578,744	1,754,077	-	5,332,821	6,973,116	6,763,544
Total	468,195,918	9,941,773	17,145,727	460,991,964	116,696,377	22,946,646	7,084,082	132,558,941	328,433,023	351,499,541
Previous year	462,523,735	20,295,459	14,623,276	468,195,918	103,577,091	23,245,055	10,125,774	116,696,372	351,499,546	358,946,644
								Capital Work in Progress	-	-
								Intangible Assets under Development	-	797,090
								Total	328,433,023	352,296,631

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
	Rs.	Rs.
11 LONG TERM LOANS AND ADVANCES		
Advance Income Tax (Net)	14,920,486	25,257,373
Deposits	11,613,822	10,339,851
Sales Tax Appeals	4,679,510	4,491,977
VAT Receivable	30,818,567	27,217,654
	62,032,385	67,306,855
12 OTHER NON CURRENT ASSETS		
MAT Credit Entitlement	40,002,679	54,151,010
Trade Receivables (Unsecured, Considered Good)	9,105,781	7,898,201
	49,108,460	62,049,211
13 CURRENT INVESTMENTS		
In Mutual Funds (Unquoted) (At cost or market value whichever is lower)		
SBI Premier Liquid Fund - Regular (3,49,485 Units on 31'st March, 2013 of Face Value of Rs. 1,003.25 each)	350,620,966	-
SBI SHF Ultra Short Term Fund - Institutional (4,54,951.692 Units on 31'st March, 2012 of Face Value of Rs. 1,000.60 each)	-	455,224,663
	350,620,966	455,224,663
14 INVENTORIES		
(At Cost or Market Value Whichever Is Lower)		
Raw Materials	627,209,638	629,479,738
Finished Goods	242,706,420	230,197,261
Stores & Packing Materials	18,317,916	13,753,213
Moulds (At Cost Less Amounts Written Off)	-	126,100
	888,233,974	873,556,312
15 TRADE RECEIVABLES		
(Unsecured, Considered Good)		
Over Six Months	17,197,363	24,406,636
Others	909,083,820	1,287,999,733
	926,281,183	1,312,406,370
16 CASH AND CASH EQUIVALENTS		
Cash On hand	986,934	463,263
Balance with Banks:		
Current Accounts	109,732,402	136,734,323
Fixed Deposit (Margin Money)	132,500,000	156,000,000
Unpaid Dividend Account	446,471	572,404
	243,665,806	293,769,989

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
	Rs.	Rs.
17 SHORT TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances to Creditors	17,437,970	11,654,951
Loans & Advances to Staff	1,046,993	990,351
Prepaid Expenses	8,904,177	8,148,008
Balance With Government Authorities	79,481,085	76,882,081
Others	49,571,299	54,655,120
	<u>156,441,524</u>	<u>152,330,511</u>
18 REVENUE FROM OPERATIONS		
Sale Of Products	4,720,120,323	5,464,150,947
Less : Excise Duty	565,916,099	683,708,419
	<u>4,154,204,224</u>	<u>4,780,442,528</u>
Other Operating Income		
Bad Debts W/off Recovered	5,192,280	5,721,568
Export Incentives	14,298,148	14,531,370
	<u>19,490,428</u>	<u>20,252,938</u>
	<u>4,173,694,652</u>	<u>4,800,695,467</u>
19 OTHER INCOME		
Dividend	27,096,303	33,359,540
Interest Received	16,221,288	11,261,945
Miscellaneous Income	177,034	780,064
	<u>43,494,625</u>	<u>45,401,549</u>
20 COST OF MATERIAL CONSUMED		
Raw Materials:		
Opening Stock	629,479,738	565,414,822
Add: Purchase	3,124,642,554	3,517,266,504
Add: Transport & Dock Expenses	85,114,259	87,083,693
Less: Closing Stock	627,209,638	629,479,738
Raw Materials Consumed	<u>3,212,026,913</u>	<u>3,540,285,281</u>
Packing Material:		
Opening Stock	13,753,213	9,442,147
Add: Purchase	173,351,027	201,411,094
Less: Closing Stock	18,317,916	13,753,213
Packing Materials Consumed	<u>168,786,324</u>	<u>197,100,028</u>
	<u>3,380,813,237</u>	<u>3,737,385,310</u>
21 CHANGES IN INVENTORIES OF FINISHED GOODS:		
Opening Stock	230,197,261	215,470,852
Closing Stock	242,706,420	230,197,261
	<u>(12,509,159)</u>	<u>(14,726,409)</u>
22 EMPLOYEE BENEFITS EXPENSE		
Salaries Wages & Related Payment	154,173,433	141,478,501
Contribution of Provident Funds & Other Funds	5,772,848	5,966,605
Staff Welfare Expenses	1,830,399	2,671,366
	<u>161,776,680</u>	<u>150,116,472</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Year Ended 31st March, 2013	Year Ended 31st March, 2012
	Rs.	Rs.
23 FINANCE COST		
Interest Expenses	42,756,073	48,687,151
Bank Charges & Commission	26,732,941	31,644,627
Net (Gain) / Loss on Foreign Currency Translation and Transaction	111,704,698	207,353,049
	<u>181,193,712</u>	<u>287,684,828</u>
24 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation And Amortization	22,946,646	23,245,058
Less: Transferred From Revaluation Reserve	984,766	984,768
	<u>21,961,880</u>	<u>22,260,290</u>
25 OTHER EXPENSES		
Manufacturing Expenses		
Power & Fuel	11,230,653	10,452,850
Moulds Amortized	126,100	255,434
Excise Duty #	1,655,028	1,871,094
Machinery & Equipment Maintenance	6,097,188	5,768,231
Laboratory & R & D Expenses	1,958,596	1,859,982
Production & Processing Expenses	3,556,485	3,988,797
	<u>24,624,050</u>	<u>24,196,387</u>
Administration Expenses		
Motor Vehicle Expenses	6,112,186	5,639,459
Rent	12,619,172	12,701,731
Rates & Taxes	1,320,151	700,967
Insurance Charges	6,892,961	4,617,103
Conveyance Expenses	4,254,563	3,061,999
Postage, Telephone & Telex	7,939,668	7,833,470
Electricity Expenses	1,956,246	1,656,462
Repair & Maintenance :		
(a) Building	4,297,342	7,753,411
(b) Others	475,267	620,836
Printing & Stationery & Computer Expenses	5,300,871	5,177,570
Legal & Professional Charges	19,808,911	29,026,899
Loss on Disposal / Discard of Fixed Assets	6,509,423	4,294,203
Miscellaneous Expenses	7,515,696	6,361,428
Remuneration to Auditors :	-	
(a) As Audit Fees	900,000	757,725
(b) For Tax Matters	200,000	75,000
(c) For Other Services (Certification, Tax Audit, etc.)	377,000	235,893
	<u>86,479,455</u>	<u>90,514,156</u>
Selling & Distribution Expenses		
Freight & Forwarding	153,079,231	157,219,453
Commission	60,940,350	43,937,219
Advertisement Expenses	6,208,832	29,184,841
Travelling Expenses	23,336,448	24,893,885
Bad Debts	5,498,604	9,244,976
Sales Promotion Expenses	144,372,056	152,201,027
	<u>393,435,520</u>	<u>416,681,401</u>
	<u>504,539,026</u>	<u>531,391,943</u>

Excise Duty represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

- 26 As per information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and medium enterprises Development Act, 2006.
- 27 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 37,500/- (31st March, 2012 - Rs. 2,006,285/-)

28 **Contingent liabilities not provided for:**

	2012-2013	2011-2012
	Rs.	Rs.
a] Claims against the Company not acknowledged as debts:		
Sales Tax	72,176,374	129,983,710
b] Guarantees given by Banks	8,773,490	10,173,994

29 **Value of Imports (C.I.F. Basis):**

Raw Materials	2,406,265,946	2,860,845,496
Capital Goods	-	1,289,048

30 **Employee Benefits**

Defined benefit plans as per actuarial valuation on 31st March, 2013

	Gratuity Funded 31st March, 2013	Gratuity Funded 31st March, 2012
	Rs.	Rs.
I Expenses recognized in the Statement of Profit and Loss for the year ended 31st March, 2013		
1 Current Service Cost	1,435,489	1,391,288
2 Interest Cost	1,151,084	1,016,928
3 Expected return on plan assets	(941,207)	(608,585)
4 Past Service Cost	-	-
5 Net Actuarial (Gains) / Losses	(917,195)	(1,077,556)
6 Total Expenses	728,171	722,075
II Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2013		
1 Present value of Defined Benefit Obligation as at 31st March, 2013	15,227,850	13,629,762
2 Fair value of plan assets as at 31st March, 2013	14,281,214	12,911,297
3 Funded status [Surplus/(Deficit)]	(946,636)	(718,465)
4 Net Asset/(Liability) as at 31st March, 2013	(946,636)	(718,465)
III Change in obligation during the year ended 31st March, 2013		
1 Present value of Defined Benefit Obligation at beginning of the year	13,629,762	12,219,195
2 Current Service cost	1,435,489	1,391,288
3 Interest cost	1,151,084	1,016,928
4 Past Service Cost	-	-
5 Actuarial (Gains) / Losses	(784,090)	(890,501)
6 Benefits Payments	(204,395)	(107,148)
7 Present value of Defined Benefit Obligation at the end of the year	15,227,850	13,629,762

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	Gratuity Funded 31st March, 2013 Rs.	Gratuity Funded 31st March, 2012 Rs.
IV Change in fair value of asset during the year ended 31st March, 2013		
1 Plan assets at the beginning of the year	12,911,297	8,472,805
2 Expected return on plan assets	941,207	608,585
3 Contribution by Employer	500,000	3,750,000
4 Actual benefits paid	(204,395)	(107,148)
5 Actuarial (Gains) / Losses	133,105	187,055
6 Plan assets at the end of the year	14,281,214	12,911,297
7 Actual return on plan assets	1,074,312	795,640
V The major categories of plan assets as a percentage of total plan		
1 Insurer Managed Funds	100%	100%
2 Others	-	-
	100%	100%
VI Actuarial Assumptions:		
1 Discount Rate	7.95%	8.40%
2 Expected Rate of return on Assets	7.50%	7.50%
3 The estimates of future salary increases are considered taking into account the inflation, seniority, promotion and other relevant factors.		
4 Salary Escalation	7.00%	10% for first year & 7% thereafter
Note:		
The above information is certified by actuary.		
	2012-2013 Rs.	2011-2012 Rs.
31 Raw Material Consumed		
(a) Imported	2,756,223,423	2,764,408,834
	85.81%	78.08%
(b) Indigenous	455,803,490	775,876,447
	14.19%	21.92%
32 Packing Material Consumed		
Indigenous	168,786,324	197,100,027
	100%	100%
33 Earnings per Share (EPS)		
(i) Profit/(Loss) after Tax	(12,635,447)	587,119
Profit/(Loss) attributable to Ordinary shareholders	(12,635,447)	587,119
(ii) No. of Ordinary Shares for Basic EPS	44,000,000	44,000,000
No. of Ordinary Shares for Diluted EPS	44,000,000	44,000,000
(iii) Nominal Value of Ordinary Shares	5.00	5.00
(iv) Basic/Diluted Earnings per Ordinary Shares	(0.29)	0.01

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-2013 Rs.	2011-2012 Rs.
34 Expenditure in Foreign Currency		
Travelling Expenses	1,409,720	3,323,919
Royalty	221,870	67,620
Commission on Export Sales	1,284,775	803,243
Exhibition & Seminar Expenses	461,903	170,223
Professional Charges	282,452	306,708
Interest Charges	40,402,595	45,995,163
Sales Promotion Expenses	1,157,088	-
Others	516,168	421,894
35 Earning in Foreign Currency:		
Export of Goods (FOB Basis)	298,427,033	209,990,779

36 Related Party Disclosure

[A] Name of the related parties and description of relationship.

Related Party:

Relationship:

NAF India Holdings Ltd	Investor Company–Controlling Interest
Rajendra Sah	Whole time Director
Vivek Sah	Whole time Director
Aditya Sah	Whole time Director
Shobha Sah	Senior President

Enterprises over which Key management personnel exercise significant influence

Sah Agrotechs

Note:

Related party relationship is as identified by the Company and relied by the Auditors

[B] Transactions during the year with related parties:

Sr. No.	Nature of Transaction	Key Management Personnel	Enterprises over which Key management personnel exercise significant influence	Total
		Rs.	Rs.	Rs.
1	Salary & Related Payments	5,434,800	-	5,434,800
		(5,817,600)	(-)	(5,817,600)
2	Repairs & Maintenance Expenses	-	-	-
		(-)	(84,200)	(84,200)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

37 Derivative transactions:

(a) Derivative instruments outstanding as on 31st March 2013

		2012-2013	2011-2012
		Rs.	Rs.
Acceptances	USD	4,238,265	18,440,746
	INR	230,074,200	938,172,975
	AED	8,081,000	-
	INR	119,437,180	-

(b) Foreign exchange currency exposures not covered by derivative instruments as on 31st March 2013

(i) Trade Receivables	USD	474,654	500,653
	INR	25,766,636	25,470,741
(ii) Trade Payables / Acceptances	USD	17,738,453	18,135,855
	INR	962,931,959	922,666,343
	AED	4,956,685	-
	INR	73,259,800	-

38 Acceptances pertain to liability under Secured Letters of Credit from Bank
(Details of security is given in Note No. 6)

39 Previous years figures have been regrouped / recast wherever necessary.

As per our report of even date.

For **N. D. DAGA & CO.**
Firm Registration No. 101993 W
Chartered Accountants

N. D. Daga
Proprietor
Membership No. 9921

Mumbai 30.05.2013

For **SAH PETROLEUMS LIMITED**

Rajendra Sah
Chairman

D. Malla Reddy
Company Secretary

Aditya Sah
Jt. Managing Director



Sah Petroleums Limited

Reg. Office: 406/407, Embassy Centre, Nariman Point, Mumbai-400 021.

ATTENDANCE SLIP

Regd. Folio No. _____

**Client I.D _____

**D.P. I.D _____

30th Annual General Meeting – 30th September, 2013

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the **Thirtieth Annual General Meeting** of the Company held on **Monday, 30th September, 2013** at 3.00 P.M. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.

*Member's / Proxy's Name in Block Letters

*Member's/Proxy's Signature

Note:

1. Member / Proxy must bring the Attendance Slip to the Meeting and hand it over, duly signed, at the registration counter.
2. The Copy of the Notice may please be brought to the Meeting Hall.
3. NO GIFTS WILL BE GIVEN.

*Strike out whichever is not applicable.

----- T E A R H E R E -----



Sah Petroleums Limited

Reg. Office: 406/407, Embassy Centre, Nariman Point, Mumbai-400 021.

PROXY FORM

Regd. Folio No. _____

**Client I.D _____

**D.P. I.D _____

I/We _____

of _____

as my / our Proxy to attend and vote for me / us on my / our behalf at the **Thirtieth Annual General Meeting** of the Company to be held on **Monday, 30th September, 2013** at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001 at 3.00 P.M. and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Note:-

1. Proxy need not be a member.
2. Proxy form, complete in all respects, should reach the Company's Regd. Office at 406/407, Embassy Centre, Nariman Point, Mumbai – 400 021, not less than 48 hours before the scheduled time of the meeting.

Please Affix
Re. 1/-
Revenue
Stamp

**Applicable only in case of investors holding shares in Electronic form.

Signature

Book Post

To

If undelivered, please return to:

Sah Petroleums Limited
406/407, Embassy Centre, Nariman Point,
Mumbai - 400 021, India
www.sahpetroleums.com