

**27th  
Annual Report  
2009-2010**



***Sah Petroleums Limited***

**Directors** :

- Mr. Rajendra Sah - Chairman
- Mr. Vivek Sah - Managing Director
- Mr. Aditya Sah - Joint Managing Director
- Mr. Bruno P.Y.G. Seghin - Director
- Mr. Noshir B. Dubash - Independent, Non Executive Director
- Mr. Alok D. Sukhani - Independent, Non Executive Director
- Mr. Pradip C. Shah - Independent, Non Executive Director
- Mr. Vinay G. Rao - 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.
- ICICI Bank, Mumbai.
- IDBI Bank, Mumbai.

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

**Registrars & Share Transfer Agents** : Sharex Dynamic (India) Pvt. Ltd.  
17/B, Dena Bank Building, 2<sup>nd</sup> Floor,  
Horniman Circle, Fort, Mumbai - 400 001.  
Telephone No: 22702485/22641376, Fax: 22641349.

**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 Twenty Seventh Annual General Meeting of the Members of Sah Petroleums Limited will be held on Thursday, the 30th September, 2010 at 10.00 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 31st March, 2010 and the Balance Sheet as at that date, together with the Report of the Board of Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Vinay G. Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Pradip C. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors of the Company to hold office upto the conclusion of the next Annual General Meeting and fix their remuneration.

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

**D. MALLA REDDY**  
Company Secretary

Mumbai, 10th August, 2010.

### Registered Office:

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

### NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member of the company.**
2. The instrument(s) appointing the proxy, if any, shall be delivered at the Registered Office of the Company, not less than forty eight (48) hours before the commencement of the Meeting and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
3. Members are requested to address all their correspondence including change of address, etc. to the Company's Registrar and Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai – 400 001.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24-09-2010 to 30-09-2010 (both days inclusive) for the purpose of determination & entitlement of payment of dividend, if

declared, at the ensuing Annual General Meeting. The dividend will be paid on or before 29th October 2010.

5. Members who have not yet encashed share application money, dividend warrant(s) and unclaimed dividends for the financial year 2004-05 to 2008-09, are requested to make their claims with out delay.
6. Members desiring any information as regards the Accounts are requested to write to the G. M. (Finance) at the address of Registered Office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.
7. Members / Proxies are requested to bring the Attendance Slip duly filled in.
8. Members are requested to bring their copies of the Annual Report to the meeting.
9. 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. Vinay G. Rao	Mr. Pradip C. Saha
Date of Birth	24-03-1944	19-05-1956
Nationality	Indian	Indian
Date of Appointment on Board	05-04-2004	05-04-2004
Qualifications	BE (MET)	B.COM, LLB & FCS
Expertise in Functional Area	Business Individual	Practicing Company Secretary
No. of Shares held in the Company (as on 31.03.2010)	NIL	NIL
List of Directorships held in other Companies	NIL	NIL
Chairman/Member Committee of Boards of other Companies in which he is a Director	NIL	NIL

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

**D. MALLA REDDY**  
Company Secretary

Mumbai, 10th August, 2010.

### Registered Office:

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

### Balance Sheet

	Year Ended March 31, 2010 Rs.	Year Ended March 31, 2009 Rs.	Year Ended March 31, 2008 Rs.	Year Ended March 31, 2007 Rs.	Year Ended March 31, 2006 Rs.
<b>I SOURCES OF FUNDS</b>					
<b>1 Shareholders Funds</b>					
a. Share Capital	220,000,000	220,000,000	160,000,000	160,000,000	160,000,000
b. Reserves and Surplus	888,088,746	950,802,390	711,601,342	566,465,651	476,928,753
Less: Revaluation Reserve	<u>33,855,845</u>	<u>34,840,611</u>	<u>35,825,377</u>	<u>36,810,143</u>	<u>37,794,909</u>
<b>Net Worth</b>	<u>1,074,232,901</u>	<u>1,135,961,779</u>	<u>835,775,965</u>	<u>689,655,508</u>	<u>599,133,844</u>
<b>2 Loan Funds</b>					
a. Secured Loans	-	-	-	-	-
b. Unsecured Loans	-	-	94,185,000	74,950,000	119,825,000
	-	-	<u>94,185,000</u>	<u>74,950,000</u>	<u>119,825,000</u>
<b>3 Deferred Tax Liability</b>	<u>12,393,847</u>	<u>9,454,814</u>	<u>7,395,423</u>	<u>5,193,650</u>	<u>3,337,650</u>
<b>Total</b>	<u><b>1,086,626,748</b></u>	<u><b>1,145,416,593</b></u>	<u><b>937,356,388</b></u>	<u><b>769,799,158</b></u>	<u><b>722,296,494</b></u>
<b>II APPLICATION OF FUNDS</b>					
<b>1 Fixed Assets</b>					
a. Gross Block	431,722,340	356,557,329	283,986,448	223,002,657	206,257,967
b. Less: Depreciation	<u>85,950,738</u>	<u>68,283,587</u>	<u>55,353,366</u>	<u>45,401,321</u>	<u>37,410,361</u>
c. Net Block	345,771,602	288,273,742	228,633,082	177,601,336	168,847,606
d. Capital Work-In-Progress	<u>11,387,033</u>	<u>23,574,981</u>	<u>6,155,516</u>	<u>30,873,393</u>	<u>3,034,031</u>
	357,158,635	311,848,723	234,788,598	208,474,729	171,881,637
Less: Revaluation Reserve	<u>33,855,845</u>	<u>34,840,611</u>	<u>35,825,377</u>	<u>36,810,143</u>	<u>37,794,909</u>
	<u>323,302,790</u>	<u>277,008,112</u>	<u>198,963,221</u>	<u>171,664,586</u>	<u>134,086,728</u>
<b>2 Investments</b>	<u>411,578,142</u>	<u>343,380,533</u>	<u>317,837,905</u>	<u>117,553,740</u>	<u>162,627,371</u>
<b>3 Current Assets, Loans and Advances</b>					
a. Inventories	561,809,557	523,973,962	330,080,384	228,270,120	255,584,738
b. Sundry Debtors	766,448,302	863,735,309	737,892,933	487,124,806	349,557,100
c. Cash and Bank Balances	193,040,404	439,774,212	168,736,195	51,604,201	87,768,204
d. Loans and Advances	<u>188,861,153</u>	<u>174,265,929</u>	<u>148,483,685</u>	<u>100,231,618</u>	<u>97,711,375</u>
	<u>1,710,159,416</u>	<u>2,001,749,412</u>	<u>1,385,193,197</u>	<u>867,230,745</u>	<u>790,621,417</u>
<b>Less: Current Liabilities and Provisions</b>					
a. Current Liabilities	1,355,627,103	1,469,477,617	923,654,209	412,859,582	382,126,691
b. Provisions	<u>2,786,497</u>	<u>7,243,847</u>	<u>40,983,726</u>	-	<u>9,122,000</u>
	<u>1,358,413,600</u>	<u>1,476,721,464</u>	<u>964,637,935</u>	<u>412,859,582</u>	<u>391,248,691</u>
Net Current Assets	<u>351,745,816</u>	<u>525,027,948</u>	<u>420,555,262</u>	<u>454,371,163</u>	<u>399,372,726</u>
<b>4 Miscellaneous Expenditure</b> (To the extent not written off or adjusted)	-	-	-	26,209,669	26,209,669
Share Issue Expenses	-	-	-	-	-
<b>Total</b>	<u><b>1,086,626,748</b></u>	<u><b>1,145,416,593</b></u>	<u><b>937,356,388</b></u>	<u><b>769,799,158</b></u>	<u><b>722,296,494</b></u>

### Profit & Loss Account

	Year Ended March 31, 2010 Rs.	Year Ended March 31, 2009 Rs.	Year Ended March 31, 2008 Rs.	Year Ended March 31, 2007 Rs.	Year Ended March 31, 2006 Rs.
<b>INCOME</b>					
Gross Turnover	3,173,793,508	2,933,654,572	2,398,225,997	2,090,175,295	1,329,711,805
Less: Excise Duty	<u>393,220,259</u>	<u>380,137,691</u>	<u>343,120,966</u>	<u>293,498,198</u>	<u>182,558,068</u>
Net Turnover	2,780,573,249	2,553,516,881	2,055,105,031	1,796,677,097	1,147,153,737
Other Income	120,544,522	(114,471,432)	67,094,392	23,873,399	16,819,664
Increase/(Decrease) in Finished Goods	<u>(109,547,263)</u>	<u>202,150,039</u>	<u>36,173,802</u>	<u>31,614,076</u>	<u>2,514,272</u>
	<u>2,791,570,508</u>	<u>2,641,195,488</u>	<u>2,158,373,225</u>	<u>1,852,164,572</u>	<u>1,166,487,673</u>
<b>EXPENDITURE</b>					
Materials	2,054,395,521	2,062,291,815	1,570,251,926	1,477,909,803	908,365,994
Staff Cost	112,567,462	89,155,291	45,392,263	24,586,739	18,721,751
Other Manufacturing Expenses	162,945,395	194,451,913	126,936,215	87,022,056	56,932,337
Administration Expenses	73,265,392	54,987,584	43,512,909	50,544,376	36,170,716
Selling & Distribution Expenses	<u>363,522,995</u>	<u>140,495,167</u>	<u>105,104,763</u>	<u>74,025,859</u>	<u>44,046,615</u>
	<u>2,766,696,765</u>	<u>2,541,381,770</u>	<u>1,891,198,076</u>	<u>1,714,088,833</u>	<u>1,064,237,413</u>
<b>PROFIT BEFORE INTEREST, DEPRECIATION &amp; TAX</b>	24,873,744	99,813,718	267,175,149	138,075,739	102,250,260
Interest	65,907,292	81,044,677	38,855,402	13,489,355	7,466,924
Depreciation	<u>17,242,217</u>	<u>13,365,301</u>	<u>10,130,175</u>	<u>7,466,481</u>	<u>4,302,628</u>
<b>PROFIT BEFORE TAX</b>	(58,275,766)	5,403,740	218,189,572	117,119,903	90,480,708
Provision for Tax - Current Tax	-	568,000	22,000,000	13,000,000	7,500,000
- Deferred Tax	2,939,033	2,059,391	2,201,773	1,856,000	1,680,000
- Fringe Benefit Tax	-	2,840,000	1,826,000	1,500,000	1,253,000
- Exchange Rate Difference	-	-	28,800,000	-	-
- MAT Credit Entitlement	-	(568,000)	(21,010,000)	-	-
<b>PROFIT FOR THE YEAR</b>	<u>(61,214,799)</u>	<u>504,349</u>	<u>184,371,799</u>	<u>100,763,903</u>	<u>80,047,708</u>
Earning Per Share	(1.39)	0.01	5.76	3.15	2.50
Book Value Per Share	24.41	25.82	26.12	21.55	18.72
Dividend Payment Track Record	✓	✓	✓	✓	✓

## DIRECTORS' REPORT

**To**

**The Members,**

The Directors have pleasure in presenting their Twenty Seventh Annual Report together with the Audited Accounts for the year ended 31st March 2010.

**1. FINANCIAL RESULTS:**

(Rupees In Lacs)

Particulars	2009-10	2008-09
Gross Turnover	31737.93	29336.54
Profit before Depreciation, Interest & Taxation	248.74	998.14
Interest	659.07	810.45
Depreciation	172.42	133.66
Profit before Taxation	(582.75)	54.03
Provision for taxes including Deferred tax	29.39	48.99
Profit for the year after taxation	(612.14)	5.04
Balance brought forward from previous year	4032.84	4055.00
Amount available for appropriation	3420.70	4060.04
<b>Appropriations:</b>		
- Income Tax	-	(0.77)
- Proposed Dividend	4.40	22.00
- Tax on Dividends	0.74	3.74
- Residual Dividend	-	0.02
- General Reserve	-	2.20
Total	5.14	27.19
Balance carried to Balance Sheet	3415.56	4032.85

**2. BUSINESS RESULTS:**

Gross turnover for the year ended 31st March, 2010 amounted to Rs. 31,737.93 lacs as compared to Rs. 29,336.54 lacs for last year registering a growth of 8.18%. The loss for the year stood at Rs. 612.14 lacs

**7. PARTICULARS OF EMPLOYEES:**

Particulars of employees under section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 for the year ended 31-03-2010.

Name, Age and Qualification	Designation and Nature of Duties	Date of commencement of employment	Experience (No. of years)	Remuneration (Rs. in Lacs)	Last Employment & Designation
H A Anand, 59 years B.Sc. (Hons) & DBM	President Marketing & Technical Services	25-07-2007	36	24.83	Self employed (USA)
Alok Singh, 38 years B.Com & PGDBM	Assistant Vice President Marketing	23-05-2005	20	33.44	Exxon Mobile Lubes & Spel.Pvt. Ltd. Distributor Business Consultant

Remuneration includes Salary and other allowances, bonus/ex-gratia, Company's contribution to Provident Fund, Medical Expenses and other requisites.

against the profit Rs.5.04 lacs for the previous year. The loss incurred is due to brand building activities carried out by the Company during the year.

**3. DIVIDEND:**

The Board of Directors, at its meeting held on 10th August, 2010, recommended dividend of Rs.0.01 per share (0.20%) on the Equity Shares of Rs.5/- each for the year ended 31st March, 2010. The dividend will be paid subject to approval of Shareholders at the ensuing Annual General Meeting.

**4. DIRECTORS:**

Mr. Vinay G. Rao and Mr. Pradip C. Shah, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. 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. AUDITORS:**

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

**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 practices 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, 2010 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 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)	:	Rs. 14,10,28,780/-
(b) Expenditure in Foreign Exchange	:	
Import of Raw Material	:	Rs. 1,68,46,76,364/-
Foreign Travelling	:	Rs. 15,81,046/-
Royalty	:	Rs. 63,050/-
Others	:	Rs. 65,518/-

**12. INDUSTRIAL RELATIONS:**

Industrial Relations continued to remain cordial and peaceful.

**13. 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 : 10th August, 2010

**RAJENDRA SAH**  
Chairman

## CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY

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

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

### 2. BOARD OF DIRECTORS

#### 2.1. Composition

The Board of Directors as at 31st March, 2010 comprises of following Eight Directors, out of which four are the Non-Executive & Independent 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. Noshir B. Dubash	Non-Executive & Independent Director
Mr. Alok Sukhani	Non-Executive & Independent Director
Mr. Pradip C. Shah	Non-Executive & Independent Director
Mr. Vinay G. Rao	Non-Executive & Independent Director

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

Sah Petroleums Limited held Seven Board Meetings during the year ended 31st March, 2010. These were as under:

30th June, 2009, 31st July, 2009, 25th August, 2009, 30th September, 2009, 31st October, 2009, 29th January, 2010 and 24th March, 2010.

Director's attendance record and directorships held:

Name of the Director	Attendance Particulars		No. of Other		
	Board Meetings	Last AGM	Director-ships	Committee Member-ships	Committee Chairman-ships
Mr. Rajendra Sah	7	Yes	Nil	Nil	1
Mr. Vivek Sah	5	Yes	Nil	Nil	Nil
Mr. Aditya Sah	5	Yes	Nil	1	Nil
Mr. Bruno P.Y.G. Seghin	3	Yes	12	Nil	Nil
Mr. N. B. Dubash	7	Yes	Nil	2	1
Mr. Alok Sukhani	6	No	Nil	2	Nil
Mr. Pradip C. Shah	7	Yes	Nil	1	1
Mr. Vinay G. Rao	7	Yes	Nil	Nil	Nil

### 2.3. Directors proposed to be reappointed

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

Mr. Vinay G. Rao, BE (MET) aged 66 years and possesses very rich 46 years experience in the industrial field.

Mr. Pradip C. Shah, Practicing Company Secretary and possesses very rich experience in the Legal, Accounts and Company Law matters for more than 30 years. He is 54 years old and is a Chairman of the Audit Committee of the Company.

### 3. BOARD COMMITTEES:

#### (a) AUDIT COMMITTEE

- i) The Audit Committee comprises of three independent non-executive directors, Mr. Pradip C. Shah, Mr. Noshir B. Dubash and Mr. Alok D. Sukhani. Mr. Pradip C. Shah is a Chairman of the Audit Committee.
- ii) The Audit Committee met seven times during the year i.e., 30th June, 2009, 31st July, 2009, 29th August, 2009, 31st October, 2009, 27th November, 2009, 29th January, 2010 and 25th February, 2010. Attendance record of each member is as under:

Sr. No.	Name of the Director	No. of Meetings attended
1	Mr. Pradip C. Shah (Chairman)	7
2	Mr. Noshir B. Dubash	7
3	Mr. Alok D. Sukhani	7

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

**(b) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**

- i) The Shareholders'/Investors' Grievance Committee comprises of three directors, Mr. Noshir B. Dubash, Mr. Alok D. Sukhani and Mr. Aditya Sah.
- ii) The Committee met six times during the year i.e., on 25th May, 2009, 27th July, 2009, 10th September, 2009, 29th October, 2009, 7th January, 2010 and 18th March, 2010. The attendance record of each member is as under:

Sr. No.	Name of the Director	No. of Meetings attended
1	Mr. Noshir B. Dubash (Chairman)	6
2	Mr. Alok D. Sukhani	6
3	Mr. Aditya Sah	6

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
2006-07	29.09.2007	10.00 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.
2007-08	30.09.2008	10.00 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.
2008-09	30.09.2009	10.00 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.

No Special Resolutions were put through postal ballot by the Company during the Financial Year 2009-10.

**5. CODE OF CONDUCT**

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

**6. DISCLOSURES**

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

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

**7. CEO/CFO CERTIFICATION**

**The CEO and the CFO certified to the Board that:**

1. They have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statement;
2. Based on their knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made;
3. Based on their knowledge, information and belief, the financial statements and other financial information included in this Report present a true and fair view of the Company's affairs for the period presented in this Report and are in compliance with the existing accounting standards, applicable laws and regulations;
4. To the best of their knowledge, information and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct;
5. They are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting;
6. They have disclosed, based on their most recent evaluation, wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be taken to rectify the deficiencies;

They have indicated to the Auditors and the Audit Committee:

- 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.2008-09)	Date of Publication	Name of the Newspaper
First	01.08.2009	The Free Press Journal & Navshakti – Mumbai
Second	01.11.2009	The Free Press Journal & Navshakti – Mumbai
Third	30.01.2010	The Free Press Journal & Navshakti – Mumbai
Fourth	15.05.2010	The Free Press Journal & Navshakti – Mumbai

## 9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date and Time : 30th September, 2010 at 10.00 A.M.

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

Book Closure : 24th September, 2010 to 30th September, 2010 (Both days inclusive)

### Dividend Date

The Board of Directors recommended dividend of Rs.0.01 per share (0.2%) on the Equity Shares of Rs.5/- each. The dividend will be paid on or before 29th October 2010, after its approval of Shareholders at the ensuing Annual General Meeting.

### Financial Calendar

Financial Year : 1st April 2010 to 31st March 2011

### Results Announcements:

First quarterly results : Second week of August, 2010  
 Second quarterly results : Second week of November, 2010  
 Third quarterly results : Second week of February, 2011  
 Fourth quarterly/ : Second week of May, 2011 or  
 Audited results : Audited results by 30th May, 2011.

## 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 (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2009	20.20	14.50	20.25	15.00
May, 2009	28.25	16.30	28.50	16.30
June, 2009	29.00	18.20	29.70	18.00
July, 2009	23.25	16.60	22.90	16.60
August, 2009	30.45	19.00	30.25	19.05
September, 2009	27.75	22.45	27.95	22.10
October, 2009	24.45	20.50	25.00	20.60
November, 2009	22.35	20.05	22.00	20.00
December, 2009	24.90	20.70	25.00	21.25
January, 2010	26.50	23.25	26.40	23.00
February, 2010	24.70	20.65	24.90	20.10
March, 2010	24.00	20.90	23.90	19.60

## Registrar & Transfer Agents

SHAREX DYNAMIC (INDIA) PVT. LTD.  
 17/B, Dena Bank Building,  
 2nd Floor, Horniman Circle,  
 Fort, Mumbai – 400 001.  
 Tel.: 2270 2485 / 2264 1376,  
 Fax : 2264 1349.  
 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 31.03.2010:

No. of Equity Shares	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
UPTO - 100	3905	35.01	220907	0.50
101 - 200	2011	18.03	343246	0.78
201 - 500	3155	28.28	1130422	2.57
501 - 1000	1189	10.66	978825	2.22
1001 - 5000	795	7.13	1607791	3.66
5001 - 10000	54	0.48	375997	0.85
10001 - 100000	38	0.34	1007877	2.29
100001 - ABOVE	8	0.07	38334935	87.13
<b>Total</b>	<b>11155</b>	<b>100.00</b>	<b>44000000</b>	<b>100.00</b>

### Shareholding Pattern as on 31.03.2010:

Category	No. of Shares held	% to total shares
Promoters	38230292	86.89
NRI	232241	0.53
Bodies Corporate	832993	1.89
Public	4704474	10.69
<b>Total</b>	<b>44000000</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 4,39,99,550 equity shares aggregating to 99.999% of the total Equity Share Capital is held in dematerialized form as on 31st March, 2010 and the balance of 450 equity shares are held in re-mat physical form.

### Plant Locations

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

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

### Registered Office & Address for Correspondence

**Sah Petroleums Limited,**  
406/407, Embassy Centre,  
Nariman Point, Mumbai – 400 021.  
Tel No: 022-6630 1911 / 2287 3097  
Fax: 022 – 2287 5751:

**On behalf of the Board**

Place : Mumbai  
Date : 10th August, 2010

**RAJENDRA SAH**  
Chairman

## AUDITORS CERTIFICATE

To

### The Members of Sah Petroleums Limited

We have examined the compliance of conditions of Corporate Governance by Sah Petroleums Limited for the year ended on 31st March 2010, 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 was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 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. : 101993 W  
Chartered Accountant

Place: Mumbai  
Date : 10th August, 2010

**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®TM" at Vasai and Daman plants. This industry has much growth potential and is growing globally.

### B) Overview:

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

The Company's gross turnover for the year ended 31st March, 2010 amounted to Rs.31,737.93 lacs as compared to Rs. 29,336.54 lacs for last year registering a growth of 8.18%. The loss for the year stood at Rs. 612.14 lacs against the profit Rs. 5.04 lacs for the previous year. The loss incurred is due to brand building activities carried out by the Company during the year.

Considering the performance of the company, the Board of Directors recommended dividend @ 0.20% on the equity shares of Rs.5/- each for the financial year 2009-10.

### 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 of the same.

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

### F) Research and Development:

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

### G) Quality Systems and Certification:

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

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

**ISO Certification:** The Company has obtained ISO – 9001:2008 and ISO – 14001:2004 certifications from International Certifications Limited for its quality systems and environment, applicable to manufacturing practices and distribution process across the entire product chain of the company.

### H) Cautionary Statement:

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

## AUDITOR'S REPORT

### TO THE MEMBERS OF SAH PETROLEUMS LIMITED

1. We have audited the attached Balance Sheet of Sah Petroleums Limited as at 31st March, 2010, the related Profit and Loss Account for the year ended on that date annexed thereto, and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 the 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3 C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors as on March 31, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as director in terms of section 274 (1)(g) of the Act;
  - f) In our opinion and to the best of our information and according to explanations given to us, the said financial statements together with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
    - ii. In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and

- iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

**N.D. Daga**  
Proprietor

Mumbai. 10.08.2010

Membership No. 9921

### ANNEXURE REFERRED TO IN PARA I:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the Fixed assets have not been physically verified by management during the year but there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year the company has not disposed off a substantial part of its fixed assets.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to books records.
- iii. The Company has not granted or 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 are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in these internal controls.
- v. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- vi. The Company has not accepted any deposits from public within the meaning of section 58A of the Companies Act, 1956, read with Companies Acceptance of Deposit Rules(1975). Accordingly, the provisions of clause 4(vi) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1)(d) of the Companies Act, 1956 for any of its products.

- 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, Custom Duty, Excise Duty, Cess and other material Statutory Dues applicable to it. There were no arrears as at 31st March 2010 for a period of more than six months from the date they became payable.
- (b) On the basis of our examination of the documents and records, there are no dues of Income Tax, Wealth Tax, Customs duty and Cess which have not been deposited on account of any dispute. The particulars of Sales tax as at 31st March 2010 which have not been deposited on account of disputes is as follows

Name of statute	Nature of Dues	Amount Rs.	Period	Forum where the dispute is pending
MP Commercial Tax Act, 1944	Commercial Tax	153,855	1996-97	Dy. Commissioner of Commercial Tax, Indore
UP Commercial Tax Act, 1948	Commercial Tax	523,360	2007-08	Asst. Commissioner of Trade Tax Squad Unit-I, Moradabad
BST Act 1959 & CST Act 1956	Sales Tax	41,474,428	2003-04	Sales Tax Tribunal, Mumbai
CST Act 1956	Sales Tax	3,124,568	2003-04	Commissioner of Sales Tax, Daman
CST Act 1956	Sales Tax	4,654,762	2004-05	Commissioner of Sales Tax, Daman
CST Act 1956	Sales Tax	57,668,891	2005-06	Commissioner of Sales Tax, Daman
Bihar Commercial Tax Act, 1981	Commercial Tax	589,003	2003-04	Dy. Commissioner of Commercial Tax, Jamshedpur
Bihar Commercial Tax Act, 1981	CST Tax	12,573	2003-04	Dy. Commissioner of Commercial Tax, Jamshedpur
M.P. VAT Act, 2002	VAT	764,098	2006-07	Appellate Authority, Indore

- x. The Company has no accumulated losses at the end of the financial year and it has incurred cash losses during the year but not in the immediately preceding financial year.
- xi. Based on the examination of the books of account and related records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks.
- xii. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- xv. According to the information and explanation given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 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 Preferential Allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xviii. We have verified the end use of money raised by Preferential Allotment of shares as disclosed in the notes to accounts. ( Note 3 of Schedule 21)
- xix. Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- xx. The Company has not raised any money by way of 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. 10.08.2010

## BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	Year Ended March. 31, 2010 Rs.	Year Ended March 31, 2009 Rs.
<b>I SOURCES OF FUNDS</b>			
<b>1 Shareholders Funds</b>			
a. Share Capital	1	220,000,000	220,000,000
b. Reserves and Surplus	2	888,088,746	950,802,390
Less: Revaluation Reserve		33,855,845	34,840,611
		854,232,901	915,961,779
		1,074,232,901	1,135,961,779
<b>2 Loan Funds</b>			
a. Secured Loans	3	-	-
b. Unsecured Loans	4	-	-
		12,393,847	9,454,814
<b>3 Deferred Tax Liability Total</b>		1,086,626,748	1,145,416,593
<b>II APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>			
a. Gross Block	5	431,722,340	356,557,329
b. Less: Depreciation		85,950,738	68,283,587
c. Net Block		345,771,602	288,273,742
d. Capital Work-In-Progress		11,387,033	23,574,981
		357,158,635	311,848,723
Less: Revaluation Reserve		33,855,845	34,840,611
		323,302,790	277,008,112
<b>2 Investments</b>			
		411,578,142	343,380,533
<b>3 Current Assets, Loans and Advances</b>			
a. Inventories	7	561,809,557	523,973,962
b. Sundry Debtors	8	766,448,302	863,735,309
c. Cash and Bank Balances	9	193,040,404	439,774,212
d. Loans and Advances	10	188,861,153	174,265,929
		1,710,159,416	2,001,749,412
<b>Less: Current Liabilities and Provisions</b>			
a. Current Liabilities	11	1,355,627,103	1,469,477,617
b. Provisions	12	2,786,497	7,243,847
		1,358,413,600	1,476,721,464
<b>Net Current Assets</b>		351,745,816	525,027,948
<b>Total</b>		1,086,626,748	1,145,416,593
NOTES TO ACCOUNTS	21		

Schedules referred to above and notes attached thereto form an integral part of Balance Sheet  
This is the Balance sheet referred to in 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 10.08.2010

For **SAH PETROLEUMS LIMITED**

**Vivek Sah**  
Managing Director

**Aditya Sah**  
Jt. Managing Director

**D. Malla Reddy**  
Company Secretary

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	Year Ended March. 31, 2010 Rs.	Year Ended March. 31, 2009 Rs.
<b>INCOME</b>			
Gross Turnover		3,173,793,508	2,933,654,572
Less: Excise Duty		393,220,259	380,137,691
Net Turnover		<u>2,780,573,249</u>	<u>2,553,516,881</u>
Other Income	13	120,544,522	(114,471,432)
Increase/(Decrease) in Finished Goods	14	<u>(109,547,263)</u>	<u>202,150,039</u>
		<u>2,791,570,508</u>	<u>2,641,195,488</u>
<b>EXPENDITURE</b>			
Materials	15	2,054,395,521	2,062,291,815
Staff Cost	16	112,567,462	89,155,291
Other Manufacturing Expenses	17	162,945,395	194,451,913
Administration Expenses	18	73,265,392	54,987,584
Selling & Distribution Expenses	19	<u>363,522,995</u>	<u>140,495,167</u>
		<u>2,766,696,765</u>	<u>2,541,381,769</u>
<b>PROFIT BEFORE INTEREST, DEPRECIATION &amp; TAX</b>		<b>24,873,744</b>	99,813,719
Interest & Financial Charges	20	65,907,292	81,044,677
Depreciation		<u>17,242,217</u>	<u>13,365,301</u>
<b>PROFIT BEFORE TAX</b>		<b>(58,275,766)</b>	5,403,740
Provisions for			
- Current Tax		-	568,000
- Deffered Tax		2,939,033	2,059,391
- Fringe Benefit Tax		-	2,840,000
- MAT Credit Entitlement		-	(568,000)
<b>PROFIT FOR THE YEAR</b>		<b>(61,214,799)</b>	504,349
Balance brought forward from earlier year		<u>403,284,790</u>	<u>405,499,486</u>
<b>NET PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>342,069,992</b>	406,003,835
Income Tax		-	(76,604)
Proposed Dividend		440,000	2,200,000
Corporate Dividend Tax thereon		74,080	374,000
Residual Dividend		-	1,649
Transfer to General Reserve		-	220,000
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>341,555,912</b>	<u>403,284,790</u>
<b>Earning per share (Basic/Diluted) Rs.</b>		<b>(1.39)</b>	0.01

NOTES TO ACCOUNTS 21

Schedules referred to above and notes attached thereto form an integral part of Profit & Loss Account

This is the Profit & Loss Account referred to in our report of even date.

Schedules referred to above and notes attached thereto form an integral part of Profit and Loss Account.

This is the Balance sheet referred to in 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 10.08.2010

For **SAH PETROLEUMS LIMITED**

**Vivek Sah**  
Managing Director

**Aditya Sah**  
Jt. Managing Director

**D. Malla Reddy**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	2009-2010	2008-2009
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	<b>(58,275,766)</b>	5,403,740
Adjustments for :		
Depreciation	<b>17,242,217</b>	13,365,301
Interest Expenses (Net)	<b>25,790,431</b>	32,552,819
(Profit) / Loss on Fixed Assets sold	<b>727,162</b>	1,141,590
Dividend Income	<b>(17,697,609)</b>	(13,149,571)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(32,213,564)</b>	39,313,879
Adjustments for :		
Decrease / (Increase) in trade and other receivables	<b>94,572,285</b>	(133,849,562)
Decrease / (Increase) in inventories	<b>(37,835,595)</b>	(193,893,578)
Increase / (Decrease) in trade and other payables	<b>(116,246,944)</b>	518,869,529
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(91,723,818)</b>	230,440,267
Income Taxes Refund / (Paid) (net)	<b>(11,880,503)</b>	(20,538,454)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(103,604,321)</b>	209,901,813
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Fixed Assets	<b>1,066,667</b>	2,738,815
Sale / redemption / (Purchase) of Investments (net)	<b>(68,197,609)</b>	(25,542,627)
Dividend Received	<b>17,697,609</b>	13,149,571
Purchase of Fixed Assets	<b>(65,330,724)</b>	(95,290,597)
<b>NET CASH (USED IN) / FROM INVESTING ACTIVITIES</b>	<b>(114,764,057)</b>	(104,944,838)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Shares	-	319,800,000
Proceeds from / (Repayment of) Borrowings (net)	-	(94,185,000)
Dividends Paid (including tax thereon)	<b>(2,575,000)</b>	(9,361,649)
Interest and Finance Charges paid	<b>(25,790,431)</b>	(32,552,819)
Share Issue Expenses	-	(17,619,490)
<b>NET CASH (USED IN) / FROM FINANCING ACTIVITIES</b>	<b>(28,365,431)</b>	166,081,042
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	<b>(246,733,809)</b>	271,038,017
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>439,774,212</b>	168,736,195
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>	<b>193,040,404</b>	439,774,212

**Note:** 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 10.08.2010

For **SAH PETROLEUMS LIMITED**

**Vivek Sah**  
Managing Director

**Aditya Sah**  
Jt. Managing Director

**D. Malla Reddy**  
Company Secretary

**SCHEDULES “1” TO “21” ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

Schedule  
No.

	Year Ended March 31, 2010 Rs.	Year Ended March 31, 2009 Rs.
<b>1 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
4,40,00,000 (Previous Year 4,40,00,000) Equity Shares of Rs. 5/- each	<u>220,000,000</u>	<u>220,000,000</u>
	<u>220,000,000</u>	<u>220,000,000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
4,40,00,000 (Previous Year 4,40,00,000) Equity Shares of Rs. 5/- each	<u>220,000,000</u>	<u>220,000,000</u>
	<u>220,000,000</u>	<u>220,000,000</u>
<b>Notes:</b>		
Out of the above, 2,19,50,000 (Previous Year 2,19,50,000) Equity Shares of Rs. 5/- each were allotted as fully paid up Bonus Shares by Capitalisation from General Reserve/Accumulated Profits.		
<b>2 RESERVES AND SURPLUS</b>		
<b>1] Capital Reserve</b>	<b>300,000</b>	300,000
<b>2] General Reserve</b>		
Balance as at the beginning of the year	<b>24,006,148</b>	23,786,148
Add: Transferred from Profit & Loss Account	-	220,000
	<u>24,006,148</u>	<u>24,006,148</u>
<b>3] Revaluation Reserve</b>		
Balance as at the beginning of the year	<b>34,840,611</b>	35,825,377
Less: Transferred to Profit & Loss Account	<b>984,766</b>	984,766
	<u>33,855,845</u>	<u>34,840,611</u>
<b>4] Security Premium Account</b>	<b>488,370,841</b>	246,190,331
Add : Addition during the year	-	259,800,000
	<u>488,370,841</u>	<u>505,990,331</u>
Less: Share issue expenses	-	17,619,490
	<u>488,370,841</u>	<u>488,370,841</u>
<b>5] Profit and Loss Account</b>	<b>341,555,912</b>	403,284,790
	<u>888,088,746</u>	<u>950,802,390</u>
<b>3 SECURED LOANS</b>		
From Banks for Working Capital	-	-
	-	-
<b>Note:</b>		
Secured by pari pasu charge by way of:		
i) Hypothecation of:		
a) Present & future stock of Raw Materials, Stock in Process, Semi Finished Goods, Finished Goods, Stores & Spares, Packing Materials of the Company.		
b) Present & future Book Debts, Outstanding & Receivables of the Company.		
c) All movables properties including Plant & Machinery, Furniture & Fixtures, etc. of the company.		
ii) Equitable Mortgage on Factory Premises of the Company at Plot No. 5 to 14, Village Valiv, Taluka Vasai, District Thane.		
iii) Equitable Mortgage on office premises at 406/407 and 612 Embassy Centre, Nariman Point, Mumbai - 400021.		
<b>4 UNSECURED LOANS</b>		
From Directors	-	-
From Others	-	-
	-	-
	-	-

**SCHEDULES “1” TO “21” ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

**Schedule 5  
FIXED ASSETS (AT COST)**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2009	Additions during the year	Deductions during the year	As at 31.03.2010	Upto 31.03.2009	Provided during the year	W/Back on Deduction / Adjustment	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	30,053,932	26,037,866	-	56,091,798	-	-	-	-	56,091,798	30,053,932
Buildings	65,277,682	-	-	65,277,682	16,626,105	1,384,898	-	18,011,003	47,266,679	48,651,577
Furniture & Fixtures	19,931,630	1,305,511	-	21,237,141	5,288,818	1,227,808	-	6,516,626	14,720,515	14,642,812
Plant & Machinery	172,149,323	42,383,002	-	214,532,325	35,427,914	8,417,639	-	43,845,553	170,686,772	136,721,409
Vehicles	53,761,499	5,477,181	2,353,661	56,885,019	4,055,395	5,187,023	559,832	8,682,586	48,202,433	49,706,104
Fork Lift	2,484,436	34,096	-	2,518,532	767,662	114,132	-	881,794	1,636,738	1,716,774
Computer Systems	12,898,827	2,281,016	-	15,179,843	6,117,693	1,895,483	-	8,013,176	7,166,667	6,781,134
<b>Total</b>	<b>356,557,329</b>	<b>77,518,672</b>	<b>2,353,661</b>	<b>431,722,340</b>	<b>68,283,587</b>	<b>18,226,983</b>	<b>559,832</b>	<b>85,950,738</b>	<b>345,771,602</b>	<b>288,273,742</b>
Previous year	283,986,448	77,871,132	5,300,251	356,557,329	55,353,366	14,350,067	1,419,846	68,283,587	288,273,742	228,633,082
								Capital Work in Progress	11,387,033	23,574,981
								<b>Total</b>	<b>357,158,635</b>	<b>311,848,723</b>

**Notes :**

		Previous Year
Depreciation for the year	<b>18,226,983</b>	14,350,067
Less: Additional Depreciation on revalued assets withdrawn from Revaluation Reserve	<b>984,766</b>	984,766
	<b>17,242,217</b>	13,365,301

**Schedule No.**

	Year Ended March 31, 2010 Rs.	Year Ended March 31, 2009 Rs.
<b>6 INVESTMENTS (Non Trade, Unquoted)</b>		
Current Investments (At cost or market value whichever is lower)		
Investments in Mutual Funds (Unquoted)		
SBI SHF Ultra Short Term Fund - Institutional (333,321,393 units 2009, 112,938,833 units purchased, 1,763,380 units cumulated, 107,890 units sold during the year)	<b>401,578,142</b>	333,380,533
Osian's Art Fund Contemporary-I (100,000 units of Rs. 100/- each (2009 - 100,000 units))	<b>10,000,000</b>	10,000,000
	<b>411,578,142</b>	<b>343,380,533</b>
<b>7 INVENTORIES (As certified by the Management)</b>		
(a) Raw Materials	<b>368,679,764</b>	220,083,986
(b) Finished Goods	<b>185,530,559</b>	295,077,822
(c) Stores & Packing Materials (At Cost or Market Value whichever is lower)	<b>7,273,900</b>	8,438,820
(d) Moulds (At Cost less amounts written off)	<b>325,334</b>	373,334
	<b>561,809,557</b>	<b>523,973,962</b>
<b>8 SUNDRY DEBTORS</b>		
(Unsecured and considered good)		
i. Debts outstanding for a period exceeding six months	<b>55,021,127</b>	75,957,916
ii. Other debts	<b>711,427,175</b>	787,777,393
	<b>766,448,302</b>	<b>863,735,309</b>

**SCHEDULES “1” TO “21” ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

Schedule  
No.

	Year Ended March 31, 2010 Rs.	Year Ended March 31, 2009 Rs.
<b>9 CASH AND BANK BALANCES</b>		
i. Cash on Hand	1,066,627	2,513,755
ii. Bank Balance with Scheduled Banks:		
In Current Account	118,811,520	67,980,637
In Margin Deposits	73,162,257	48,436,312
In Fixed Deposits	-	320,843,509
	<u>193,040,404</u>	<u>439,774,212</u>
<b>10 LOANS AND ADVANCES</b> (Unsecured and considered good)		
Advance recoverable in cash or kind or for value to be received	133,058,197	133,680,255
Deposits	9,324,641	5,987,862
Advance Payments against tax (Net)	24,900,315	13,019,812
MAT Credit Entitlement	21,578,000	21,578,000
	<u>188,861,153</u>	<u>174,265,929</u>
<b>11 CURRENT LIABILITIES</b>		
Acceptances (Refer Note 11)	953,384,678	1,130,679,927
Sundry Creditors	231,890,839	180,153,867
Advance from Customers	4,072,997	1,672,767
Deposit from Dealers	8,285,000	6,535,000
Other liabilities	157,109,630	149,566,319
Investors Education & Protection Fund to be credited as and when due :		
Unpaid Dividend	665,760	651,538
Unpaid Application Money & Others	218,199	218,199
	<u>1,355,627,103</u>	<u>1,469,477,617</u>
<b>12 PROVISIONS</b>		
Proposed Dividend	440,000	2,200,000
Corporate Dividend Tax	73,080	374,000
Provision for Gratuity	-	2,654,263
Provision for Leave Encashment	2,273,417	2,015,584
	<u>2,786,497</u>	<u>7,243,847</u>
<b>13 OTHER INCOME</b>		
Bad Debts W/off Recovered	-	278,414
Miscellaneous Income	76,825	66,600
Exchange Rate Difference	87,246,212	(155,942,994)
Dividend	17,697,609	13,149,571
Profit on Sale of Current Investment	-	4,691,991
Export Incentives	10,217,295	13,429,608
Interest Received	5,306,582	9,855,377
[TDS Rs. 577,845 (Previous Year Rs. 2,111,544)]		
	<u>120,544,522</u>	<u>(114,471,432)</u>
<b>14 (INCREASE)/DECREASE IN FINISHED GOODS</b>		
Opening Stock	295,077,822	92,927,783
Closing Stock	185,530,559	295,077,822
	<u>109,547,263</u>	<u>(202,150,039)</u>

**SCHEDULES “1” TO “21” ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

Schedule  
No.

	Year Ended March 31, 2010 Rs.	Year Ended March 31, 2009 Rs.
<b>15 MATERIALS</b>		
Raw Materials:		
Opening Stock	220,083,986	225,457,132
Add: Purchase	2,134,887,584	2,017,240,607
Add: Transport & Dock Expenses	68,103,715	39,678,062
	<u>2,423,075,285</u>	<u>2,282,375,801</u>
Less: Closing Stock	368,679,764	220,083,986
Raw Materials Consumed	<u>2,054,395,521</u>	<u>2,062,291,815</u>
<b>16 STAFF COST</b>		
(Refer Note 1(i) of Schedule 21)		
Salaries,Wages & Related Payment	106,310,964	83,091,527
Contribution to Provident and Other Funds (Refer Note 10 of Schedule 21)	4,778,208	4,079,273
Staff Welfare Expenses	1,478,290	1,984,491
	<u>112,567,462</u>	<u>89,155,291</u>
<b>17 OTHER MANUFACTURING EXPENSES</b>		
Stores Spares and Packing Material	158,627,791	142,598,402
Power & Fuel	6,988,661	10,175,983
Moulds Ammortised	436,000	639,583
Excise Duty	(15,983,227)	30,401,043
Machinery & Equipments Maintainence	7,864,768	3,959,320
Laboratory & R & D Expenses	1,088,459	609,882
Processing Charges	3,922,943	6,067,700
	<u>162,945,395</u>	<u>194,451,913</u>
<b>18 ADMINISTRATION EXPENSES</b>		
Motor Vehicle Expenses	3,494,010	2,577,853
Rent	7,314,977	4,560,149
Rates & Taxes	521,395	623,111
Insurance Charges	7,735,067	4,106,489
Conveyance Expenses	2,879,836	3,406,386
Postage,Telephone & Telex	6,908,806	6,481,173
Electricity Expenses	2,163,944	2,035,549
Repairs & Maintainence:		
(a) Building	8,209,570	6,545,282
(b) Others	469,442	700,432
Printing & Stationery & Computer Expenses	3,469,832	6,432,551
Legal & Professional Charges	16,308,162	8,075,414
Loss on Disposal / Discard of Fixed Assets	727,162	1,141,590
Miscellaneous Expenses	12,194,657	7,159,894
Security Charges	19,307	31,250
Donation	-	52,500
Remuneration to Auditors:		
(a) As Audit Fees (Including Quarterly Results)	507,380	480,629
(b) For Tax Audit	55,150	55,150
(c) For Tax Matters	270,150	157,575
(d) For Other Services	16,545	364,608
	<u>73,265,392</u>	<u>54,987,584</u>

**SCHEDULES “1” TO “21” ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

Schedule No.	Year Ended March 31, 2010 Rs.	Year Ended March 31, 2009 Rs.
<b>19 SELLING &amp; DISTRIBUTION EXPENSES</b>		
Freight, Forwarding, etc.	114,255,463	82,213,721
Commission on Sales	24,586,513	15,205,467
Advertisement Expenses	35,393,402	3,995,327
Travelling Expenses	24,874,846	21,125,934
Bad Debts	20,694,015	-
Sales Promotion Expenses	143,718,756	17,954,719
	<b>363,522,995</b>	<b>140,495,167</b>
<b>20 INTEREST &amp; FINANCIAL CHARGES</b>		
Interest Paid	31,097,013	42,408,196
Bank Charges & Commission	22,421,583	35,911,579
Others	12,388,696	2,724,903
	<b>65,907,292</b>	<b>81,044,677</b>

Schedule No.

**21. NOTES TO ACCOUNTS:**

1] Significant Accounting Policies:

a] Fixed Assets

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

b] 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.

c] Investment

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

d] Inventories

1. Inventories are valued at cost or market value whichever is lower. The company has been following this generally accepted accounting policy in accordance with the Accounting Standard (AS2) on valuation of Inventories.

2. Moulds are amortized over a period of Three years.

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] Income & Expenditure Recognition

Income & Expenditure are recognized and accounted for on accrual basis. In case of uncertainties in either aspect, revenue recognition is postponed to the time of realizing such claims.

g] Sales

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

h] Foreign Currency Transactions

1. Transactions in foreign currency are recorded at the exchange rate existing 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 and in case of monetary items which are not covered by forward exchange contracts, management out of abundant caution provide for addition liability arising from volatile foreign exchange rates in respect of unpaid liabilities.

3. Any income or expense on account of exchange difference either on settlement or on translation is recognized as Revenue.
- i] 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.
- 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] Provision for Current and Deferred Tax  
Provision for Current tax is made after taking into account benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book profit and taxable profit using the tax rates and laws that have been enacted or substantively enacted as on Balance Sheet date.
- l] 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.
- 2] 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.
- 3] Company had raised Rs. 319,800,000/- through Preferential Allotment and the same has been entirely utilised.
- 4] Contingent liabilities not provided for :

	<b>2009-2010</b>	<b>2008-2009</b>
	<b>Rs.</b>	<b>Rs.</b>
a] Guarantees given by Banks	335,225	2,911,975
b] Estimated amount of contracts / capital commitments	16,01,915	425,400
c] Claims against the Company not acknowledged as debts:		
(i) Excise matters	9,408,719	9,408,719
(ii) Sales Tax matters	108,965,538	677,215
(iii) Others	-	158,875

5] 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 |
| Shri Rajendra Sah      | Whole time Director                     |
| Shri Vivek Sah         | Whole time Director                     |
| Shri Aditya Sah        | Whole time Director                     |
| Smt. Shobha Sah        | Senior President                        |
- (b) Enterprises over which Key management personnel exercise significant influence
- Sah Exports
- Sah Marketing Company
- Sah Agrotechs

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

[B] Transactions:

Sr. No.	Nature of Transaction	Key Management Personnel	Enterprises over which Key Management personnel exercise significant influence	Total
1.	Salary & Related Payments	5,822,400	-	5,822,400
		(3,022,137)	(-)	(3,022,137)
2.	Promotional Goods	-	2,207,268	2,207,268
		(-)	(638,385)	(638,385)
3.	Garden Development Expenses	-	-	-
		(-)	(43,700)	(43,700)
4.	Purchase of Land	-	-	-
		(63,60,000)	(63,60,000)	(12,720,000)
6]	<u>Remuneration of Directors</u>		<b>2009-2010</b>	<b>2008-2009</b>
			<b>Rs.</b>	<b>Rs.</b>
	Salaries		4,800,000	2,700,000
	Perquisites		-	322,137
	Contribution of provident and superannuation funds		360,000	324,000
7]	<u>Earnings per Share (EPS)</u>		<b>2009-2010</b>	<b>2008-2009</b>
			<b>Rs.</b>	<b>Rs.</b>
(i)	Profit after Tax		(61,214,799)	504,349
	Profit attributable to Ordinary shareholders		(61,214,799)	504,349
(ii)	No. of Ordinary Shares for Basic EPS		44,000,000	36,043,836
	No. of Ordinary Shares for Diluted EPS		44,000,000	36,043,836
(iii)	Nominal Value of Ordinary Shares		5.00	5.00
(iv)	Basic/Diluted Earnings per Ordinary Shares		(1.39)	0.01
8]	<u>Deferred Tax Liability (Net)</u>		<b>Deferred tax liability/ (asset) 2008-2009</b>	<b>Current year Charge/ (Credit)</b>
				<b>Deferred tax Liability/ (asset) 2009-2010</b>
(a)	Deferred Tax Liability			
	Depreciation	10,276,267	3,948,030	14,224,297
(b)	Deferred Tax Asset			
	Adjustment of item u/s 43 B	(821,453)	610,761	(210,692)
	Unabsorbed Business Loss	-	(1,619,758)	(1,619,758)
(c)	Deferred Tax	9,454,814	2,939,033	12,393,847
9]	<u>Derivative transactions :</u>			
(a)	Derivative instruments outstanding as on 31st March 2010.		<b>2009-2010</b>	<b>2008-2009</b>
			<b>Rs.</b>	<b>Rs.</b>
	Acceptances USD		15,205,857	Nil
	INR		718,811,094	Nil
(b)	Foreign exchange currency exposures not covered by derivative instruments as on 31st March 2010.			
i)	Debtors USD		512,498	161,435
	INR		23,538,396	8,261,508
ii)	Acceptances USD		8,341,348	17,851,947
	INR		374,526,521	851,369,831
10]	<u>EMPLOYEE BENEFITS:</u>			
	Defined benefit plans as per actuarial valuation on 31st March, 2010			
I	<b>Expenses recognized in the Statement of Profit and Loss for the year ended 31st March, 2010</b>		<b>Gratuity Funded 31.03.10</b>	<b>Gratuity Funded 31.03.09</b>
			<b>Rs.</b>	<b>Rs.</b>
1	Current Service Cost		1,080,522	641,554
2	Interest Cost		649,929	506,612
3	Expected return on plan assets		(426,781)	(336,646)
4	Net Actuarial (Gains) / Losses		(883,073)	1,842,743
5	Total Expenses		420,597	2,654,263

<b>II Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2010</b>			
1	Present value of Defined Benefit Obligation as at 31st March, 2010	8,236,673	7,635,982
2	Fair value of plan assets as at 31st March, 2010	7,816,813	(4,981,719)
3	Funded status [Surplus/(Deficit)]	(419,860)	(2,654,263)
4	Net Asset/(Liability) as at 31st March, 2010	(419,860)	(2,654,263)
<b>III Change in obligation during the year ended 31st March, 2010</b>			
1	Present value of Defined Benefit Obligation at beginning of the year	7,635,982	5,745,197
2	Current Service cost	1,080,522	641,554
3	Interest cost	649,929	506,612
4	Actuarial (Gains) / Losses	(919,182)	1,904,927
5	Benefits Payments	(210,578)	(1,162,308)
6	Present value of Defined Benefit Obligation at the end of the year	8,236,673	7,635,982
<b>IV Change in fair value of asset during the year ended 31st March, 2010</b>			
1	Plan assets at the beginning of the year	4,981,719	4,415,231
2	Expected return on plan assets	426,781	336,646
3	Contribution by Employer	2,655,000	1,329,966
4	Actual benefits paid	(210,578)	(1,162,308)
5	Actuarial (Gains) / Losses	(36,109)	62,184
6	Plan assets at the end of the year	7,816,813	4,981,719
7	Actual return on plan assets	390,672	398,830
<b>V The major categories of plan assets as a percentage of total plan</b>			
1	Insurer Managed Funds	100%	99%
2	Others	-	1%
		100%	100%
<b>VI Actuarial Assumptions:</b>			
1	Discount Rate	8.40%	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	10% for first 4 years & 7% thereafter	10% for first 4 years & 7% thereafter

Note: The above information is certified by actuary.

11] Acceptances pertain to liability under Secured Letters of Credit from Bank.  
(Details of security is given in note to Schedule 3)

12] ADDITIONAL INFORMATION AS FAR AS APPLICABLE PURSUANT TO PART II OF SCHEDULE VI OF THE COMAPANIES ACT 1956.

I. Particulars of Capacity:

(i) Licensed Capacity  
Not applicable

(ii) Installed Capacity:

Installed capacity for the manufacturing of Industrial Oils and Lubricants – 80,000 KL per annum (approx).

Since the companies installed capacity is dependent on Product-mix, which in turn is dependent on the basis of actual demand for various products from time to time, it is not feasible for the company to give the exact installed capacity. The company has, however indicated the installed capacity on the basis of the normal year's product-mix as certified by the Managing Directors and the same being a technical matter is accepted by the Auditors.

II. Particulars in respect of opening and closing stocks, production, purchases and sales of goods produced and traded:

	2009-2010		2008-2009	
	Qty. Lt.	Value (Rs.)	Qty. Lt.	Value (Rs.)
<b>Opening Stock</b>				
Oils & Lubricants	2,735,811	294,990,485	1,520,593	92,840,446
Traded Goods	1,002	87,337	1,002	87,337
<b>Purchases</b>				
Traded Goods	-	-	-	-

	2009-2010		2008-2009	
	Qty. Lt.	Value (Rs.)	Qty. Lt.	Value (Rs.)
<b>Sales</b>				
Oils & Lubricants	58,284,379	2,780,573,249	49,420,787	2,555,316,881
Traded Goods	-	-	-	-
<b>Closing Stock</b>				
Oils & Lubricants	2,657,578	185,444,813	2,735,811	294,990,485
Traded Goods	1,002	87,337	1,002	87,337
<b>Excess/(Shortage)</b>				
Oils & Lubricants	(66,480)		8,787	
Loss due to Fire	-		(235,537)	
<b>Actual Production</b>				
Oils & Lubricants	58,273,628		50,862,755	
III. <u>Raw Materials Consumed :</u>				
Oils & Lubricants	55,263,621 kgs	2,054,426,884	52,775,582	2,062,291,815
IV. <u>Imported / Indigenous Materials Consumed :</u>				
	2009-2010		2008-2009	
	<b>Imported</b>	<b>Indigenous</b>	<b>Imported</b>	<b>Indigenous</b>
Raw Materials	1,554,924,187	499,502,697	829,871,351	1,232,420,464
	75.69%	24.31%	40.24%	59.76%
Stores & Spares	-	158,627,791	-	142,598,402
		100%		100%
V. <u>Value of Imports (C.I.F. Basis) :</u>				
			2009-2010	2008-2009
			<b>Rs.</b>	<b>Rs.</b>
Raw Materials			1,684,676,364	840,196,819
VI. <u>Expenditure in Foreign Currency :</u>				
			2009-2010	2008-2009
			<b>Rs.</b>	<b>Rs.</b>
Travel			1,581,046	1,055,953
Royalty			63,050	53,600
Others			65,518	-
VII. <u>Earning in Foreign Exchange :</u>				
			2009-2010	2008-2009
			<b>Rs.</b>	<b>Rs.</b>
Export of Goods (FOB Basis)			141,028,780	167,420,993

13] Previous years' figures have been regrouped / recast wherever necessary.

Signature to Schedule "1" to "21"

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

Firm Registration No. : 101993 W  
Chartered Accountants

**N.D. Daga**  
Proprietor

Membership No. 9921

Mumbai: 10.08.2010

**For SAH PETROLEUMS LIMITED**

**Vivek Sah**  
Managing Director

**Aditya Sah**  
Jt. Managing Director

**D. Malla Reddy**  
Company Secretary

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I Registration Details

 Registration No. 

		0	3	0	3	7	2
--	--	---	---	---	---	---	---

 State Code 

1	1
---	---

 Balance Sheet Date 

3	1			0	3			2	0	1	0
---	---	--	--	---	---	--	--	---	---	---	---

### II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

				N	I	L
--	--	--	--	---	---	---

Rights Issue

				N	I	L
--	--	--	--	---	---	---

Bonus Issue

				N	I	L
--	--	--	--	---	---	---

Private Placement

				N	I	L
--	--	--	--	---	---	---

### III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

	1	0	7	4	2	3	3
--	---	---	---	---	---	---	---

Total Assets

	1	0	7	4	2	3	3
--	---	---	---	---	---	---	---

Sources of Funds

Paid up Capital

		2	2	0	0	0	0
--	--	---	---	---	---	---	---

Reserves & Surplus

		8	5	4	2	3	3
--	--	---	---	---	---	---	---

Secured Loan

				N	I	L
--	--	--	--	---	---	---

Unsecured Loan

				N	I	L
--	--	--	--	---	---	---

Application of Funds

Net Fixed Assets

	3	2	3	3	0	3
--	---	---	---	---	---	---

Investment

	4	1	1	5	7	8
--	---	---	---	---	---	---

Net Current Assets

	3	3	9	3	5	2
--	---	---	---	---	---	---

Misc. Expenditure

				N	I	L
--	--	--	--	---	---	---

Accumulated Losses

				N	I	L
--	--	--	--	---	---	---

### IV Performance of Company (Amount in Rs. Thousands)

Turnover

	2	7	9	1	5	7	0
--	---	---	---	---	---	---	---

Total Expenditure

	2	8	4	9	8	4	6
--	---	---	---	---	---	---	---

+	-
	✓

Profit / Loss Before Tax

		5	8	2	7	6
--	--	---	---	---	---	---

+	-
	✓

Profit / Loss After Tax

		6	1	2	1	5
--	--	---	---	---	---	---

Earning per share in Rs.

		-	1	.	3	9
--	--	---	---	---	---	---

Dividend Rate %

		0	.	2	0
--	--	---	---	---	---

### V Generic Name of Three Principal Products of the Company (as per monetary items)

Item Code No. (ITC Code)	2 7 1 0 1 9 8 0	Product Description	LUBRICATING PETROLEUM OIL
Item Code No. (ITC Code)	3 4 0 3 1 9 0 0	Product Description	LUBRICATING PREPARATION CUTTING OIL
Item Code No. (ITC Code)	2 7 1 0 1 9 9 0	Product Description	LUBRICATING GREASE

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

**N.D. Daga**  
Proprietor  
Membership No. 9921  
Mumbai: 10.08.2010

**D. Malla Reddy**  
Company Secretary

**For SAH PETROLEUMS LIMITED**

**Vivek Sah**  
Managing Director  
**Aditya Sah**  
Jt. Managing Director



# Sah Petroleums Limited

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

## ATTENDANCE SLIP

Regd. Folio No. \_\_\_\_\_

\*\*Client I.D \_\_\_\_\_

\*\*D.P. I.D \_\_\_\_\_

### 27<sup>th</sup> Annual General Meeting – 30<sup>th</sup> September, 2010

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

I hereby record my presence at the **Twenty Seventh Annual General Meeting** of the Company held on **Thursday, 30<sup>th</sup> September, 2010** at 10.00 A.M. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001.

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

\_\_\_\_\_  
\*Member's/Proxy's Signature

Note:

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

\*Strike out whichever is not applicable.

----- T E A R   H E R E -----



# Sah Petroleums Limited

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

## PROXY FORM

Regd. Folio No. \_\_\_\_\_

\*\*Client I.D \_\_\_\_\_

\*\*D.P. I.D \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_

as my / our Proxy to attend and vote for me / us on my / our behalf at the **Twenty Seventh Annual General Meeting** of the Company to be held on **Thursday, 30<sup>th</sup> September, 2010** at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001 at 10.00 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Note:-

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

Please Affix
Re. 1/-
Revenue
Stamp

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

\_\_\_\_\_  
Signature

# Book Post

To

If undelivered, please return to:

***Sah Petroleums Limited***  
406/407, Embassy Centre, Nariman Point,  
Mumbai - 400 021, India  
[www.sahpetroleums.com](http://www.sahpetroleums.com)