

**FORM A**

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the company	SAH PETROLEUMS LIMITED
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	<ul style="list-style-type: none"> <li>• CEO/Managing Director/Director</li> <li>• CFO</li> <li>• Auditor of the company</li> <li>• Audit Committee Chairman</li> </ul>	<p style="text-align: center;"><i>Agood</i></p> <hr/> <p style="text-align: center;"><i>Whiny...</i></p> <p style="text-align: center;"><i>Narayan &amp; Co</i></p> <p style="text-align: center;"><i>Pradip C. Shah</i></p>



**Sah Petroleums Limited**

ISO 9001 & EMS 14001 CERTIFIED COMPANY

Branches : Pune • Indore • Vadodara • Delhi • Faridabad • Chandigarh • Kolkata • Jamshedpur • Hyderabad • Bangalore • Chennai

**31st  
Annual Report  
2013-14**



***Sah Petroleums Limited***

Directors	: Mr. Rajendra Sah (upto 31st July, 2014) Mr. Vivek Sah (upto 31st July, 2014) Mr. Aditya Sah (upto 31st July, 2014) Mr. Bruno P.Y.G. Seghin (upto 31st July, 2014) Mr. Ashish Agarwal (upto 31st July, 2014) Mr. Aditya Arora (upto 31st July, 2014) Mr. Noshir B. Dubash (upto 31st July, 2014) Mr. Ravi Kamal Bhargava (upto 31st July, 2014) Mr. Ashish Dinesh Gandhi (upto 31st July, 2014) Mr. Rajan Singh (upto 31st July, 2014) Mr. Thangapandian Srinivasalu (From 31st July, 2014) Mr. Ayush Goel (From 31st July, 2014) Mr. Brij Mohan Bansal (From 14th August, 2014) Mr. Narotamkumar Girdharilal Puri (From 14th August, 2014) Mr. Pradip C. Shah Mr. Ramesh Chander Razdan	Chairman (Resigned) Managing Director (Resigned) Joint Managing Director (Resigned) Director (Resigned) Director (Resigned) Director (Resigned) Independent, Non Executive Director (Resigned) Independent, Non Executive Director (Resigned) Independent, Non Executive Director (Resigned) Independent, Non Executive Director (Resigned) Director (Appointed) Director (Appointed) Director (Appointed) Independent, Non Executive Director (Appointed) Independent, Non Executive Director Independent, Non Executive Director
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 CIN: L23201MH1983PLC030372	
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 31<sup>st</sup> Annual General Meeting of the Members of Sah Petroleums Limited will be held on Tuesday, the 30<sup>th</sup> September, 2014 at 10.30 A.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 31<sup>st</sup> March, 2014 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 31<sup>st</sup> March, 2014.
3. To appoint Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“RESOLVED THAT M/s. PNG & Co. Chartered Accountants (Firm Registration No.021910N), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting for 5 (five) consecutive years for a term up to conclusion of the 36<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019, on such remuneration as may be decided by the Board of Directors of the Company”.

### SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:  
“RESOLVED that Mr. Thangapandian Srinivasalu (DIN: 03376410), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 31<sup>st</sup> July, 2014 and who holds office till the ensuing 31<sup>st</sup> Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 and in respect of whom a notice under section 160 of the Companies Act, 2013 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.”
5. To consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:  
“RESOLVED that Mr. Ayush Goel (DIN: 02889080), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 31<sup>st</sup> July, 2014 and who holds office till the ensuing 31<sup>st</sup> Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 and in respect of whom a notice under section 160 of the Companies Act, 2013 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.”
6. To consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:  
“RESOLVED that Mr. Brij Mohan Bansal (DIN: 00142166), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 14<sup>th</sup> August, 2014 and who holds office till the ensuing 31<sup>st</sup> Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 and in respect of whom a notice under section 160 of the Companies Act, 2013 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. Narotamkumar Girdharilal Puri (DIN: 06948464), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 14<sup>th</sup> August, 2014 and who holds office till the ensuing 31<sup>st</sup> Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 and in respect of whom a notice

8. To consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Pradip C Shah (DIN 00012803), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing him candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 1 (one) year up to the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company in the calendar year 2015.”
9. To consider and if thought fit, to pass the following resolution with or without modification(s), as an **Ordinary Resolution**:  
“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Ramesh Chander Razdan (DIN 507782), Director of the Company, whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing him candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 1 (one) year up to the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company in the calendar year 2015.”
10. To consider and if thought fit, to pass the following resolution with or without Modification (s), as a **Special Resolution**:  
“RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 25<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2008 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and that of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”), for borrowing from time to time, any sum or sums of money, on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) including rupee equivalent of foreign currency loans (such rupee equivalent being calculated at the exchange rate prevailing as on the date of the relevant foreign currency agreement) may exceed, at any time, the aggregate of the paid-up capital of the Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of the Company and its free reserves shall not at any time exceed **Rs. 500 crores** (Rupees five hundred crores only).  
“RESOLVED FURTHER THAT the Board be and is hereby authorised to do and execute all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

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

“RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 25<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2008 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and that of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) to hypothecate/mortgage and/or charge and/or encumber in addition to the hypothecations/ mortgages and/or charges and/or encumbrances created by the Company, in such form and manner and with such ranking and at such time(s) and on such terms as the Board may determine, all or any part of the movable and/or immovable properties of the Company wherever situated both present and future, and/or create a floating charge on all or any part of the immovable properties of the Company and the whole or any part of the undertaking(s) of the Company, together with power to take over the management of the business and concern of the Company in certain events of default, in favour of the Company’s Bankers/Financial Institutions/ other investing agencies and trustees for the holders of Debentures/Bonds/ other instruments/securities to secure any Rupee/Foreign currency Loans, Guarantee assistance, Standby Letter of Credit/Letter of Credit, and/or any issue of Non-Convertible Debentures, and/or Compulsorily or Optionally, Fully or Partly Convertible Debentures and/or Bonds, and/or any other Non-Convertible and/or other Partly/Fully Convertible instruments/securities, within the overall ceiling prescribed by the members of the Company, in terms of Section 180(1)(c) of the Companies Act, 2013.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do and execute all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any one or more Directors of the Company.”

By order of the Board  
For **SAH PETROLEUMS LIMITED**

**D. MALLA REDDY**  
Company Secretary

Mumbai, 14<sup>th</sup> August, 2014

**Registered Office:**

406/407, Embassy Centre,  
Nariman Point, Mumbai – 400 021  
CIN: L23201MH1983PLC030372

**NOTES:**

- 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.**
- 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.
- The relative Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013, in respect of special business set out above is annexed hereto.
- In accordance with provisions of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic

means (“e-voting”) to its members. The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner.

**The instructions for shareholders voting electronically are as under:**

- The voting period begins on September 24, 2014 from midnight at 12.00 a.m. and ends on September 26, 2014 from upto midnight at 11.59 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 29<sup>th</sup> August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on Shareholders.
- Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- After entering these details appropriately, click on “SUBMIT” tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to

share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Sah Petroleums Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
12. 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. Thangapandian Srinivasalu	Mr. Ayush Goel	Mr. Brij Mohan Bansal	Mr. Pradip C. Shah	Mr. Ramesh C. Razdan	Mr. Narotamkumar Girdharilal Puri
Date of Birth	03-06-1961	27-09-1990	04-01-1951	19-05-1956	15-04-1951	04-04-1944
Nationality	Indian	Indian	Indian	Indian	Indian	Indian
Date of Appointment on Board	31-07-2014	31-07-2014	14-08-2014	05-04-2004	28-03-2013	14-08-2014
Qualifications	B.Sc	B.Com (Hon) & (MBA)	B.Tech-Chem-Engg	B.Com: FCS & LLB	Mast. Mktg Mgmt.	Mechanical Engineer
Expertise in Functional Area	Marketing Professional	Business Professional	Professional	Practicing Company Secretary	Professional	Retired Professional
No. of Shares held in the Company as on 31.03.2014	Nil	Nil	Nil	Nil	Nil	Nil
List of Directorships held in other Companies	Secure Source Tech Pvt. Ltd.	11 Directorships in other Companies	1.EIL 2. KPRL	Nil	Nil	One Directorship in other Pvt., Ltd. Company
Chairman/Member Committee of Boards of other Companies in which he is a Director	Nil	Nil	Nil	Nil	Nil	Nil

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

Mumbai, 14<sup>th</sup> August, 2014

**Registered Office:**

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

CIN: L23201MH1983PLC030372

**ANNEXURE TO NOTICE EXPLANATORY STATEMENT:**

The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 for the item numbers 4 to 11 of the accompanying notice is as under.

**ITEM NO. 4 to 7:**

The Board of Directors of the Company appointed Mr. Thangapandian Srinivasalu, Mr. Ayush Goel, Mr. Brij Mohan Bansal and Mr. Narotamkumar Girdharilal Puri, as an Additional Directors at their meetings held on 31<sup>st</sup> July, 2014 and 14<sup>th</sup> August, 2014. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with Article 36(e) of Articles of Association of the Company, the said additional directors holds office only upto the date of 31<sup>st</sup> Annual General Meeting.

The Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing the candidatures Mr. Thangapandian Srinivasalu, Mr. Ayush Goel, Mr. Brij Mohan Bansal, as Directors of the Company, liable to retire by rotation and Mr. Narotamkumar Girdharilal Puri, office of director, as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 36<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

Mr. Thangapandian Srinivasalu, Mr. Ayush Goel and Mr. Brij Mohan Bansal were nominee directors of promoter group, Mr. Narotamkumar Girdharilal Puri is the Independent, Non Executive Directors and in the personal capacity, all of them do not hold any shares in the Company.

None of the Directors except Mr. Thangapandian Srinivasalu, Mr. Ayush Goel, Mr. Brij Mohan Bansal and Mr. Narotamkumar Girdharilal Puri, concerned or interested in the proposed resolutions. Keeping in view of the experience and expertise of these eminent personalities in their respective fields, the Board recommends appointment as directors on the company board.

**ITEM NO. 8 & 9:**

Mr. Pradip C Shah and Mr. Ramesh Chander Razdan, Directors retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing them candidature for the office of director, as an Independent Directors of the Company to hold office for a period of 1 (one) year up to the conclusion of the 32<sup>nd</sup> Annual General Meeting of the Company in the calendar year 2015.

The Company has received declarations from Mr. Pradip C Shah and Mr. Ramesh Chander Razdan, that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

None of the Directors or Key Managerial Personnel or their relatives other than the said Independent Directors and their relatives, concerned or interested in the proposed resolutions.

Your Directors recommend the resolutions as at Item Nos. 8 and 9 for your approval.

**ITEM NO. 10:**

At the 25<sup>th</sup> Annual General Meeting of the Company held on September 30, 2008, the members had pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956, authorised the Board of Directors of the Company to borrow from time to time, a sum of money (apart from temporary loans obtained from bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, provided that, the sum or sums so borrowed and remaining outstanding at any time shall not exceed Rs. 400 crores (Rupees four hundred crores only).

Taking into consideration the requirements of additional financial resources to meet the Company's capital expenditure programmes, including proposed investments in Indian and overseas subsidiaries in pursuit of horizontal and vertical integration in lubricants business plans, the said limit of Rs. 400 crores (Rupees four hundred crores only) in excess of the aggregate of the paid-up capital and free reserves of the company, is not comfortable limits. It is therefore proposed to increase this limit from the existing Rs. 400 crores (Rupees four hundred crores only) to Rs. 500 crores (Rupees five hundred crores only) in excess of the aggregate of the paid-up capital of the Company and its free reserves. The resolution as at Item No. 10 is being proposed in view of the provisions contained in Section 180(1)(c) of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

Your Directors recommend the resolution as at Item No. 10 for your approval.

**ITEM NO. 11:**

Vide the resolution passed by the Members of the Company at the 25<sup>th</sup> Annual General Meeting of the Company held on September 30, 2008, the Members had pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956, empowered the Board of Directors to hypothecate/mortgage and/or charge in addition to the hypothecations/mortgages and/or charges created by the Company, all or any part of the movable and/or immovable properties of the Company, wherever situated both present and future, and/or create a floating charge on all or any part of the immovable properties of the Company, to secure the borrowings of the Company, within the overall ceiling prescribed by the Members of the Company in terms of Section 293(1)(d) of the Companies Act, 1956.

As the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 (corresponding to Section 293(1)(d) of the Companies Act, 1956), is sought to be enhanced vide Item No. 11 of this notice, it is proposed to seek fresh consent of the Members in terms of Section 180(1)(a) of the Companies Act, 2013, to mortgage, create charges and or/hypothecate and/or encumber the Company's properties as and when necessary to secure any Rupee/ foreign currency loans, guarantee assistance, standby letter of credit/letter of credit, and/ or any issue of non-convertible debentures, and/or compulsorily or optionally, fully or partly convertible debentures and/or bonds, and/or any other non-convertible and/or partly/fully convertible instruments/ securities, from time to time, within the overall ceiling prescribed by the Members of the Company, in terms of Section 180(1)(c) of the Companies Act, 2013.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

Your Directors recommend the resolution as at Item No. 11 for your approval.

By order of the Board

For **SAH PETROLEUMS LIMITED**

**D. MALLA REDDY**

Company Secretary

Mumbai, 14<sup>th</sup> August, 2014

**Registered Office:**

406/407, Embassy Centre,

Nariman Point, Mumbai – 400 021

CIN: L23201MH1983PLC030372

## DIRECTORS' REPORT

To

### The Members,

The Directors have pleasure in presenting their 31st Annual Report together with the Audited Accounts for the year ended 31st March 2014.

#### 1. FINANCIAL RESULTS:

Particulars	(₹ In Lacs)	
	2013-14	2012-13
Net Sales/Income from operations	40358.69	41736.95
Profit before Depreciation, Interest & Taxation	1866.87	1825.70
Interest & Financial Charges	1406.12	1811.94
Depreciation	197.83	219.62
Profit before Taxation	262.92	(205.86)
Provision for taxes including Deferred tax	158.66	(79.51)
Profit for the year after taxation	104.25	(126.35)
Balance brought forward from previous year	4830.53	4962.05
Amount available for appropriation	4934.78	4835.70
Appropriations:		
-Proposed Dividend	5.10	4.40
-Tax on Dividends	0.98	0.75
-Residual Dividend	0.70	0.02
-General Reserve	5.00	0.00
Total	11.78	5.17
Balance carried to Balance Sheet	4923.00	4830.53

#### 2. BUSINESS RESULTS:

Net Sales/Income from operations for the year ended 31st March, 2014 amounted to ₹ 40,358.69 lacs against ₹ 41,736.95 lacs in the previous year. The profit for the year stood at ₹ 104.25 lacs against the loss of ₹ 126.35 lacs in the previous year.

#### 3. DIVIDEND:

The Board of Directors, at its meeting held on 30th May, 2014, recommended dividend of ₹ 0.01 per share (0.2%) on the Equity Shares of ₹ 5/- each for the year ended 31st March, 2014. The dividend will be paid subject to approval of Shareholders at the ensuing Annual General Meeting.

#### 4. DIRECTORS:

Directors Mr. Ramesh Chander Razdan and Mr. Pradip C. Shah liable for retire by rotation at the forthcoming Annual General Meeting and being eligible, the Company has received a Notice under section 160 of the Companies Act, 2013 from a member proposing them for the office of Directors for appointment as an Independent Directors for the period of one year.

Due to change in control of management of the Company, Mr. Rajendra Sah, Mr. Vivek Sah, Mr. Aditya Sah, Mr. Ashish Agarwal, Mr. Aditya Arora, Mr. Bruno P.Y.G. Seghin, Mr. Ashish D. Gandhi, Mr. Ravi Kamal Bhargava, Mr. Rajan Singh and Mr. Noshir B. Dubash has resigned from Board of Directors of the Company w.e.f. 31st July, 2014. Your Directors place on record their sincere appreciation of the valuable services rendered by them during their tenure as Promoter Directors and Independent, Non Executive Directors of your Company.

Mr. Ayush Goel, Mr. Thangapandian Srinivasalu, appointed as Additional Directors w.e.f. 31st July, 2014 and Mr. Brij Mohan Bansal and Mr. Narotamkumar Girdharilal Puri, were appointed as Additional Directors w.e.f. 14th August, 2014 by the Board of Directors of the Company in its meeting held on 14th August, 2014. 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 160 of the Companies Act, 2013 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.

#### 5. 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.

#### 6. CHANGE IN 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 unwillingness for re-appointment.

New Statutory Auditors M/s. PNG & Co. Chartered Accountants (Firm Registration No.021910N), New Delhi, will be appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting for 5 (five) consecutive years for a term up to conclusion of the 36th Annual General Meeting of the Company in the calendar year 2019, subject to the approval of members at the ensuing AGM.

The company has also received Certificate from them under section 141 of the Companies Act, 2013.

#### 7. 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.

#### 8. 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.

#### 9. 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.

#### 10. 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, 2014 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.

#### 11. 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)	: ₹	25,89,71,940/-
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###### (b) Expenditure in Foreign

Exchange:

Import of Raw Material	: ₹	1,97,85,74,937/-
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Travelling Expenses	: ₹	15,47,905/-
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Royalty	: ₹	1,66,770/-
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Commission on Export Sales	: ₹	12,17,872/-
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Sales Promotion Expenses	: ₹	24,150/-
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Interest Charges	: ₹	1,41,33,761/-
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Others	: ₹	99,524/-
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#### 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: 14th August, 2014

**Thangapandian Srinivasalu**  
Director

## 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, 2014 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. Ravi Kamal Bhargava *	Independent, Non Executive Director
Mr. Rajan Singh *	Independent, Non Executive Director
Mr. Ashish Dinesh Gandhi *	Independent, Non Executive Director
Mr. Ramesh Chander Razdan	Independent, Non Executive Director
Mr. Pradip C. Shah	Independent, Non Executive Director
Mr. Ayush Goel**	Director
Mr. Thangapandian Srinivasalu**	Director
Mr. Brij Mohan Bansal***	Director
Mr. Narotamkumar Girdharilal Puri***	Independent, Non Executive Director

Note: \* 10 Directors Resigned w.e.f. 31st July, 2014; \*\* Appointed as additional directors w.e.f. 31st July, 2014; \*\*\* Appointed as additional directors w.e.f. 14th August, 2014.

### 2.2. Meetings and attendance record of each Director

Sah Petroleums Limited held Eight Board Meetings during the year ended 31st March, 2014. These were as under:

24th May, 2013, 30th May, 2013, 28th June, 2013, 12th July, 2013, 13th August, 2013, 9th October, 2013, 14th November, 2013 and 13th February, 2014.

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*	8	Yes	Nil	Nil	1
Mr. Vivek Sah*	5	Yes	Nil	Nil	Nil
Mr. Aditya Sah*	7	Yes	Nil	1	Nil
Mr. Bruno P.Y.G. Seghin*	Nil	No	5	Nil	Nil
Mr. N. B. Dubash*	8	Yes	Nil	2	1
Mr. Pradip C. Shah	6	Yes	Nil	2	1
Mr. Ashish Agarwal *	4	Yes	5	Nil	Nil
Mr. Aditya Arora *	4	No	3	Nil	Nil
Mr. Ravi Kamal Bhargava *	2	No	2	Nil	Nil
Mr. Ashish Dinesh Gandhi *	5	No	Nil	Nil	Nil
Mr. Ramesh Chander Razdan	4	No	Nil	Nil	Nil
Mr. Rajan Singh *	2	No	Nil	1	Nil

Note: \* Directors resigned due to change in control of Management w.e.f. 31st July, 2014.

### 2.3. Directors proposed to be reappointed

The brief particulars of the Directors of the Company proposed to be reappointed for the period of one year as an Independent Directors at the ensuing Annual General Meeting are as under:

Mr. Ramesh Chander Razdan, Masters in Marketing Management from Jamnalal Bajaj Institute of Management Studies, Mumbai, aged 63 years and possesses rich experience in the Company Law, Administration and Legal matters for more than 30 years. He is inducted as the member of the Stakeholder Relationship Committee and Audit Committee of the Company w.e.f. 14th August, 2014.

Mr. Pradip C. Shah, Practicing Company Secretary and possesses very rich experience in the Legal, Accounts and Company Law matters for more than 34 years. He is 58 years old and is a Chairman of the Audit Committee of the Company.

### 3. BOARD COMMITTEES:

#### (a) AUDIT COMMITTEE

- The Audit Committee comprises of three independent non-executive directors, Mr. Pradip C. Shah, \*Mr. Noshir B. Dubash, 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, 2013, 13th August, 2013, 14th November, 2013 and 13th February, 2014. 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 *	2

Note: \* Resigned w.e.f. 31st July, 2014.

- 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. Pradip C. Shah and \*Mr. Aditya Sah.
- ii) The Committee met five times during the year i.e., on 18th April, 2013, 31st July, 2013, 21st October, 2013, 15th January, 2014 and 14th March, 2014. The attendance record of each member is as under:

Sr. No.	Name of the Director	No. of Meetings attended.
1	*Mr. Noshir B. Dubash	5
2	Mr. Pradip C. Shah	4
3	*Mr. Aditya Sah	5

Note: \* Resigned w.e.f. 31st July, 2014.

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
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.
2012-13	30.09.2013	3.00 P.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 2013-14.

#### 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](http://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:

- 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;
  - 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;
  - 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;
  - 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;
  - 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;
  - 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:
- Significant changes in the Company's internal control over financial reporting during the year;
  - 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;
  - 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.2013-14)	Date of Publication	Name of the Newspaper
First	14.08.2013	The Free Press Journal & Navshakti – Mumbai
Second	16.11.2013	The Free Press Journal & Navshakti – Mumbai
Third	14.02.2014	The Free Press Journal & Navshakti – Mumbai
Fourth	31.05.2014	The Free Press Journal & Navshakti – Mumbai

## 9. GENERAL SHAREHOLDERS INFORMATION

### Annual General Meeting

Date and Time : 30th September, 2014 at 10.30 A.M.

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

Book Closure : 25<sup>th</sup> September, 2014 to 30<sup>th</sup> September, 2014.  
(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 2014, after its approval of Shareholders at the ensuing Annual General Meeting

### Financial Calendar

Financial Year : 1st April 2014 to 31st March 2015

### Results Announcements :

First quarterly results : Second week of August, 2014

Second quarterly results : Second week of November, 2014

Third quarterly results : Second week of February, 2015

Fourth quarterly/

Audited results : Audited results by 30th May, 2015.

### Listing of Securities

- National Stock Exchange of India Limited, Mumbai.
- Bombay Stock Exchange Limited, Mumbai.
- Stock Symbol at the National Stock Exchange, Mumbai : SAHPETRO
- Stock Code at the Bombay Stock Exchange, Mumbai : 532543
- 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, 2013	18.50	15.05	18.49	15.15
May, 2013	23.55	16.15	24.50	16.15
June, 2013	24.95	20.90	24.70	20.90
July, 2013	24.50	8.55	24.85	8.60
August, 2013	8.55	7.05	8.30	6.69
September, 2013	7.50	6.30	7.70	6.35
October, 2013	7.65	6.05	7.44	6.16
November, 2013	7.60	6.75	7.65	6.65
December, 2013	9.15	6.80	9.34	6.75
January, 2014	9.00	7.20	9.88	7.25
February, 2014	8.25	6.75	8.40	6.75
March, 2014	8.50	6.90	8.40	6.85

### 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 31.03.2014:

No. of Equity Shares	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
UPTO - 100	1403	16.56	50643	0.10
101 - 200	751	8.86	104111	0.20
201 - 500	2428	28.66	779291	1.53
501 - 1000	1640	19.36	1162743	2.28
1001 - 5000	1852	21.86	3817452	7.49
5001 - 10000	204	2.41	1431738	2.81
10001 - 100000	180	2.12	4142308	8.12
100001 - ABOVE	14	0.17	39496097	77.47
<b>Total</b>	<b>8472</b>	<b>100.00</b>	<b>50984383</b>	<b>100.00</b>

#### Shareholding Pattern as on 31.03.2014:

Category	No. of Shares held	% to total shares
Promoters	38230292	74.98
NRI	227480	0.45
FII	Nil	0.00
Bodies Corporate	1223666	2.40
Public	11302945	22.17
<b>Total</b>	<b>50984383</b>	<b>100.00</b>

### 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 5,09,83,047 equity shares aggregating to 99.999% of the total Equity Share Capital is held in dematerialized form as on 31st March, 2014 and the balance of 1,336 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** : PIPlot No. 97/2, Daman Industrial Estate, Kadaiya, Daman Pataliya Road, Nani Daman – 396 210.

### Registered Office & Address for Correspondence

**Sah Petroleums Limited,**

CIN: L23201MH1983PLC030372

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 : 14th August, 2014

**Thangapandian Srinivasalu**

Director

## 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 2014, 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 : 14th August, 2014

Cert. No.: 05 27 14-15

**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, 1956/2013 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, 2014 amounted to ₹ 40,358.69 lacs as compared to ₹ 41,736.95 lacs in the previous year. The profit for the year stood at ₹ 104.25 lacs against the loss of ₹ 126.35 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 ₹ 5/- each for the financial year 2013-14.

### 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 IPO range is manufactured to meet national and international standards.

Each IPO 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, 2014, 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') read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit 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") as amended by "the Companies (Auditor's Report) (Amendment) Order, 2004", 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 sub – section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - e) on the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, 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: 30<sup>th</sup> May, 2014

**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 book records.
- iii. The Company has neither granted nor taken 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 is an adequate internal control system 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. We have not observed any major weakness in the internal control system during the course of audit.
- v. Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no transactions during the year that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public. Therefore, 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.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of 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 undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the records of the Company, the dues outstanding of Sales Tax and Custom Duty on account of any dispute are as follows:

Name of Statute	Nature of Dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax, 1956 and Local Sales Tax Act	Central Sales Tax, Local	4,15,75,724	2003-04	Appellate Tribunal
	Sales Tax (including Value Added)	3,06,00,650	2003-04, 2004-05, 2005-06	Departmental Authorities
Customs Act, 1965	Custom Duty	6,85,53,884	2012-13	High Court
		44,17,377	2010-11, 2011-12	Departmental Authorities

- x. The Company has no accumulated losses as at 31st March, 2014 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 any bank.
- xii. In our opinion and 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. In our opinion, the Company is not a chit fund/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.
- 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.
- 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 material 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, 2014

## BALANCE SHEET AS AT 31ST MARCH, 2014

	Note No.	Year Ended 31st March, 2014	Year Ended 31st March, 2013
		₹	₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	254,921,915	220,000,000
Reserves & Surplus	2	1,001,466,093	1,027,626,305
Less: Revaluation Reserve		<u>29,916,781</u>	<u>30,901,547</u>
		<u>1,226,471,227</u>	<u>1,216,724,758</u>
<b>Non Current Liabilities</b>			
Long Term Borrowings		-	-
Deferred Tax Liability (Net)	3	5,216,416	2,689,844
Other Long-Term Liabilities	4	2,335,000	5,385,000
Long-Term Provisions	5	<u>4,565,508</u>	<u>5,060,043</u>
		<u>12,116,924</u>	<u>13,134,887</u>
<b>Current Liabilities</b>			
Short Term Borrowings	6	-	-
Trade Payables	7	1,670,084,070	1,614,619,772
Other Current Liabilities	8	150,797,847	127,530,109
Short Term Provisions	9	<u>1,092,387</u>	<u>1,035,946</u>
		<u>1,821,974,304</u>	<u>1,743,185,828</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>3,060,562,455</u></u>	<u><u>2,973,045,472</u></u>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Fixed Assets	10		
Tangible Assets		294,825,200	321,459,906
Intangible Assets		<u>7,685,215</u>	<u>6,973,116</u>
		<u>302,510,415</u>	<u>328,433,022</u>
Less: Revaluation Reserve		<u>29,916,781</u>	<u>30,901,547</u>
		<u>272,593,634</u>	<u>297,531,475</u>
Long Term Loans & Advances	11	66,148,887	82,273,414
Other Non Current Assets	12	<u>41,201,945</u>	<u>49,108,460</u>
		<u>107,350,832</u>	<u>131,381,874</u>
<b>Current Assets</b>			
Current Investments	13	200,113,535	350,620,966
Inventories	14	966,942,041	888,233,974
Trade Receivables	15	1,113,175,916	926,281,183
Cash And Cash Equivalent	16	252,806,365	243,665,806
Short Term Loans & Advances	17	<u>147,580,132</u>	<u>135,330,194</u>
		<u>2,680,617,989</u>	<u>2,544,132,123</u>
<b>TOTAL ASSETS</b>		<u><u>3,060,562,455</u></u>	<u><u>2,973,045,472</u></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 30.05.2014

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, 2014

	Note No.	Year Ended 31st March, 2014 ₹	Year Ended 31st March, 2013 ₹
<b>INCOME</b>			
Revenue From Operations	18	4,035,869,045	4,173,694,652
Other Income	19	<u>33,658,426</u>	<u>43,494,625</u>
Total Income		4,069,527,472	4,217,189,276
<b>EXPENDITURE</b>			
Cost Of Materials Consumed	20	3,265,745,830	3,380,813,237
Purchases Of Stock-in-Trade		4,170,368	-
Changes In Inventories Of Finished Goods	21	22,146,666	(12,509,159)
Employee Benefit Expenses	22	162,587,641	161,776,680
Finance Costs	23	140,612,325	181,193,712
Depreciation & Amortization Expenses	24	19,782,947	21,961,880
Other Expenses	25	<u>428,190,046</u>	<u>504,539,026</u>
<b>Total Expenditure</b>		<b>4,043,235,823</b>	<b>4,237,775,376</b>
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>26,291,649</b>	<b>(20,586,099)</b>
<b>Tax Expense :</b>			
Current Tax		1,450,000	-
MAT Credit (Entitlement) / Reversal		10,736,469	14,148,331
Deferred Tax		2,526,572	(22,098,983)
Tax In Respect Of Earlier Years		<u>1,153,141</u>	<u>-</u>
<b>Profit / (Loss) For The Year</b>		<b><u>10,425,467</u></b>	<b><u>(12,635,447)</u></b>
<b>Earning Per Equity Share [Face value of ₹ 5/-]</b>			
<b>Basic &amp; Diluted</b>		<b>0.20</b>	<b>(0.25)</b>
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 30.05.2014

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, 2014

PARTICULARS	2013-14	2012-13
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	26,291,649	(20,586,099)
Adjustments for :		
Depreciation	19,782,947	21,961,880
Interest Expenses (Net)	4,705,888	26,534,785
(Profit) / Loss on Fixed Assets sold	8,233,454	6,509,423
Dividend Income	(21,792,569)	(27,096,303)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>37,221,369</b>	<b>7,323,685</b>
Adjustments for :		
Decrease / (Increase) in trade and other receivables	(198,855,964)	389,490,414
Decrease / (Increase) in inventories	(78,708,067)	(14,677,662)
Increase / (Decrease) in trade and other payables	75,162,227	(527,890,907)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(165,180,435)</b>	<b>(145,754,470)</b>
Income Taxes Refund / (Paid) (net)	10,402,726	(3,409,352)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(154,777,709)</b>	<b>(149,163,822)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Fixed Assets	4,500,889	3,552,222
Sale / redemption / (Purchase) of Investments (net)	150,507,431	104,603,697
Dividend Received	21,792,569	27,096,303
Purchase of Fixed Assets	(7,579,449)	(9,144,683)
<b>NET CASH (USED IN) / FROM INVESTING ACTIVITIES</b>	<b>169,221,440</b>	<b>126,107,539</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends Paid (including tax thereon)	(597,284)	(513,116)
Interest and Finance Charges paid	(4,705,888)	(26,534,785)
<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES</b>	<b>(5,303,172)</b>	<b>(27,047,901)</b>
NET INCREASE IN CASH AND EQUIVALENTS	9,140,559	(50,104,183)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	243,665,806	293,769,989
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	<b>252,806,365</b>	<b>243,665,806</b>

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 30.05.2014

**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

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The financial statements are prepared on accrual basis under the historical cost convention, except for certain fixed assets which are carried at revalued amounts.

### 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 valued at lower of cost and fair value. Fair value of investments in mutual funds are determined on portfolio basis.

### G. Inventories

1. Inventories are valued at lower of cost and net realisable value. 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.
2. 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

1. Transactions in foreign currency are recorded at the exchange rate prevailing at the time of the transaction.
2. 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.
3. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit & Loss Account.

### L. Retirement and other Employee's Benefit

1. 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.
2. 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.
3. 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.
4. 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, 2014

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	₹	₹
<b>1 SHARE CAPITAL</b>		
<b>Authorized</b>		
5,20,00,000 (4,40,00,000) Equity Shares, ₹ 5/- Par Value	<u>260,000,000</u>	<u>220,000,000</u>
<b>Issued, Subscribed And Paid-Up</b>		
5,09,84,383 (4,40,00,000) Equity Shares, ₹ 5/- Par Value	<u>254,921,915</u>	<u>220,000,000</u>
<b>Reconciliation of the shares outstanding at the beginning and at the end of the year</b>		
<b>Particulars</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Shares outstanding at the beginning of the year	44,000,000	44,000,000
Shares issued during the year	6,984,383	-
Shares outstanding at the end of the year	50,984,383	44,000,000
<b>The details of Shareholders holding more than 5% shares:</b>		
<b>Name Of The Shareholders</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
NAF India Holdings Ltd.	27,300,000	27,300,000
% Age Held	53.546%	62.045%
Shobha Sah	2,704,000	2,704,000
% Age Held	5.304%	6.145%
<b>2 RESERVES AND SURPLUS</b>		
<b>Capital Reserve</b>	300,000	300,000
<b>Securities Premium Reserve</b>	453,448,926	488,370,841
<b>Revaluation Reserve</b>		
Balance at the beginning of the year	30,901,547	31,886,313
Less: Transferred to Profit & Loss Account	<u>984,766</u>	<u>984,766</u>
	29,916,781	30,901,547
<b>General Reserve</b>		
Balance at the beginning of the year	25,000,000	25,000,000
Add: Transferred from Profit & Loss Account	<u>500,000</u>	<u>-</u>
	25,500,000	25,000,000
<b>Profit and Loss Account</b>		
Balance at the beginning of the year	483,053,917	496,205,884
Add: Net Profit / (Loss) for the Year	<u>10,425,467</u>	<u>(12,635,447)</u>
Amount Available For Appropriation	493,479,384	483,570,437
Less: Appropriations		
Transfer to General Reserve	500,000	-
Proposed Dividend #	509,844	440,000
Corporate Dividend Tax thereon	70,521	1,742
Residual Dividend	<u>98,633</u>	<u>74,778</u>
Balance at the end of the year	<u>492,300,386</u>	<u>483,053,917</u>
	<u>1,001,466,093</u>	<u>1,027,626,305</u>

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

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	₹	₹
<b>3 DEFERRED TAX LIABILITY (Net)</b>		
<b>Deferred Tax Liability</b>		
Depreciation	24,005,611	24,927,440
<b>Deferred Tax Asset</b>		
Disallowances u/s. 43B	1,749,276	1,902,084
Unabsorbed Depreciation	16,831,297	16,831,297
Unabsorbed Business Losses	208,622	3,504,215
	5,216,416	2,689,844
<b>4 OTHER LONG-TERM LIABILITIES</b>		
Dealer Deposits	2,335,000	5,385,000
	2,335,000	5,385,000
<b>5 LONG TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Leave Encashment	4,565,508	5,060,043
	4,565,508	5,060,043
<b>6 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
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 Land together with 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 ₹ 55,92,681/- (31st March, 2013 - ₹ 87,73,490/-)		
<b>7 TRADE PAYABLE</b>		
Acceptances (Refer Note 38)	1,262,642,838	1,382,473,397
Trade Payables	407,441,231	232,146,376
	1,670,084,070	1,614,619,772

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	₹	₹
<b>8 OTHER CURRENT LIABILITIES</b>		
Advance from Customers	1,879,068	6,413,844
Other Payables *	148,709,314	120,669,795
Investors Education & Protection Fund to be credited as and when due :		
Unpaid Dividend	<u>209,465</u>	<u>446,471</u>
	<u><b>150,797,847</b></u>	<u><b>127,530,109</b></u>
* Includes Statutory Liabilities, Security Deposit, Payable to Staff and Foreign Currency Payable		
<b>9 SHORT TERM PROVISION</b>		
Provision for Employee Benefits	495,895	521,168
Proposed Dividend	509,844	440,000
Corporate Dividend Tax	<u>86,648</u>	<u>74,778</u>
	<u><b>1,092,387</b></u>	<u><b>1,035,946</b></u>

### 10 FIXED ASSETS (AT COST)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2013	Additions during the year	Deductions during the year	As at 31.03.2014	Upto 31.03.2013	Provided during the year	W/Back on Deduction/ Adjustment	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2014
<b>Tangible</b>										
Land	59,310,760	950,000	-	60,260,760	-	-	-	-	60,260,760	59,310,760
Buildings	67,668,446	-	-	67,668,446	22,280,918	1,455,717	-	23,736,635	43,931,811	45,387,528
Furniture & Fixtures	22,611,093	31,060	-	22,642,153	10,176,259	1,194,488	-	11,370,747	11,271,406	12,434,834
Plant & Equipment	237,454,752	2,078,189	-	239,532,941	72,875,057	11,123,662	-	83,998,719	155,534,222	164,579,695
Office Equipments	8,011,196	104,562	-	8,115,758	1,664,359	384,379	-	2,048,738	6,067,020	6,346,837
Vehicles	41,172,796	847,850	16,855,174	25,165,472	13,694,127	2,418,747	4,162,516	11,950,358	13,215,114	27,478,669
Computer Systems	12,456,984	509,675	922,988	12,043,671	6,535,400	1,844,706	881,303	7,498,803	4,544,868	5,921,584
<b>Total</b>	<b>448,686,027</b>	<b>4,521,336</b>	<b>17,778,162</b>	<b>435,429,201</b>	<b>127,226,120</b>	<b>18,421,699</b>	<b>5,043,819</b>	<b>140,604,000</b>	<b>294,825,200</b>	<b>321,459,907</b>
<b>Intangible</b>										
Software	12,305,937	3,058,113	-	15,364,050	5,332,821	2,346,014	-	7,678,835	7,685,215	6,973,116
<b>Total</b>	<b>12,305,937</b>	<b>3,058,113</b>	<b>-</b>	<b>15,364,050</b>	<b>5,332,821</b>	<b>2,346,014</b>	<b>-</b>	<b>7,678,835</b>	<b>7,685,215</b>	<b>6,973,116</b>
<b>Total</b>	<b>460,991,964</b>	<b>7,579,449</b>	<b>17,778,162</b>	<b>450,793,251</b>	<b>132,558,941</b>	<b>20,767,713</b>	<b>5,043,819</b>	<b>148,282,835</b>	<b>302,510,415</b>	<b>328,433,023</b>
<b>Previous year</b>	<b>468,195,918</b>	<b>9,941,773</b>	<b>17,145,727</b>	<b>460,991,964</b>	<b>116,696,377</b>	<b>22,946,646</b>	<b>7,084,082</b>	<b>132,558,941</b>	<b>328,433,023</b>	<b>351,499,541</b>

Notes :	Current Year	Previous Year
Depreciation for the year	20,767,713	22,946,646
Less: Additional Depreciation on revalued assets withdrawn from Revaluation Reserve	<u>984,766</u>	<u>984,766</u>
	<u><b>19,782,947</b></u>	<u><b>21,961,880</b></u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	₹	₹
<b>11 LONG TERM LOANS AND ADVANCES</b>		
Advance Income Tax (Net)	15,959,531	28,965,398
Deposits	10,604,979	11,613,822
Sales Tax Appeals	3,903,652	4,679,510
VAT Receivable	<u>35,680,725</u>	<u>37,014,684</u>
	<u><b>66,148,887</b></u>	<u><b>82,273,414</b></u>
<b>12 OTHER NON CURRENT ASSETS</b>		
MAT Credit Entitlement	29,266,210	40,002,679
Trade Receivables (Unsecured, Considered Good)	<u>11,935,735</u>	<u>9,105,781</u>
	<u><b>41,201,945</b></u>	<u><b>49,108,460</b></u>
<b>13 CURRENT INVESTMENTS</b>		
In Mutual Funds (Unquoted) (Valued at lower of Cost & Fair Vale)		
SBI Premier Liquid Fund - Regular	200,113,535	350,620,966
1,99,465 Units on 31st March, 2014 of Face Value of ₹ 1,003.25 each (3,49,485 Units on 31'st March, 2013 of Face Value of ₹ 1,003.25 each)		
	<u><b>200,113,535</b></u>	<u><b>350,620,966</b></u>
<b>14 INVENTORIES</b>		
(Valued at lower of Cost & Net Realisable Vale)		
Raw Materials	733,013,137	627,209,638
Finished Goods	220,559,754	242,706,420
Stores & Packing Materials	<u>13,369,150</u>	<u>18,317,916</u>
	<u><b>966,942,041</b></u>	<u><b>888,233,974</b></u>
<b>15 TRADE RECEIVABLES</b>		
(Unsecured, Considered Good)		
Over Six Months	5,322,170	17,197,363
Others	<u>1,107,853,745</u>	<u>909,083,820</u>
	<u><b>1,113,175,916</b></u>	<u><b>926,281,183</b></u>
<b>16 CASH AND CASH EQUIVALENTS</b>		
Cash On hand	1,327,066	986,934
Balance with Banks:		
Current Accounts	150,312,826	109,732,402
Fixed Deposit (Margin Money)	100,957,007	132,500,000
Unpaid Dividend Account	<u>209,465</u>	<u>446,471</u>
	<u><b>252,806,365</b></u>	<u><b>243,665,806</b></u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	₹	₹
<b>17 SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered Good)		
Advances to Creditors	19,882,623	17,437,970
Loans & Advances to Staff	528,279	1,046,993
Prepaid Expenses	13,943,729	8,904,177
Balance With Government Authorities	86,322,814	79,481,085
Others	26,902,687	28,459,969
	<u>147,580,132</u>	<u>135,330,194</u>
<b>18 REVENUE FROM OPERATIONS</b>		
Sale Of Products	4,579,776,907	4,720,120,323
Less : Excise Duty	555,278,838	565,916,099
	<u>4,024,498,069</u>	<u>4,154,204,224</u>
<b>Other Operating Income</b>		
Bad Debts W/off Recovered	2,010,445	5,192,280
Export Incentives	9,360,532	14,298,148
	<u>11,370,977</u>	<u>19,490,428</u>
	<u>4,035,869,045</u>	<u>4,173,694,652</u>
<b>19 OTHER INCOME</b>		
Dividend	21,792,569	27,096,303
Interest Received	11,571,397	16,221,288
Miscellaneous Income	294,460	177,034
	<u>33,658,426</u>	<u>43,494,625</u>
<b>20 COST OF MATERIAL CONSUMED</b>		
<b>Raw Materials:</b>		
Opening Stock	627,209,638	629,479,738
Add: Purchase	3,121,615,213	3,124,642,554
Add: Transport & Dock Expenses	59,719,344	85,114,259
Less: Closing Stock	733,013,137	627,209,638
Raw Materials Consumed	<u>3,075,531,058</u>	<u>3,212,026,913</u>
<b>Packing Material:</b>		
Opening Stock	18,317,916	13,753,213
Add: Purchase	185,266,006	173,351,027
Less: Closing Stock	13,369,150	18,317,916
Packing Materials Consumed	<u>190,214,771</u>	<u>168,786,324</u>
	<u>3,265,745,830</u>	<u>3,380,813,237</u>
<b>21 CHANGES IN INVENTORIES OF FINISHED GOODS:</b>		
Opening Stock	242,706,420	230,197,261
Closing Stock	220,559,754	242,706,420
	<u>22,146,666</u>	<u>(12,509,159)</u>
<b>22 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries Wages & Related Payment	155,434,870	154,173,433
Contribution of Provident Funds & Other Funds	5,449,807	5,772,848
Staff Welfare Expenses	1,702,963	1,830,399
	<u>162,587,641</u>	<u>161,776,680</u>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
	₹	₹
<b>23 FINANCE COST</b>		
Interest Expenses	16,277,285	42,756,073
Bank Charges & Commission	21,728,537	26,732,941
Net (Gain) / Loss on Foreign Currency Translation and Transaction	<u>102,606,503</u>	<u>111,704,698</u>
	<u><b>140,612,325</b></u>	<u><b>181,193,712</b></u>
<b>24 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation And Amortization	20,767,713	22,946,646
Less: Transferred From Revaluation Reserve	<u>984,766</u>	<u>984,766</u>
	<u><b>19,782,947</b></u>	<u><b>21,961,880</b></u>
<b>25 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Power & Fuel	7,699,374	11,230,653
Moulds Amortized	-	126,100
Excise Duty #	<b>(1,636,655)</b>	1,655,028
Machinery & Equipment Maintenance	4,747,671	6,097,188
Laboratory & R & D Expenses	1,367,853	1,958,596
Production & Processing Expenses	<u>2,469,527</u>	<u>3,556,485</u>
	<u><b>14,647,770</b></u>	<u><b>24,624,050</b></u>
<b>Administration Expenses</b>		
Motor Vehicle Expenses	6,249,557	6,112,186
Rent	12,534,319	12,619,172
Rates & Taxes	810,662	1,320,151
Insurance Charges	6,190,742	6,892,961
Conveyance Expenses	2,096,661	4,254,563
Postage, Telephone & Telex	6,575,005	7,939,668
Electricity Expenses	1,929,456	1,956,246
Repair & Maintenance :		
(a) Building	6,506,400	4,297,342
(b) Others	420,155	475,267
Printing & Stationery & Computer Expenses	4,649,211	5,300,871
Legal & Professional Charges	14,082,152	19,808,911
Loss on Disposal / Discard of Fixed Assets	8,233,454	6,509,423
Miscellaneous Expenses	8,124,814	7,515,696
Remuneration to Auditors :		
(a) As Audit Fees	950,000	900,000
(b) For Tax Matters	225,000	200,000
(c) For Other Services (Certification, Tax Audit, etc.)	<u>201,500</u>	<u>377,000</u>
	<u><b>79,779,088</b></u>	<u><b>86,479,455</b></u>
<b>Selling &amp; Distribution Expenses</b>		
Freight & Forwarding	148,024,274	153,079,231
Commission	43,097,694	60,940,350
Advertisement Expenses	962,323	6,208,832
Travelling Expenses	23,437,470	23,336,448
Bad Debts	7,632,979	5,498,604
Sales Promotion Expenses	<u>110,608,449</u>	<u>144,372,056</u>
	<u><b>333,763,188</b></u>	<u><b>393,435,520</b></u>
	<u><b>428,190,046</b></u>	<u><b>504,539,026</b></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, 2014

- 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) ₹ 262,500/- (31st March, 2013 - ₹ 37,500/-)
- 28 **Contingent liabilities not provided for:**

	2013-14 ₹	2012-13 ₹
a] Claims against the Company not acknowledged as debts:		
Sales Tax	72,176,374	72,176,374
Custom Duty	72,971,261	
b] Guarantees given by Banks	5,592,681	8,773,490
<b>29 Value of Imports (C.I.F. Basis):</b>		
Raw Materials	1,978,574,937	2,406,265,946
Capital Goods	351,900	-

### 30 Employee Benefits

Defined benefit plans as per actuarial valuation on 31st March, 2014

	Gratuity Funded 31st March, 2014 ₹	Gratuity Funded 31st March, 2013 ₹
<b>I Expenses recognized in the Statement of Profit and Loss for the year ended 31st March, 2014</b>		
1 Current Service Cost	1,453,247	1,435,489
2 Interest Cost	1,165,622	1,151,084
3 Expected return on plan assets	(994,653)	(941,207)
4 Past Service Cost	-	-
5 Net Actuarial (Gains) / Losses	(2,305,959)	(917,195)
6 Total Expenses	(681,743)	728,171
<b>II Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2014</b>		
1 Present value of Defined Benefit Obligation as at 31st March, 2014	14,108,072	15,227,850
2 Fair value of plan assets as at 31st March, 2014	14,643,179	14,281,214
3 Funded status [Surplus/(Deficit)]	(535,107)	(946,636)
4 Net Asset/(Liability) as at 31st March, 2014	(535,107)	(946,636)
<b>III Change in obligation during the year ended 31st March, 2014</b>		
1 Present value of Defined Benefit Obligation at beginning of the year	15,227,850	13,629,762
2 Current Service cost	1,453,247	1,435,489
3 Interest cost	1,165,622	1,151,084
4 Past Service Cost	-	-
5 Actuarial (Gains) / Losses	(2,849,405)	(784,090)
6 Benefits Payments	(889,242)	(204,395)
7 Present value of Defined Benefit Obligation at the end of the year	14,108,072	15,227,850

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	Gratuity Funded 31st March, 2014	Gratuity Funded 31st March, 2013
	₹	₹
<b>IV Change in fair value of asset during the year ended 31st March, 2014</b>		
1 Plan assets at the beginning of the year	14,281,214	12,911,297
2 Expected return on plan assets	994,653	941,207
3 Contribution by Employer	800,000	500,000
4 Actual benefits paid	(889,242)	(204,395)
5 Actuarial (Gains) / Losses	(543,446)	133,105
6 Plan assets at the end of the year	14,643,179	14,281,214
7 Actual return on plan assets	451,207	1,074,312
<b>V The major categories of plan assets as a percentage of total plan</b>		
1 Insurer Managed Funds	99.87%	100%
2 Others	0.13%	-
	100%	100%
<b>VI Actuarial Assumptions:</b>		
1 Discount Rate	9.30%	7.95%
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%	7.00%
<b>Note:</b>		
The above information is certified by actuary.		
	2013-2014	2012-2013
	₹	₹
<b>31 Raw Material Consumed</b>		
(a) Imported	1,864,446,002	2,756,223,423
	60.62%	85.81%
(b) Indigenous	1,211,085,056	455,803,490
	39.38%	14.19%
<b>32 Packing Material Consumed</b>		
Indigenous	190,214,771	168,786,324
	100%	100%
<b>33 Earnings per Share (EPS)</b>		
(i) Profit/(Loss) after Tax	10,425,467	(12,635,447)
Profit/(Loss) attributable to Ordinary shareholders	10,425,467	(12,635,447)
(ii) No. of Ordinary Shares for Basic EPS	50,984,383	44,000,000
No. of Ordinary Shares for Diluted EPS	50,984,383	44,000,000
(iii) Nominal Value of Ordinary Shares	5.00	5.00
(iv) Basic/Diluted Earnings per Ordinary Shares	0.20	(0.29)
<b>34 Expenditure in Foreign Currency</b>		
Travelling Expenses	1,547,905	1,409,720
Royalty	166,770	221,870
Commission on Export Sales	1,217,872	1,284,775
Exhibition & Seminar Expenses	-	461,903
Professional Charges	37,560	282,452
Interest Charges	14,133,761	40,402,595
Sales Promotion Expenses	24,150	1,157,088
Others	61,964	516,168
<b>35 Earning in Foreign Currency:</b>		
Export of Goods (FOB Basis)	258,971,940	298,427,033

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 36 Related Party Disclosure

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

<u>Related Party:</u>	<u>Relationship:</u>
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 ₹
1	Salary & Related Payments	5,400,000 (5,434,800)	- (-)	5,400,000 (5,434,800)

### 37 Derivative transactions:

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

		2013-2014 ₹	2012-2013 ₹
Acceptances	USD	6,304,894	4,238,265
	INR	377,757,694	230,074,200
	AED	-	8,081,000
	INR	-	119,437,180

#### (b) Foreign exchange currency exposures not covered by derivative instruments as on 31st March 2014

(i) Trade Receivables	USD	569,531	474,654
	INR	34,123,468	25,766,636
(ii) Trade Payables / Acceptances	USD	14,769,009	17,738,453
	INR	884,885,144	962,931,959
	AED	1,278,131	4,956,685
	INR	20,840,700	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 30.05.2014

For **SAH PETROLEUMS LIMITED**

**Rajendra Sah**

Chairman

**Aditya Sah**

Jt. Managing Director

**D. Malla Reddy**  
Company Secretary

# Sah Petroleums Limited

CIN: L23201MH1983PLC030372

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



## ATTENDANCE SLIP

(To be presented at the entrance)

### 31<sup>st</sup> Annual General Meeting – 30<sup>th</sup> September, 2014

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

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

# Sah Petroleums Limited

CIN: L23201MH1983PLC030372

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



## PROXY FORM

(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 No. : ..... DP ID No. ....

I/We, being the member(s) of ..... Shares of **Sah Petroleums Limited**, hereby appoint

1. Name : ..... E-mail ID : .....

Address : ..... Signature : .....

or failing him

2. Name : ..... E-mail ID : .....

Address : ..... Signature : .....

or failing him

3. Name : ..... E-mail ID : .....

Address : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Thirty First Annual General Meeting** of the Company held on **Tuesday, 30<sup>th</sup> September, 2014** at 10.30 A.M. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001, and at any adjournment thereof in respect of such resolutions as are indicated below :

Ordinary Business		FOR	AGAINST
1	To receive, consider and adopt the Audited Profit & Loss Account, Balance Sheet, Reports of the Board of Directors and Auditors.		
2	Declaration of dividend on Equity Shares		
3	Appointment of Auditors and fixing their remuneration		
Special Business			
4	Appointment of Mr. Thangapandian Srinivasalu as Director of the company		
5	Appointment of Mr. Ayush Goel as Director of the company		
6	Appointment of Mr. Brij Mohan Bansal as Director of the company		
7	Appointment of Mr. Narotamkumar Girdharilal Puri as an Independent Director of the company		
8	Appointment of Mr. Pradip C. Shah as an Independent Director of the company		
9	Appointment of Mr. Ramesh Chander Razdan as an Independent Director of the company		
10	Approval of barrowing powers under section 180(1)(c) of the Companies Act. 2013		
11	Approval for creation of mortgage/charge under section 180(1)(a) of the Companies Act. 2013		

Signed this ..... day of ..... 2014

Signature of shareholder.....

Signature of Proxyholder(s).....



- Notes : 1. This Proxy Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 406/407, Embassy Centre, Nariman Point, Mumbai-400 021, not less than 48 hours before the commencement of the Meeting.  
2. Please complete all details, including details of member(s) in above box before submission.

# Courier/Registered Post

To

If undelivered, please return to:

***Sah Petroleums Limited***

**CIN: L23201MH1983PLC030372**

**406/407, Embassy Centre,**

**Nariman Point**

**Mumbai 400 021, India**