

29th Annual Report 2011-12



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.
IDBI Bank, Mumbai.

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

Registrars & Share Transfer Agents : Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Andheri(E)-Mumbai - 400 072.
Telephone No: 28515606/28515644: Fax: 28512885

Plant Locations :

- 1) Plot No. 5 to 14, Behind Dewan & Shah Indl. Estate,
Village: Valiv, Vasai (E), Dist: Thane, India.
- 2) Survey No. 97 / 2, Daman Industrial Estate, Kadaiya,
Daman Pataliya Road, Nani Daman - 396 210.

Sr. No.	Contents	Page No.
1.	Notice	1
2.	Directors' Report	2
3.	Corporate Governance.....	4
4.	Management Discussion and Analysis.....	8
5.	Auditor's Report	10
6.	Balance Sheet.....	12
7.	Profit & Loss Account.....	13
8.	Cash Flow	14
9.	Significant Accounting Policies.....	15
10.	Notes to Financial Statement.....	16

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Sah Petroleums Limited will be held on Saturday, the 29th September, 2012 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, 2012 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, 2012.
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, 2012.
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 and e-mail registration, etc. to the Company's Registrar and Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (E) - Mumbai – 400 072.
4. The Ministry of Corporate Affairs has taken a Green initiative in Corporate Governance by allowing paperless compliance by companies. Accordingly companies can now send various documents electronically to those shareholders who register their email addresses. To receive all communications including Annual Reports by e-mail:
 - Holders of shares in physical form are requested to send e-mail registration details to the share transfer

agents, M/s. Sharex Dynamic (India) Pvt. Limited, Mumbai - 400 072.

- Members holding shares in demat form may register their e-mail IDs with their depository participant.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 24-09-2012 to 29-09-2012 (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 28th October 2012.
 6. Pursuant to the provisions of Section 205C of the Companies Act, 1956 as amended, final dividend warrants for the financially year 2004-05, which remains unpaid or unclaimed for a period of 7 years will be transferred to "Education and Protection Fund" of the Central Government on its due date. Therefore, Members advised to write to the Company regarding their unclaimed dividends, if any, from the financial year 2004-05 to 2009-11 without delay.
 7. Members desiring any information as regards the Accounts are requested to write to the Asst. Vice President (Finance) at the address of Registered Office of the Company at least seven days before the date of the meeting, so that the requisite information is made available at the meeting.
 8. Members / Proxies are requested to bring the Attendance Slip duly filled in.
 9. Members are requested to bring their copies of the Annual Report to the meeting.
 10. Details of Directors seeking appointment and re-appointment at the ensuing Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement).

Name of Director	Mr. 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 31.03.2012)	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, 2012.
Registered Office:
406/407, Embassy Centre,
Nariman Point, Mumbai – 400 021

DIRECTORS' REPORT

To

The Members,

The Directors have pleasure in presenting their Twenty Ninth Annual Report together with the Audited Accounts for the year ended 31st March 2012.

1. FINANCIAL RESULTS:

	(₹ In Lacs)	
Particulars	2011-12	2010-11
Net Sales/Income from operations	48006.95	36559.87
Profit before Depreciation, Interest & Taxation	3080.75	2112.23
Interest & Financial Charges	2815.21	176.51
Depreciation	222.60	207.12
Profit before Taxation	42.94	1728.60
Provision for taxes including Deferred tax	28.09	119.36
Profit for the year after taxation	14.85	1609.24
Prior Period Adjustments (Net)	8.98	27.88
Profit / (Loss) for the year	5.87	1581.36
Balance brought forward from previous year	4966.31	3415.56
Amount available for appropriation	4972.18	4996.92
Appropriations:		
- Proposed Dividend	4.40	22.00
- Tax on Dividends	0.72	3.65
- Residual Dividend	0.01	0.02
- General Reserve	5.00	4.94
Total	10.13	30.61
Balance carried to Balance Sheet	4962.05	4966.31

2. BUSINESS RESULTS:

Net Sales/Income from operations for the year ended 31st March, 2012 amounted to ₹ 48,006.95 lacs as compared to ₹ 36,559.87 lacs for last year, registering a growth of 31.31%. The profit for the year stood at ₹ 5.87 lacs against the profit of ₹ 1,581.36 lacs in the previous year.

3. DIVIDEND:

The Board of Directors, at its meeting held on 30th May, 2012, recommended dividend of ₹ 0.01 per share (0.2%)

on the Equity Shares of ₹ 5/- each for the year ended 31st March, 2012. The dividend will be paid subject to approval of Shareholders at the ensuing Annual General Meeting.

4. DIRECTORS:

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

As per the requirement of Central Government, pursuant to Section 233B of the Companies Act, 1956 and subject to the approval of the Central Government, the Company has appointed Mr. Dilip Murlidhar Bathija, Cost Accountant, as Cost Auditors to audit the cost accounts of the Company for the financial year ending 31st March, 2012.

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 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, 2012 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) : ₹ 20,99,90,779/-

(b) Expenditure in Foreign Exchange:

Import of Raw Material : ₹ 2,86,08,45,496/-

Foreign Travelling : ₹ 33,23,919/-

Royalty : ₹ 67,620/-

Commission on Sales : ₹ 8,03,243/-

Others : ₹ 8,98,825/-

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, 2012

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, 2012 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 Nine Board Meetings during the year ended 31st March, 2012. These were as under:

2nd May, 2011, 14th May, 2011, 27th July, 2011, 12th August, 2011, 21st September, 2011, 19th October, 2011,

15th November, 2011, 15th February, 2012 and 27th March, 2012.

Director's attendance record and directorships held:

Name of the Director	Attendance Particulars		No. of Other		
	Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Mr. Rajendra Sah	9	Yes	Nil	Nil	1
Mr. Vivek Sah	6	Yes	Nil	Nil	Nil
Mr. Aditya Sah	8	Yes	Nil	1	Nil
Mr. Bruno P.Y.G. Seghin	2	No	13	Nil	Nil
Mr. N. B. Dubash	9	Yes	Nil	2	1
Mr. Alok Sukhani	9	No	Nil	2	Nil
Mr. Pradip C. Shah	9	Yes	Nil	1	1
Mr. Vinay G. Rao	9	No	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 68 years and possesses very rich 48 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 32 years. He is 56 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. Alok D. Sukhani. Mr. Pradip C. Shah is a Chairman of the Audit Committee.
- The Audit Committee met four times during the year i.e., 14th May, 2011, 12th August, 2011, 15th November, 2011 and 15th February, 2012. 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. Alok D. Sukhani	4

- 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 five times during the year i.e., on 2nd May, 2011, 25th July, 2011, 30th September, 2011, 20th December, 2011 and 12th March, 2012. 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)	5
2	Mr. Alok D. Sukhani	4
3	Mr. Aditya Sah	5

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
2008-09	30.09.2009	10.00 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai- 400 001.
2009-10	30.09.2010	10.00 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai- 400 001.
2010-11	30.09.2011	10.00 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, Mumbai- 400 001.

No Special Resolutions were put through postal ballot by the Company during the Financial Year 2011-12.

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.2011-12)	Date of Publication	Name of the Newspaper
First	17.08.2011	The Free Press Journal & Navshakti – Mumbai
Second	16.11.2011	The Free Press Journal & Navshakti – Mumbai
Third	16.02.2012	The Free Press Journal & Navshakti – Mumbai
Fourth	01.06.2012	The Free Press Journal & Navshakti – Mumbai

9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date and Time : 29th September, 2012 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, 2012 to 29th September, 2012.
(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 28th October 2012, after its approval of Shareholders at the ensuing Annual General Meeting.

Financial Calendar

Financial Year : 1st April 2012 to 31st March 2013

Results Announcements:

First quarterly results : Second week of August, 2012
 Second quarterly results : Second week of November, 2012
 Third quarterly results : Second week of February, 2013
 Fourth quarterly/Audited results : Audited results by 30th May, 2013.

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, 2011	30.00	23.05	30.40	23.60
May, 2011	35.50	24.65	35.20	25.00
June, 2011	41.80	27.85	41.80	28.10
July, 2011	37.85	30.25	37.90	32.00
August, 2011	35.35	29.00	35.00	29.20
September, 2011	34.70	27.00	34.45	28.40
October, 2011	30.95	27.05	30.85	27.05
November, 2011	30.85	23.05	29.90	24.00
December, 2011	28.00	21.00	27.70	23.00
January, 2012	27.00	23.00	29.85	22.10
February, 2012	31.30	25.00	30.95	25.00
March, 2012	38.55	28.95	38.50	28.95

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.