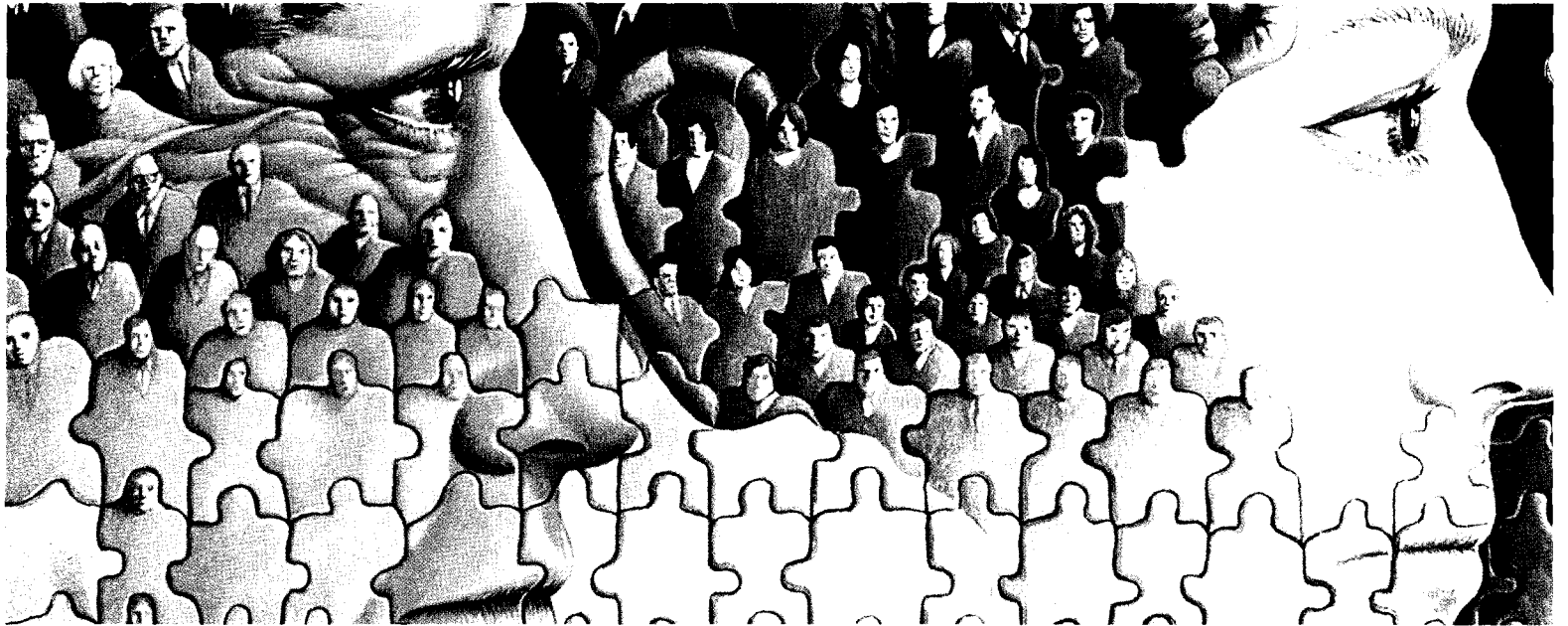


**SAHYADRI INDUSTRIES LTD.**

**18TH ANNUAL REPORT 2011-12**



## **Driven by older values. Powered by newer dynamism.**

Sahyadri Industries Limited (SIL) board has passed the baton of leadership to the next generation, making for a good and far-sighted choice.

The new leaders have been on the SIL board for more than a decade. With the quality and calibre of their participation, astute observations and performance, over the years, they have impressed the investors, customers and employees alike.

SIL has been known as a company that basis its culture on the strong thread of values imbibed from the late founder Shri LB Patel and the same now is powered by the intellect and dynamism of the younger generation, just brought to the helm. Challenges will be new, opportunities will be fresh. The next generation of leaders are determined to transform this enterprise from a domestically driven to a globally respected entity. Innovative product lines, efficient marketing, sustainable solutions, fiscal discipline, social welfare endeavours, alliances and a single-point goal to be the best in the business is the mantra to continue attracting attention of the community at large and simultaneously accrue benefits for the stake-holders.

# SAHYADRI INDUSTRIES LTD.

## ➤ BOARD OF DIRECTORS

Mr. J. P. Patel	Chairman
Mr. S. V. Patel	Managing Director
Mr. P. L. Patel	Whole-time Director
Mr. V. L. Patel	Whole-time Director
Mr. D. B. Patel	Director
Mr. S. U. Joshi	Director
Mr. S. U. Koshti	Director
Mr. J. G. Awate	Director
Mr. S. Y. Mestry	Director

## ➤ Company Secretary

Mahesh Purandare

## ➤ Registered Office

39/D, Swastik House, Gultekdi, J. N. Road, Pune - 411 037

## ➤ Bankers :

Cosmos Co-Op Bank Limited  
Central Bank Of India  
Corporation Bank  
HDFC Bank Limited  
Indian Overseas Bank  
Standard Chartered Bank  
ICICI Bank Limited

## ➤ Plants :

### ➤ Chinchwad

Plot No. 39, 44, 46 to 49, Block No. D III,  
MIDC,  
Chinchwad, Pune 411019.

### ➤ Perundurai

Plot No. KK2(N) and Kk2 (S), SIPCOT  
Industrial Growth, Center, Perundurai- 638052,  
Erode District, Tamilnadu.

### Website

[www.silworld.in](http://www.silworld.in)

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Directors Report  
Management Discussion & Analysis Report  
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Auditor's Report  
Notes to Auditors Report  
Balance Sheet  
Profit and loss Account  
Cash Flow Statement  
Schedules

## ➤ Auditor

M/s. Parag Patwa & Associates,  
Chartered Accountants, Pune

## ➤ Registrar & Share Transfer Agent

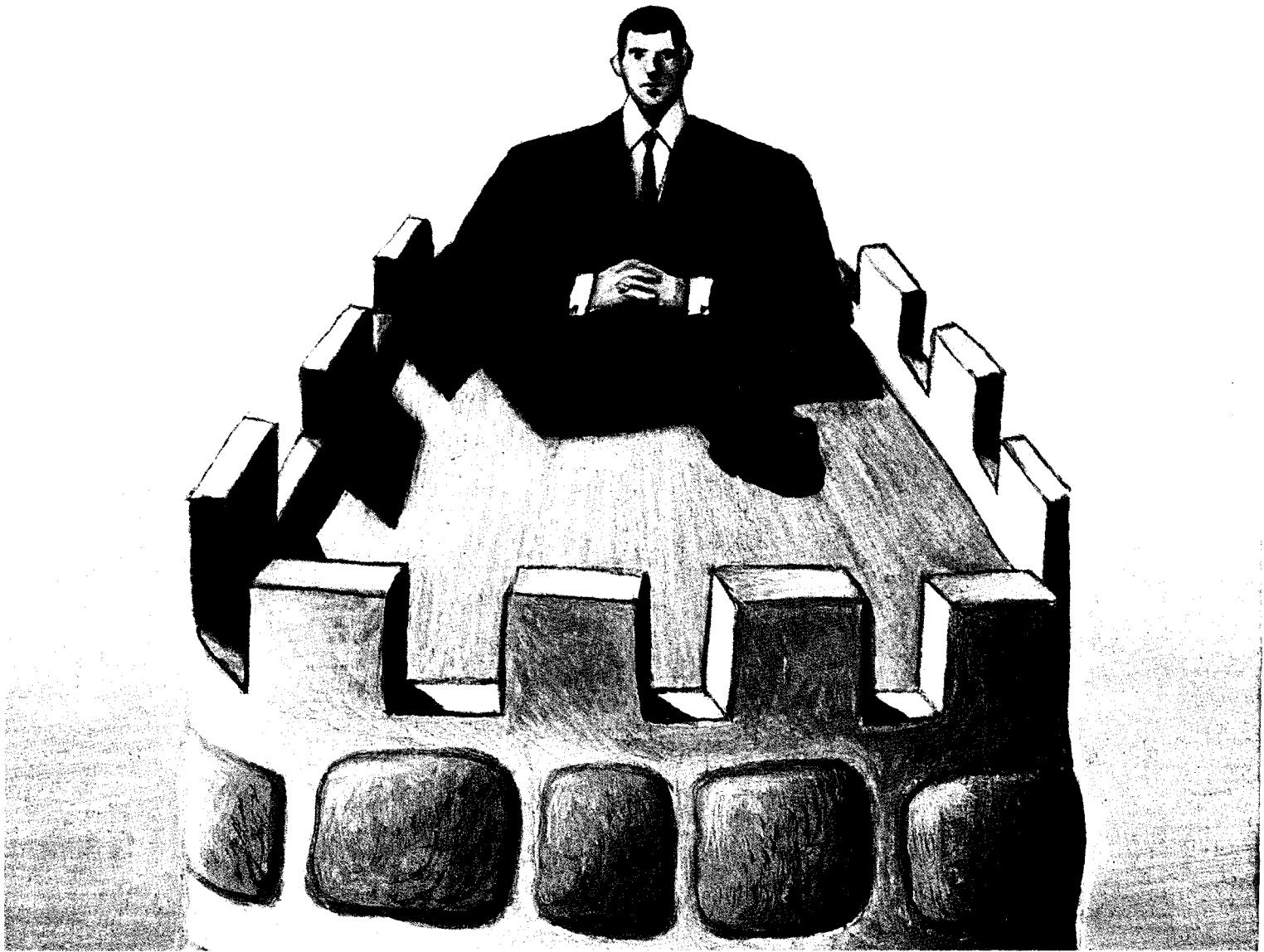
M/s Sharex Dynamic (India) Pvt. Ltd  
Unit no. 1, Luthra Industrial Premises,  
Safed Pool Andheri (E), Mumbai - 400 072  
Phone No. 022 - 28515606/44  
Fax No. 022 - 28512885  
[www.sharexindia.com](http://www.sharexindia.com)

## ➤ Kedgaon

Gat No. 322/323, Village Kedgaon,  
Tal. Daund, District Pune.

## ➤ Mahuvej

S.No. 127, 128, 129, 186, 187, 129/1/1,  
Block No. 88 , 89 , Village Mahuvej,  
Tal. Mangrol  
Dist. Surat,  
State. Gujarat



## **A solid foundation**

The strong base and foundation it has built over the last few decades, offers a great impetus for growth in the future. Managed by the current set of dynamic leaders, the coming years will witness it emerge as a stronger enterprise, ably meeting its financial, marketing, distribution and international ambitions.



# Message to the Shareholders

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**Dear Shareholders,**

The year 2011-2012 has been remarkable, both within the company and for our customers and stakeholders alike. From breakthroughs in research and development, expansions in geography and production, new product introductions to a surge of new age leaders, this financial year will go down in the history of Sahyadri Industries Ltd as a turning point.

The key to success in today's competitive and dynamic world is continuous evolution. And we are of the belief that success is the outcome of continuous innovation.

The net sales for the year March 31 2012 ended with Rs.37772.22 Lakhs as against Rs.29236.25 Lakhs for previous year. As a recognized player, respected for its achievements, ethical practices and governance, backed by strong fundamentals and excellent goodwill, we are poised for a new phase of dynamic growth.

Despite a lull in the real estate sector and a subsequent coyness in demand, the asbestos cement sheet industry recorded a healthy growth rate of over 10 percent per annum. This is primarily due to the sustained demand from the rural sector, where the adverse effects of the urban meltdown did not seem to affect the small vendors providing roofing and building materials. Despite worsening economic conditions, the demand seems unfazed and we continue to see good margins and increased off take.

In the field of power generation, a highlight and an encouragement has been our award for the second 'Best Wind Farm' (above 2MW capacity) by Wind Power Association (Windpro) for the year 2011-2012 at Maharashtra.

As success through innovation drives us ahead, expansion becomes inevitable. Last year, our fourth plant at Mahuvej started production, while the company is in the process of setting up yet another in Vijaywada, thereby opening newer markets and deepening existing ones. All our plants (located at Chichwad, Kedgaon, Perundurai and Mahuvej) have produced upto 80% of their capacities.

The future seems promising; however one cannot underrate the apparent challenges and perceived risks. The steep rise in inflation rate and swelling of raw material prices along with increased transportation cost seem to factor for a probable hike in prices of products. However with sagacious planning, a prudent action plan and cost rationalization measures, we trust these challenges can be overcome, and possibly converted into opportunities.

On an ending note, let us assure our shareholders of our commitment to creating value and better returns for their sustained investment and belief in our organization. We thank our Board of Directors for their constant guidance and support.

With best regards,



Jayesh Patel  
Chairman



Satyen Patel  
Managing Director



# The dream. The ambition.

Sahyadri with its company motto of "One Team-One Dream" has many aspirations up its sleeve. To drive innovation into the future and to meet the demands of the consumers today, enterprises need to solve problems not just ably, but quickly. The consumers need convincing answers that can last. Sahyadri is building just that, today.





# SAHYADRI INDUSTRIES LIMITED

## NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the members of Sahyadri Industries Limited will be held on Tuesday, 14th August 2012 at 3.30 PM at Plot No. 39, Block No. D-III, MIDC, Chinchwad, Pune - 411 019, to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the audited Balance Sheet as at 31st March 2012 and the Profit & Loss Account and the Cashflow statement for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To declared Dividend for the Financial Year ended 31st March 2012
3. To re-appoint Mr. Jayesh Patel as a director, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Mr. Satyen Patel as a Director, who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint Mr. Dinyar Bamansha Kasad as a Director, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors of the Company.

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy forms should be lodged with the Company at its registered office at least 48 hours before the time of commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 7th August 2012 to Tuesday, 14th August 2012 (both days inclusive).
3. The Dividend, as recommended by the Board of Directors, if approved at the 18th Annual General Meeting, will be paid to those members who hold shares:
  - a) In electronic mode, based on the beneficial ownership details received from National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on 6th August 2012.
  - b) In physical form, if their names appear on the Company's Register of Members as on 6th August 2012.

4. Members holding shares in physical form are requested to promptly notify any change in their address to the Company's Registrar & Transfer Agent namely, Sharex Dynamic (India) Pvt Ltd, Unit 1, Luthra Industrial Premises, Safed Pool, Andheri (E), Mumbai - 400 072. Shareholders holding shares in dematerialized form shall inform any change in their details to their respective Depository Participant only.

5. Members desiring any information about the Company's working are requested to write to the Company at an early date so as to enable the management to reply at the general meeting.

6. The Annual Report of the Company circulated to the members will be made available on the Company's website at [www.silworld.in](http://www.silworld.in)

7. The Company has implemented the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website [www.silworld.in](http://www.silworld.in) of the Company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned in (4) above quoting their folio number(s).

8. Consequent upon the introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India and no payment shall be made in respect of any such claims by the Fund. Unclaimed final dividend amount in respect of Final dividend declared during financial year 2004-05 will be transferred to Investor Education & Protection Fund on or after 9th October 2012. Members who have not yet encashed their dividend warrant(s) for the financial years 2004-2005 are requested to make their claims to the Company without any delay.



## **SAHYADRI INDUSTRIES LIMITED**

Ministry of Corporate Affairs by its Notification Number G.S.R. 352 dated 10th May 2012, has introduced Filing provision of regarding the Information of unpaid and unclaimed amounts, referred in sub section (2) of section 205C of the Companies Act, 1956, within a period of 90 days after the holding of Annual General Meeting or the date on which it should have been held as per the provision of the section 166 of the act and every year there after till completion of seven year period through Eform 5INV on MCA website and also upload the same information on Companies website,

separately for each year. It is to be noted that, for the financial year ended March 31st 2011, the information shall be filed, latest by the July 31st 2012.

9. Members are requested to bring their copy of Annual Report to the meeting.

10. Pursuant to Clause 49 of the listing agreements with the stock exchanges, following information is furnished about the Directors proposed to be re-appointed

### **Details of Directors seeking appointment or reappointment in the Annual General Meeting fixed on 14th August 2012. (In pursuance to clause 49 of the Listing Agreement)**

<b>Name of the Director</b>	<b>Jayesh Patel</b>	<b>Satyen Patel</b>	<b>D. B. Kasad</b>
Date of Birth	09/01/1969	17/03/1977	04/04/1943
Date of Appointment	15/01/1999	01/08/1998	15/01/1999
Expertise in specific function areas	Overall Management	Overall Management	Overall Management
List of outside Directorships held	NIL	NIL	NIL
Chairman/Member of the Committees of the Board of the Company	NIL	NIL	Member of Audit Committee, Investor Grievance & Remuneration Committee
Chairman/Member of the Committees of the Board of other Companies	NIL	NIL	NIL

#### **On Behalf of the Board of Directors**

**Jayesh Patel**  
Chairman

**Satyen Patel**  
Managing Director

Pune, 30th May 2012

Regd. Office:  
39/D, Swastik House,  
J. N. Road, Gultekdi,  
Pune 411037





# SAHYADRI INDUSTRIES LIMITED

## Directors' Report

To  
The Members,

Yours Directors have pleasure in presenting their Eighteenth Annual Report together with the Audited statement of accounts for the Financial year ended March 31, 2012

### Results of operations

(₹ in Lacs)

Particulars	March 31, 2012	March 31, 2011
Sales & Other Income	37772.22	29236.25
Profit before Tax	1356.76	2039.11
Provision for Tax	395.17	691.87
Profit after Tax	961.59	1347.24
Balance of Profit brought forward from previous year	6802.44	5877.45
Profit available for appropriation	7764.03	7224.69
Dividend (including Dividend Distribution Tax)	222.25	222.25
Transfer to General Reserve	200.00	200.00
Profit Carried to Balance Sheet	7341.78	6802.44

### Business Performance

The sales and other income for the year ended 31st March 2012 were ₹ 37772.22 lacs as against ₹ 29236.25 Lakhs in the previous year, The operating profit amounted to ₹ 1356.76 Lakhs as against ₹ 2039.11 Lakhs in the previous year. The net profit after tax was ₹ 961.59 Lakhs as against ₹ 1347.24 Lakhs for the previous year.

High inflation had an impact on spending of rural household for new shelter or upgradation of shelter. During the year the raw material prices increased and company could not pass on the entire increase to its customers. This along with impact of currency fluctuation resulted in lower profitability.

### Dividend

Board of director is pleased to recommend a dividend of ₹ 2.00 (20%) per equity share of the face value of Rs. 10 each for the year ended March 31, 2012. The total amount of dividend, if approved by the shareholders will be ₹ 222.25 lacs (including Dividend distribution tax and Surcharge), similar as of the previous year.

### Directors

As per the provisions of Companies Act, 1956 and Articles of Association of the Company, Mr. J. P. Patel, Mr. S.V. Patel and Mr. D B Kasad, retire by rotation and are eligible for reappointment.

Mr. M.P. Kulkarni resigned as the director of the company during the year. Board of Directors places on record its appreciation for contribution to Companies business. Mr. M P Kulkarni agreed on request of the Board that he would be associated with the Company as a consultant.

Mr. P. L. Patel, Mr. V. L. Patel, Mr. J. P. Patel and Mr. S. V. Patel were appointed as Chairman, Managing Director, Executive Director and Director Commercial respectively of the Company in the Board meeting held on 26.06.2009 for a period of 5 years from 1st July 2009

and approved by the shareholders in their meeting held on 30th September 2009.

During the year under review, Mr. P. L. Patel & V. L. Patel expressed their desired to relinquish there respective offices of chairman and Managing director and to redesignate themselves as wholetime directors of the Company. Mr. P. L. Patel & V. L. Patel navigated the affairs of the Company from its beginning to scale the present height achieved by the Company.

Board appreciated their remarkable contribution towards building of the Company and taking to new height during their tenure as a Chairman and Managing Director respectively. The Board of Directors promoted Mr. J. P. Patel as Executive Chairman and Mr. S. V. Patel as Managing Director for their remaining term and wish them success in their new roles and responsibilities.

### Awards

During the financial year, the Company's wind farm was identified by the Indian Wind Power Association to be the BEST WIND FARM (Above 2MV Category) in Maharashtra among wind farms located in Maharashtra, Gujarat, Rajasthan and Madhya Pradesh for the year 2010-11 and award was received.

### Directors' Responsibility Statement

Pursuant to the requirement under section 217 (AA) of the Companies Act, 1956, relating to the Directors Responsibility statement, the Directors to the best of their knowledge and belief and according to the information obtained by them, confirm that:

i) In the preparation of the annual accounts for the financial year 2011-12 the applicable accounting standards have been followed along with proper explanations relating to material departures;

ii) we have selected such accounting policies and applied them consistently and made judgments and



## **SAHYADRI INDUSTRIES LIMITED**

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2012 and of the Profit of the Company for the year ended on that date;

iii) we have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv) we have prepared the annual accounts on a going concern basis.

### **Auditors**

The auditors, M/s Parag Patwa & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed.

### **Fixed deposit**

We have not accepted any fixed deposits from public and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

### **Corporate Governance**

Pursuant to clause 49 of the Listing Agreement with Stock Exchange, a separate section titled Corporate Governance Report has been included in this annual report, along with the reports on Management Discussion & Analysis and Additional Shareholder Information.

All board members and senior management personnel have affirmed compliance with the code of conduct for the year 2011-12.

### **Particulars of employees**

The Company has no employee whose particulars are required to be disclosed pursuant to section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975

### **Conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo:**

The details about conservation of energy, technology absorption, foreign exchange earning and outgo as required by section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as given below.

### **FORM A**

**Conservation of energy: Not Applicable**

### **FORM B**

#### **a) Research and Development**

1. Specific Areas in which R & D carried out by the company: In respect of the Building Material division, the Company has been experimenting in varying ratio of raw materials for improving quality and reducing cost.

2. Benefits derived as a result of the above: In respect of Building Material, we have explored the possibilities for increase in productivity and reduction in cost.

3. Future Plan of action: Improve the input mix further.

4. Expenditure on R & D: No expenditure exclusively on R & D has been incurred during the year.

#### **B) Technology absorption, adaptation and innovation**

No technology has been imported. The in-house technology is continuously upgraded to improve the overall performance of the Company.

#### **C) Foreign exchange earnings & out go (₹ In Lacs)**

- Foreign Exchange Earned ₹ 238.82
- Foreign Exchange Outgo ₹ 10325.76

### **Acknowledgment:**

We thank our customers, vendors, investors and bankers for their continued support during the year. We are grateful to the various state governments & local authorities for their continues co operation. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

On behalf of the Board of Directors of  
**SAHYADRI INDUSTRIES LIMITED**

**Jayesh Patel**  
Chairman

**Sotyen Patel**  
Managing Director

Pune, May 30, 2012

### **Management Discussion & Analysis Report.**

#### **Industry Structure and Development:**

**Segment: Building Material**

The Company mainly in the business of manufacture and sale of Roofing Products. Principally the product is used in the low cost housing and for upgrading roofing from thatch or tile base roof. Housing being the basic need of human being demand for roofing on housing



## **SAHYADRI INDUSTRIES LIMITED**

continuously exists. Further more construction of low cost housing is encouraged and supported by Government. Asbestos Cement sheets (ACS) have been used in India for 70 years. Being weatherproof and corrosion resistant, these sheets are practically ageless and maintenance free, whereas metal sheets corrode and deteriorate with age and exposure. AC Sheets have also proven to be the most cost effective, easy-to-install, strong and durable roofing material for warehouses, factories, low-cost housing, and practically any structure needing a roof.

Indian Asbestos Corrugated Sheets (ACS) sector consists of about 20 entities industry, with about 68 manufacturing plants across the Country.

### **Segment: Windmill.**

India is the fifth largest electricity generation capacity in the world at more than 164,000 megawatt. It still faces power shortage and load-shedding issues. Government has been striving hard to tackle this problem and bring power sufficiency in country.

Power sector has huge potential to grow and generate significant gains for the investors due to the huge market size. The government's efforts to some extent are paving way for electricity to every household of the nation.

### **Opportunities & Threats:**

#### **Segment: Building Material**

The cement products industry is expected to continue the growth of 10% largely driven by rural India in the future. Indeed, Government is keen to improve living standards of Rural India. Hence, the proposals made by the government in the Union Budget 2012-13 like capitalization of Rural banks, allocation for Rural Housing Fund, providing RRB Credit Refinance Fund, agricultural credit and interest subvention scheme to the farmers, allocation for rural drinking water and sanitation, Rural Infrastructure Development Fund are likely to increase the livelihood of rural India. Besides, the various Government schemes and plans such as Mahatma Gandhi National Rural Employment Guarantee Scheme, National Rural Livelihood Mission are likely to improve further the purchasing power of rural India and thereby drive the demand for Asbestos cement sheets.

In the union budget the union government proposed to enhance the allocation under Rural Infrastructure Development Fund (RIDF) to Rs 20,000 crore, in which Rs 5000 crore exclusively for creating warehousing facilities as also enhance provisions under Rural Housing Fund from Rs 3000 crore to Rs 4000 crore. The Swarnjayanti Gram Swarozgar Yojna has been restructured into National Rural Livelihood Mission to provide self-employment opportunities. The net impact of these provisions is likely to increase the sales in recent future.

Currently, Asbestos Corrugated sheets prices are at new highs and are likely to increase further on the background of increased input prices as also improved demand from rural India. Hence, the likely increase price

realization and volume growth could improve the profitability of the sector in the coming period.

### **Segment: Wind Mill**

During the year additional six windmills were commissioned in the State of Maharashtra and commenced their wind power generation from October 2011 onwards with a capacity of 0.8 MW each. Currently the Company is operating 31 number of machines situated in the state Maharashtra, Tamilnadu & Rajasthan with the total capacity of 23.2 MW. Their operations are satisfactory.

### **Risk & Concerns:**

Availability of adequate power, exchange rate fluctuations, increase in input cost such as cost of power, transport, and raw material, inadequate monsoon, additional entries increasing capacities and the malafide campaign against Asbestos Products are the concern to the industry as a whole.

Short fall in power is met by captive power generation which will keep substantially production uninterrupted. The malafide anti asbestos product campaign is kept under control by the industry association by making their best efforts to bring the true and correct situation before the public at large.

### **Competition:**

There are 20 players in the Indian roofing industry. There are lots of new capacities entering into the market to take advantage of growing demand, hence excess supply may bring down the pricing power being enjoyed by the recognized players. Sahyadri has about 9 % market share in Indian cement sheet roofing market.

### **Financial performance**

The Company's sales performance has improved. It has achieved the targeted sales. The management is confident to maintain and further improve sales performance during years to come. The sales and the other income for the year ended March 31 2012 were ₹37772.22 Lakh as against ₹ 29236.25 Lakhs for the previous year.

### **Carbon Credit**

Wind power projects are considered to be part of clean development mechanism under Kyoto Protocol and would be entitled to generate carbon credits in future. Wind power generation helps to mitigate the climate change; the wind power project activities significantly reduce the emissions of greenhouse gas to atmosphere and hence would contribute to global efforts towards combating global warming.

### **Bank and Financial Institutions**

The Company's working capital requirements are financed by consortium of seven bankers consists of three Nationalised Banks, two Private Bank, one foreign



## **SAHYADRI INDUSTRIES LIMITED**

bank and a Co-operative Bank. The term loans have been advanced by some of the bank individually. The Company is enjoying excellent cooperation and support from all its bankers. Your Company is also prompt in payment of interest and installment dues as per schedule. The Board of Directors place on records their appreciation and sincere thanks for the wholehearted support and encouragement extended by the banks.

### **Human Resources**

The Management of your Company strongly believes in maintaining not only cordial but close relations with its employees, which creates feeling of being family member, a 'SWASTIK' family member. It draws strength from such dedicated and committed employee members. The Company considers human resources to be an important valuable asset for the organisation. The commitment and untiring efforts of employees at all levels have contributed immensely to the results achieved on various fronts. The Directors of your Company wish to place on record their appreciation for the hard work and dedication of its employees at all levels.

### **Internal Control System and Adequacy**

The Company has an adequate internal control system and management information systems which are focused towards achieving efficiency in operations, optimum utilization of resources, safeguarding of assets and compliance with the applicable laws, rules, regulations and policies.

In addition to statutory auditors your Company's operations are audited by team of qualified internal auditors at corporate office, plants as well as all depots. The effectiveness of the internal control is regularly reviewed and wherever required steps are taken to modify or enhance the scope of the system. The audit committee reviews the audit system and internal control from time to time.

### **Corporate Social Responsibility**

During the year Company has adopted Corporate Social Responsibility Policy and the part of that your Company has taken the following Measures:

- i. Distributed note books to the children of all workers at the Company's three plants at the start of previous academic year.
- ii. Donated academic books to under privileged students of orphanage school
- iii. The Company bears the education expenses of two children.
- iv. The Company organised Medical Camp for general check up of the workers at all plants.

### **Cautionary statement**

It may be noted that the statements in the Management Discussion and Analysis Report describing the Company's objectives and predictions may be forward looking within the meaning of applicable rules and regulations. Actual results may differ materially from those either expressed or implied in the statements depending on circumstances.

## **Corporate Governance Report**

### **Company's philosophy on Code of Governance**

Transparency and accountability are the two basic tenets of Corporate Governance. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legal requirements. Our Code of Business Principles is an extension of our values and reflects our business practices and regulatory compliance.

To succeed, we believe, requires the global standards of corporate behaviour towards everyone we work with, the communities we touch, and the environment on which we have an impact. This is our road to sustainable, profitable growth and creating long-term value for our shareholders, our people, and our business partners.

The Board of Directors of your Company is responsible and committed to sound principles of Corporate Governance in the Company. The Board plays a critical role in overseeing how the management serves the short

and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an active, informed, and independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best governed companies across the country.

### **Board of Directors**

The Board of Directors (the Board) is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties

The Board consists of 9 (Nine) Directors comprising 4 (Four) Executive Directors, and 5 (Five) Non-Executive Independent Directors. The Chairman of the Board is a Executive Director. The Board represents an optimal mix of professionalism, knowledge and experience. The independent directors have confirmed that they satisfy the criteria laid for independent director as stipulated in clause 49(1)(A)(iii) of the listing agreement.



## SAHYADRI INDUSTRIES LIMITED

Director	Category	No. of Board Meetings attended during 2011-12	Whether last AGM attended	No. of committee positions held in other public limited companies
Mr. J. P. Patel	Executive Chairman	5	Yes	Nii
Mr. S.V. Patel	Managing Director	5	Yes	Nii
Mr. P. L. Patel	Whole time Director	4	Yes	Nii
Mr. V. L. Patel	Whole time Director	3	Yes	Nii
Mr. D. B. Kasad	Non-Executive Independent	5	Yes	Nii
Mr. S. U. Koshti	Non-Executive Independent	2	No	Nii
Mr. M. P. Kulkarni	Non-Executive Independent	1	Yes	Nii
Mr. S. U. Joshi	Non-Executive Independent	5	Yes	Nii
Mr. J. G. Awate	Non-Executive Independent	4	Yes	Nii
Mr. S. Y. Mestry	Non-Executive Independent	4	Yes	Nii

### Board Meetings

The board meets frequently to discuss and decide on Company/business policy and strategy apart from other Board business. The Board/Committee meetings held each year are pre-scheduled. However, in case of a special and urgent business need, the Board's approval is taken by circulating the resolution, which is ratified in the next Board Meeting.

The agenda for the Board/Committee meetings is circulated among the Directors in advance to facilitate discussion for taking an informed decision.

During the year 2011-12, five Board Meetings were held on May 30, 2011, August 12, 2011, August 26, 2011, November 14, 2011 and February 04, 2012.

### Audit Committee

The Audit Committee of the Company comprises of Non-Executive Independent Directors only. The Committee is headed by Mr. S. U. Koshti, and comprises of Mr. S. U. Joshi and Mr. M. P. Kulkarni\*, D B Kasad, S.Y.

Mestry as its Members. All the current members of the Committee have the relevant experience in financial matters.

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

1. Overseeing the Company's financial reporting process and ensuring correct, adequate and credible disclosure of financial information;
2. Ensuring compliance of internal control systems and action taken on internal audit reports.
3. Apprising the Board on the impact of accounting policies, accounting standards and legislation.
4. Holding periodical discussion with statutory auditors on the scope and content of the audit.
5. Reviewing the Company's financial and risk management policies.

During the year 2011-12, four Audit Committee meetings were held on May 30, 2011, August 12, 2011, November 14, 2011 and February 03, 2012.

The composition of Audit Committee and the details of the meetings attended by the members thereof are as follows:

Committee Member	Designation	Category	No. of Meetings held	Meetings attended
Mr. S. U. Koshti	Chairman	Non-Executive Independent	4	2
Mr. M. P. Kulkarni*	Member	Non-Executive Independent	4	1
Mr. S. U. Joshi	Member	Non-Executive Independent	4	4
Mr. D.B. Kasad	Member	Non-Executive Independent	4	3
Mr. S.Y. Mestry	Member	Non-Executive Independent	4	1

\*Mr. M. P. Kulkarni resigned on 1st August 2011 as a Director and Audit Committee member.



## SAHYADRI INDUSTRIES LIMITED

### Remuneration Committee

The Remuneration Committee comprises solely independent directors. The members of the committee are Mr. S.U.Joshi (Chairman), Mr. S. U. Koshli, Mr. M. P. Kulkarni\*, Mr. D. B. Kasad, Mr. S.Y. Mestry. The terms of reference of the committee are to review and recommend remuneration payable to the all Executive Directors of the Company. The details of remuneration paid to all directors for the year 2011-12 are as follows:

Name of director	Relationship with other directors	Salary, Perquisites & retirement benefits ₹	Commission ₹	Sitting Fees ₹	Total ₹
Mr. P. L. Patel	Father of J. P. Patel, Brother of V. L. Patel	39,02,267/-	5,500/-	-	39,07,767/-
Mr. V. L. Patel	Father of S. V. Patel, Brother of P. L. Patel	39,02,267/-	5,500/-	-	39,07,767/-
Mr. J. P. Patel	Son of P. L. Patel	39,02,267/-	5,500/-	-	39,07,767/-
Mr. S. V. Patel	Son of V. L. Patel	39,02,267/-	5,500/-	-	39,07,767/-
Mr. D. B. Kasad	-	-	-	14,000/-	14,000/-
Mr. S. U. Koshli	-	-	-	8,000/-	8,000/-
Mr. M. P. Kulkarni*	-	-	-	2,000/-	2,000/-
Mr. S. U. Joshi	-	-	-	14,000/-	14,000/-
Mr. J. G. Awate	-	-	-	8,000/-	8,000/-
Mr. S. Y. Mestry	-	-	-	8,000/-	8,000/-

The details of shares of the Company, held by the non-whole time Directors as on March 31, 2012 are set out in the following table:

Name of the Director	Instrument	No. of shares held
Mr. M. P. Kulkarni*	Equity	100
Mr. S. U. Joshi	Equity	100

\*Mr. M. P. Kulkarni resigned on 1st August 2011 as a Director and Remuneration Committee member.

### Investors' Grievances Committee

The Investors' Grievances Committee comprises of Mr. S. U. Joshi (Chairman), Mr. M. P. Kulkarni\* and Mr. S. U. Koshli (Member). Mr. D B Kasad (Member) The committee is mandated to oversee share transfers, transmission and review and redress shareholders' complaints. During the year four meetings of the investors' grievances committee were held on May 30, 2011, August 12, 2011, November 14, 2011 and February 03, 2012.

\*Mr. M. P. Kulkarni resigned on 1st August 2011 as a Director and Investor Grievance Committee member.

During the year under review 12 complaints were received from the shareholders. All the complaints were attended to and as at 31st March 2012, no complaints remained unattended. Besides 50 letters received from shareholders relating to change of address, nomination requests, queries relating to annual report, request for revalidation of dividend and non receipt of share certificates and other investor related matters. These letters have also been responded to.

### Name of the Compliance Officer:

Mr. Mahesh Purandare  
Company Secretary  
Phone: 020-26444625/26/27

### General Body Meetings

Date	Time	Special Resolution	Location	AGM/EGM
26.08.2011	3.30 p.m.	No	Block D-III, MIDC, Chinchwad, Pune 411019	AGM
23.08.2010	3.30 p.m.	No	Block D-III, MIDC, Chinchwad, Pune 411019	AGM
30.09.2009	3.30 p.m.	Yes	Block D-III, MIDC, Chinchwad, Pune 411019	AGM



# SAHYADRI INDUSTRIES LIMITED

Details of Special Resolution(s) passed at General Meetings  
At the AGM held on 30.09.2009

1. Appointment of relatives of Directors at office or place of profit.

No resolutions were passed by postal ballot in the year 2011-12.

## **Disclosures**

1. There has been no materially significant related party transaction that may have potential conflict with the interests of company at large.
2. The Company has complied with the requirements of regulatory authorities on capital markets and no penalty/strictures were imposed on the Company during the last three years.
3. Whistle Blower Policy – As per the policy in force, no person irrespective of the status or level is denied access to the Audit Committee.
4. Adoption of non mandatory requirements under clause 49 of the Listing Agreement is being reviewed by the Board from time to time.
5. Management Discussion and Analysis Report forms part of the Annual Report.

## **Means of Communication**

Quarterly, annual results and notices are published in Free Press Journal & Navshakti. The results and official news releases are displayed on the Company's website [www.silworld.in](http://www.silworld.in)

## **General Shareholders Information**

Annual General Meeting (AGM)

Date and time: Tuesday , 14th August 2012 at 3.30 PM.

Venue: Plot No. 39, Block D-III, MIDC, Chinchwad, Pune - 411019

## **Financial Calendar**

The Company follows April–March as its financial year. The results for every quarter beginning from April are declared within 45 days following the quarter except for the last quarter, for which the results are declared within 60 days from the end of quarter which is permitted under the Listing agreement.

## **Dates of Book Closure**

From Tuesday 7th August 2012 to Tuesday 14th August 2012 (both days inclusive)

## **Dividend**

Board of Directors has recommended payment of dividend of Rs. 2.00/- per share, for the financial year ended 31st March 2012, for approval of the shareholders at the AGM. Dividend, if declared at the AGM, will be paid within 30 days from the date of AGM.

## **Listing on Stock Exchange and Stock Code**

The Company's shares are listed on the Bombay Stock Exchange Limited.

Stock Code: 532841

ISIN: INE280H01015

## **Market Price Data BSE**

The monthly High and Low Quotations of Shares traded on Bombay Stock Exchange Limited, Mumbai is as follows:

Months	Stock Market Price on BSE		BSE Sensex		No of Trades
	High	Low	High	Low	
April 2011	82.00	57.50	19811.14	18976.19	1266
May 2011	65.40	51.00	19253.87	17786.13	1040
June 2011	61.00	49.90	18873.39	17314.38	669
July 2011	64.80	52.85	19131.70	18131.86	920
August 2011	57.30	41.50	18440.07	15765.53	1131
September 2011	75.00	45.30	17211.80	15801.01	7268
October 2011	64.50	55.20	17908.13	15745.43	1949



## SAHYADRI INDUSTRIES LIMITED

November 2011	62.00	37.80	17702.26	15478.69	1441
December 2011	55.00	32.00	17003.71	15135.86	1598
January 2012	52.80	37.00	17258.97	15358.02	1848
February 2012	53.95	43.20	18523.78	17061.55	848
March 2012	54.90	40.00	18040.69	16920.61	381

### Registrar and Transfer Agent:

Sharex Dynamic (India) Private Limited  
 Unit No 1, Luthra Industrial Premises,  
 Safed Pool, Andheri (E), Mumbai 400 072  
 Phone: 022-28515606/44, Fax: 022-28542885  
 Email: sharexindia@vsnl.com

### Share Transfer System

The entire work relating to share transfers, transmission and dematerialisation process of shares is handled by Registrar and Share Transfer Agent, Physical transfers are processed twice a month and demat transfers are processed in every eight day.

### Shareholding Pattern as on 31st March 2012

Category	No of Shares Held	Percentage
Promoters & Promoter Group	6252487	65.39
Banks/Financial Institutions	1000	0.01
Bodies Corporate	1123972	11.75
General Public	2147705	22.46
Clearing Members	23801	0.25
NRI/OCBs	12535	0.13
<b>Total</b>	<b>9561500</b>	<b>100.00</b>

### Distribution of Shareholding as at 31st March 2012

No of Shares	No of Holders	Percentage	Total Shares	Percentage
1 to 100	3388	64.40	263237	2.75
101-200	604	11.48	110250	1.15
201-500	602	11.44	230681	2.41
501-1000	295	5.61	238841	2.50
1001-5000	261	4.96	612745	6.41
5001-10000	48	0.91	341817	3.57
10001-100000	47	0.89	1205266	12.61
100001 & above	16	0.30	6558673	68.59
<b>Total</b>	<b>5261</b>	<b>100.00</b>	<b>9561500</b>	<b>100.00</b>

### Dematerialisation of shares as at 31st March 2012

Categories	Position as on 31st March 2012		Position as on 31st March 2011		Net Change during 2011-12	
	No of Shares	% to total Shareholding	No of Shares	% to total Shareholding	No of Shares	% to total Shareholding
Physical	154808	01.62	158008	1.65	(3200)	(0.03)
Demat						
1) NSDL	7824927	81.84	7654790	80.06	170137	1.78
2) CDSL	1581765	16.54	1748702	18.29	(166937)	(1.75)
Sub Total	9406692	98.38	9403492	98.35	3200	0.03
<b>Total</b>	<b>9561500</b>	<b>100.00</b>	<b>9561500</b>	<b>100.00</b>	<b>-</b>	<b>-</b>





## **SAHYADRI INDUSTRIES LIMITED**

### **Outstanding GDRs/ADRs, Warrants or any convertible instruments**

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at end of 31st March 2012.

### **Plant Locations:**

<b>Plant</b>	<b>Location</b>
Chinchwad	Plot No 39, 44, 46 to 49, Block No. D III, MIDC, Chinchwad, Pune 411019
Kedgaon	Gat No 322/323, Village Kedgaon, Taluka: Daund, District: Pune
Perundurgai	Plot No KK2(N) & KK2(S), SIPCOT Industrial Growth Center, Perundurai- 638052
Mahuvej	S. No 127, 128, 129, 186, 187, & 129/1/1, Block No. 88, 89, Village Mahuvej, Tal Mangrol, Dist. Surat, Gujarat

### **Address for investor correspondence:**

Sahyadri Industries Limited,  
39/D, Swastik House, Gultekdi,  
J.N.Marg, Pune- 411037  
Phone (020) 26444625/6/7, Fax: (020)26458888  
Email: cs@silworld.in / swastikroofing@silworld.in

### **Declaration by Chief Executive officer (CEO)**

I, Satyen Patel, Managing Director of Sahyadri Industries Limited hereby declare that all the board members and senior managerial personnel have affirmed for the year ended 31st March 2012 compliance with the code of conduct of the company laid down for them

Place: Pune  
Date: 30th May 2012

Satyen Patel  
Managing Director

### **Auditor's Certificate on Compliance of Corporate Governance**

To,  
The Members of  
Sahyadri Industries Limited.

We have examined the compliance of conditions of Corporate Governance by Sahyadri Industries Limited for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreements entered into by the Company with a Stock Exchange in India.

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

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

We further state that such Compliance is neither an assurance as to the future viability of that Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR **PARAG PATWA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. - 107387W

PLACE: PUNE  
DATE: 30th May, 2012

(CA P.I.PATWA)  
Partner  
Membership No. 041529



# **SAHYADRI INDUSTRIES LIMITED**

## **AUDITOR'S REPORT**

The Members of  
Sahyadri Industries Limited.

We have audited the annexed Balance Sheet of Sahyadri Industries Limited, as at March 31, 2012 and also the Profit and Loss Account and the cash flow statement of the company for the year ended on that date both annexed thereto. 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.

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 a 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for an opinion.

1. As required by the Companies (Auditors Report) Order, 2003 and the companies (Auditors Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub Section 4A of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs (4) and (5) of the said orders, to the extent applicable to the company.

2. Further to our comments in the Annexure referred to in Paragraph (1) above, we report that:

i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit.

ii) In our opinion proper books of accounts as required by the law have been maintained by the Company so far as it appears from our examination of the books.

iii) The Balance Sheet, The Profit & Loss Account and the cash flow statements dealt with by this report are in agreement with the Books of Accounts.

iv) In our opinion, the Balance Sheet, the Profit & Loss Account and the cash flow statements dealt with by this report are generally in compliance with Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.

v) On the basis of the written representations received from the directors of the Company, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2012 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said Statement of Accounts read together with notes appearing thereon give the information required by the Companies Act 1956 in the manner so required and give true and fair view.

- a. In the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- b. In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date and
- c. In case of cash flow statement, of the cash flows for the year ended on that date.

**For PARAG PATWA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. - 107387W

PLACE : PUNE

(CA P.I.PATWA)  
Partner

DATE : 30th MAY, 2012

Membership No. 041529



## SAHYADRI INDUSTRIES LIMITED

### **ANNEXURE TO THE AUDITORS' REPORT**

(REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE)

1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) As explained to us, the fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification adopted by the Company which, in our opinion is reasonable having regard to size of the Company and nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company.

2 (a) The inventory has been physically verified by the Management during the year at reasonable intervals. In our opinion and according to information and explanation given to us the frequency and procedure of such verification is reasonable in relation to the size of the Company and the nature of its business.

(b) In our opinion and according to information and explanation given to us the Company has maintained proper inventory records. The discrepancies noticed between the physical stocks and book records were not material and the same have been properly dealt with in the books of account.

3 (a) The Company has not granted any loans secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly Para (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 are not applicable.

(b) The Company has accepted unsecured loans from parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was ₹ 3068.92 Lacs and yearend balance was ₹ 2041.95 Lacs involving 18 parties.

(c) According to the information and explanations given to us, the rate of interest and other terms and conditions of loans taken are not prima-facie prejudicial to the interest of the Company.

(d) In our opinion and as per the records examined by us payment of principle and interest amount is regular.

4 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, fixed assets and for the sale of goods & services. We have not observed any continuing major weaknesses in internal control systems during the course of our audit.

5 (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under the said Section have been so entered.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act, and exceeding the value of five lacs rupees in respect of any party during the year have been made at prices which appear reasonable according to information & explanation given to us.

6 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.

7 In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

8 We have broadly reviewed cost records maintained by the company relating to wind power generation and cement products, pursuant to the rules made by the Central Government for maintenance of cost records u/s 209(1)(d) of the Companies Act, 1956 and is of the opinion that prime facie the prescribed records have been made and maintained. We have however, not made a detailed examination of records with a view to determine whether they are accurate.

9 (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Service Tax and Excise Duty and other material statutory dues as applicable to it, with appropriate authorities.

(b) According to the information and explanations given to us during the year there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.



## SAHYADRI INDUSTRIES LIMITED

(c) According to the information and explanations given to us and records of the Company no disputed dues are payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty as at 31st March 2012 excepting disputed VAT & CST liability of ₹ 4.66 lacs for the financial year 2007-08 for which the Company is in appeal before Joint Commissioner of Commercial Taxes, Karnataka & Income Tax liability of ₹ 2.96 lacs for A.Y.2010-11 for which the Company is in appeal before Commissioner of Income Tax (Appeals).

10 The Company does not have any accumulated losses and has not incurred any cash losses during the current financial year and the immediately preceding financial period.

11 Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not defaulted in repayment of dues to the banks.

12 According to information and explanation given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13 In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society.

14 In our opinion, the Company is not dealing in or trading of shares, debentures and other investments.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16 In our opinion and according to the information and explanations given to us and on an overall examination, the term loans availed by the Company have been applied for the purpose for which they were raised other than temporary deployment pending application.

17 According to the Information and explanations provided to us and on an overall examination of the balance sheet of the company, we are of the opinion that no funds raised on short term basis have been utilized for long term investments.

18 During the period covered by our audit report the company has not made any preferential allotment of shares to the parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19 The Company has not issued any debentures.

20 During the period covered by our audit report the Company has not raised any money by way of public issue.

21 During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, notice or reported during the year, nor we have been informed of such case by the management.

FOR **PARAG PATWA & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. - 107387W

PLACE: PUNE  
DATE: 30th May, 2012

(CA P.I.PATWA)  
Partner  
Membership No. 041529



# SAHYADRI INDUSTRIES LIMITED

**BALANCE SHEET AS AT MARCH 31, 2012**

₹ in Lacs except as otherwise stated

PARTICULARS	NOTE	As At March 31, 2012	As At March 31, 2011
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>SHAREHOLDER'S FUND</u></b>			
Share Capital	3	956.15	956.15
Reserves and Surplus	4	<u>9,146.86</u>	<u>7,945.60</u>
		<b>10,103.01</b>	<b>8,901.75</b>
<b><u>NON - CURRENT LIABILITIES</u></b>			
Long-term borrowings	5	8,690.28	4,852.34
Deferred tax liabilities (Net)	6	<u>1,999.08</u>	<u>1,587.58</u>
		<b>10,689.36</b>	<b>6,439.92</b>
<b><u>CURRENT LIABILITIES</u></b>			
Short-term borrowings	7	5,874.02	8,591.40
Trade Payables	8	2,000.40	2,546.76
Other current liabilities	9	5,828.18	5,029.33
Short-term provisions	10	<u>352.93</u>	<u>346.43</u>
		<b>14,055.54</b>	<b>16,513.92</b>
<b>Total :</b>		<b><u>34,847.90</u></b>	<b><u>31,855.59</u></b>
<b><u>ASSETS</u></b>			
<b><u>NON - CURRENT ASSETS</u></b>			
<b><u>FIXED ASSETS</u></b>			
Tangible assets	11 (A)	18,014.77	14,757.49
Intangible assets	11 (B)	200.24	117.84
Capital work-in-progress	11 (C)	<u>168.92</u>	<u>2,157.43</u>
		<b>18,383.93</b>	<b>17,032.75</b>
<b><u>NON - CURRENT INVESTMENTS</u></b>	12	15.02	15.02
<b><u>LONG TERM LOANS &amp; ADVANCES</u></b>	13	1,150.42	800.62
<b><u>OTHER NON - CURRENT ASSETS</u></b>	14	656.52	298.66
<b><u>CURRENT ASSETS</u></b>			
Inventories	15	9,840.63	8,660.36
Trade receivables	16	2,850.33	1,821.32
Cash and cash equivalents	17	1,018.04	1,279.91
Short-term loans and advances	18	683.91	1,704.46
Other current assets	19	<u>249.09</u>	<u>242.48</u>
		<b>14,642.01</b>	<b>13,708.53</b>
<b>Total :</b>		<b><u>34,847.90</u></b>	<b><u>31,855.59</u></b>

Significant accounting policies and notes to Financial statements 1 to 42  
The notes referred above forms an integral part of Balance Sheet

As per our report of even date  
**For Parag Patwa & Associates**  
Chartered Accountants

On behalf of Board of Directors

**(CA P. I. Patwa )**  
Partner  
(Mem No. 041529)

**S. V. Patel**  
Managing Director

**J. P. Patel**  
Chairman

**Mahesh Purandare**  
Company Secretary

Place : Pune  
Date : 30th May, 2012



# SAHYADRI INDUSTRIES LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March,2012

₹ in Lacs except as otherwise stated

PARTICULARS	NOTE	As At March 31,2012	As At March 31, 2011
<b><u>INCOME</u></b>			
Revenue from operations	20	37,678.19	29,139.70
Other Income	21	94.03	96.54
<b>TOTAL REVENUE :</b>		<b>37,772.22</b>	<b>29,236.25</b>
<b><u>EXPENDITURE</u></b>			
Cost of Materials Consumed	22	19,291.22	14,444.56
Purchase of Stock-in-Trade	23	82.12	130.83
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(333.09)	(956.34)
Employee benefit expenses	25	1,727.00	1,400.26
Finance cost	26	1,813.45	1,154.55
Depreciation and Amortization expenses		1,435.71	1,173.63
Other expenses	27	12,404.55	9,860.90
Self Produced material capitalised		(5.49)	(11.26)
<b>TOTAL EXPENSES :</b>		<b>36,415.46</b>	<b>27,197.13</b>
<b><u>PROFIT BEFORE TAX</u></b>		<b>1,356.76</b>	<b>2,039.11</b>
<b><u>TAX EXPENSES</u></b>			
Current Tax		21.20	40.12
Deferred Tax		411.50	651.75
Income Tax pertraining to earlier period		(37.53)	0.00
<b><u>PROFIT FOR THE YEAR</u></b>		<b>961.59</b>	<b>1,347.24</b>
Earning per equity share of Face value of Rs.10 each:			
(1) Basic		<b>10.06</b>	14.09
(2) Diluted		<b>10.06</b>	14.09

Significant accounting policies and notes to Financial statements **1 to 42**  
The notes referred above forms an integral part of statement of Profit & Loss

As per our report of even date  
**For Parag Patwa & Associates**  
Chartered Accountants

On behalf of Board of Directors

**(CA P. I. Patwa )**  
Partner  
(Mem No. 041529)

**S. V. Patel**  
Managing Director

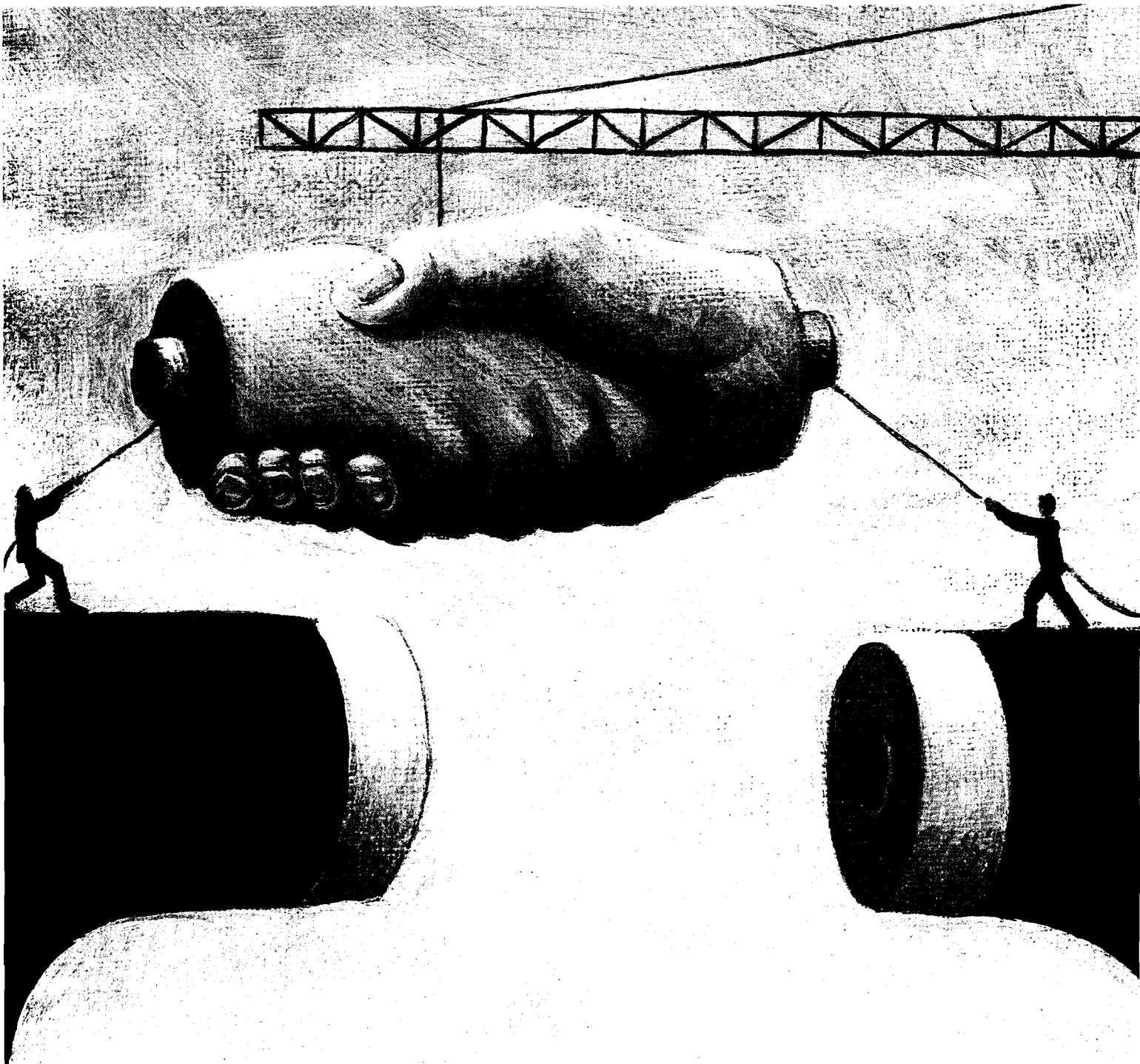
**J. P. Patel**  
Chairman

**Mahesh Purandare**  
Company Secretary

Place : Pune  
Date : 30th May,2012

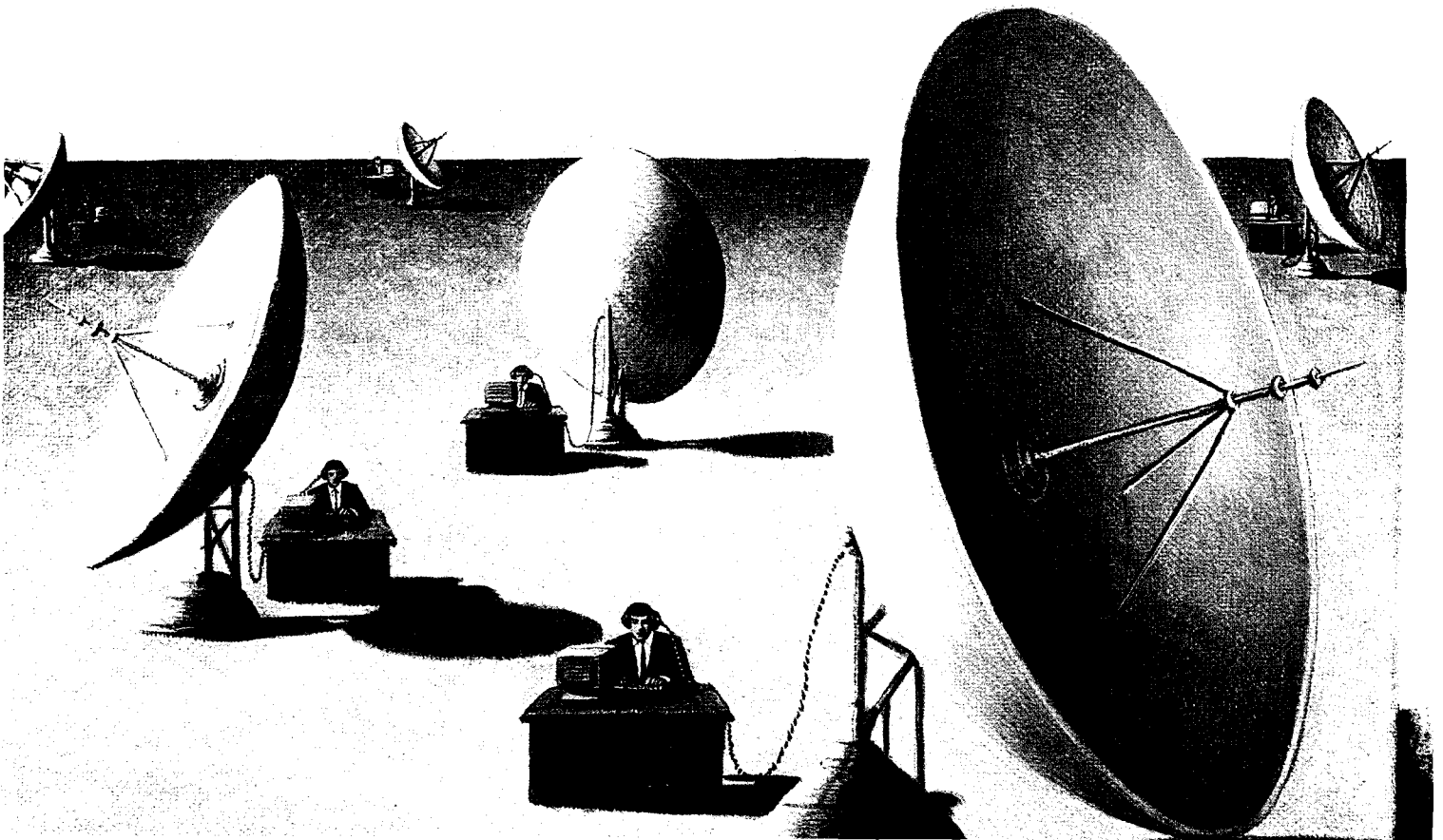
# Alliances & Partnerships

Sahyadri forges symbiotic relationships in the form of technical collaborations and business associations to help innovate, develop breakthrough technologies, and mainly offer customers the biggest benefit in the form of reliable solutions.

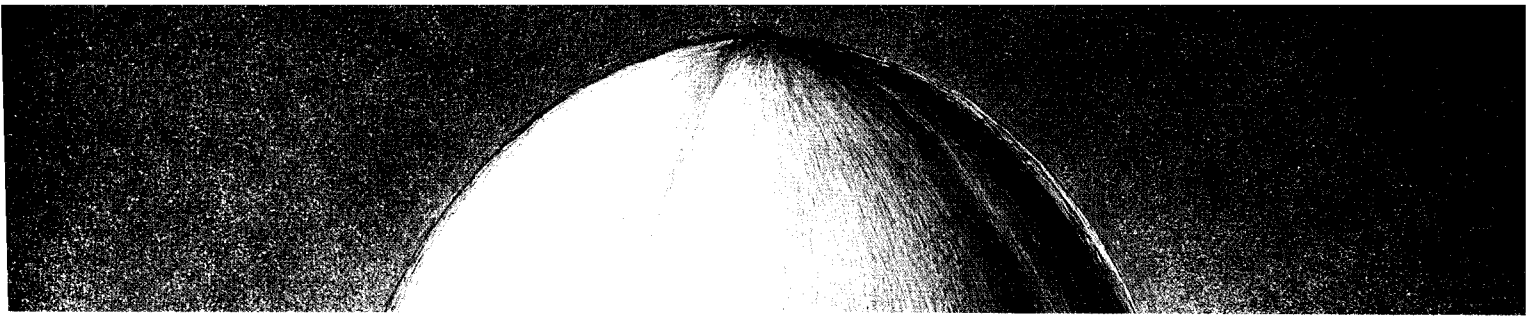


# Efficient technologies

Sahyadri invests continually in high-growth technologies to be in tune with the changing dynamics of the modern world. Be it the implementation of SAP in operations, paper-less endeavours in transactions or the high-technology infrastructure in production, it's futuristic ambitions are in 'ready' mode always.

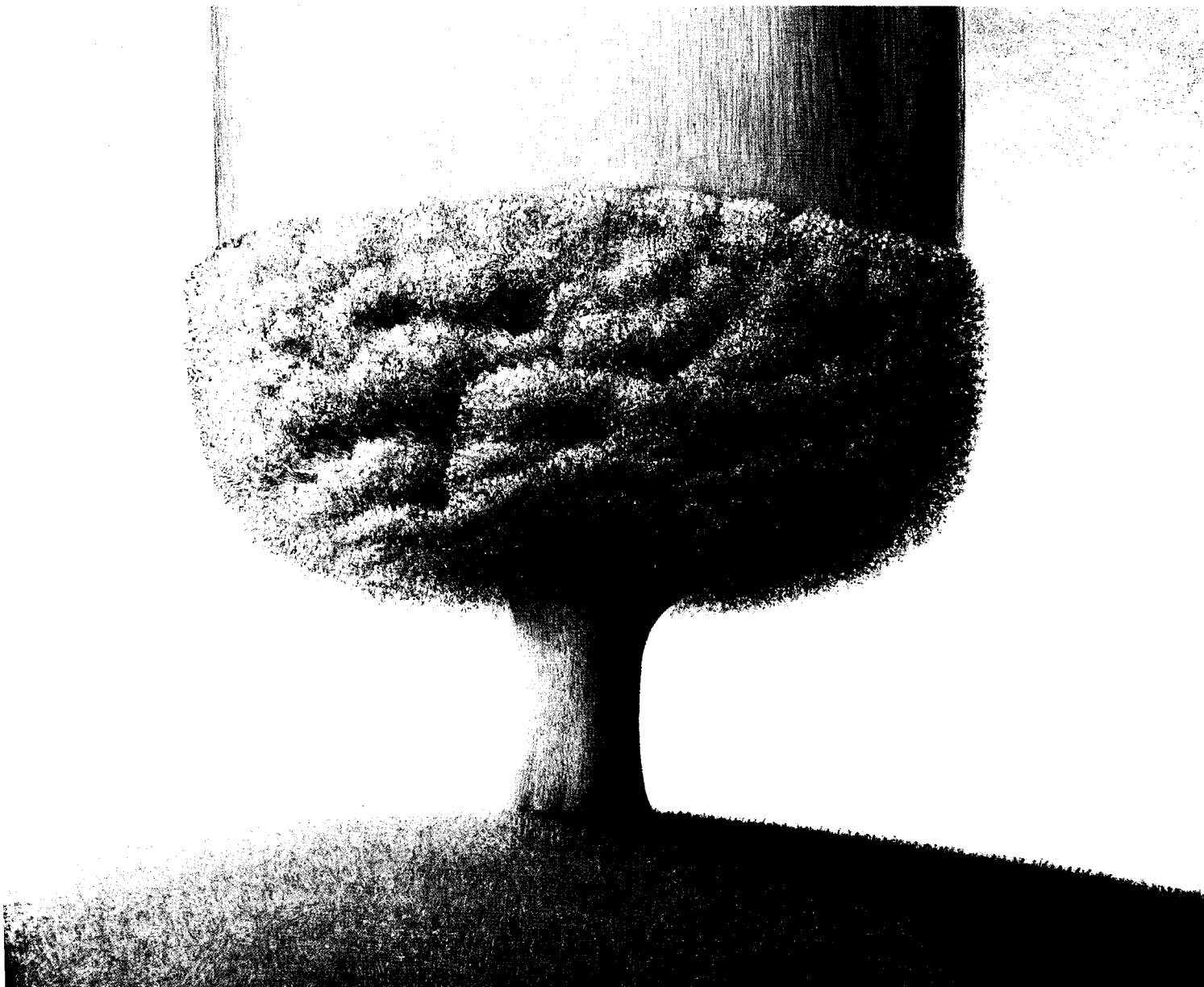


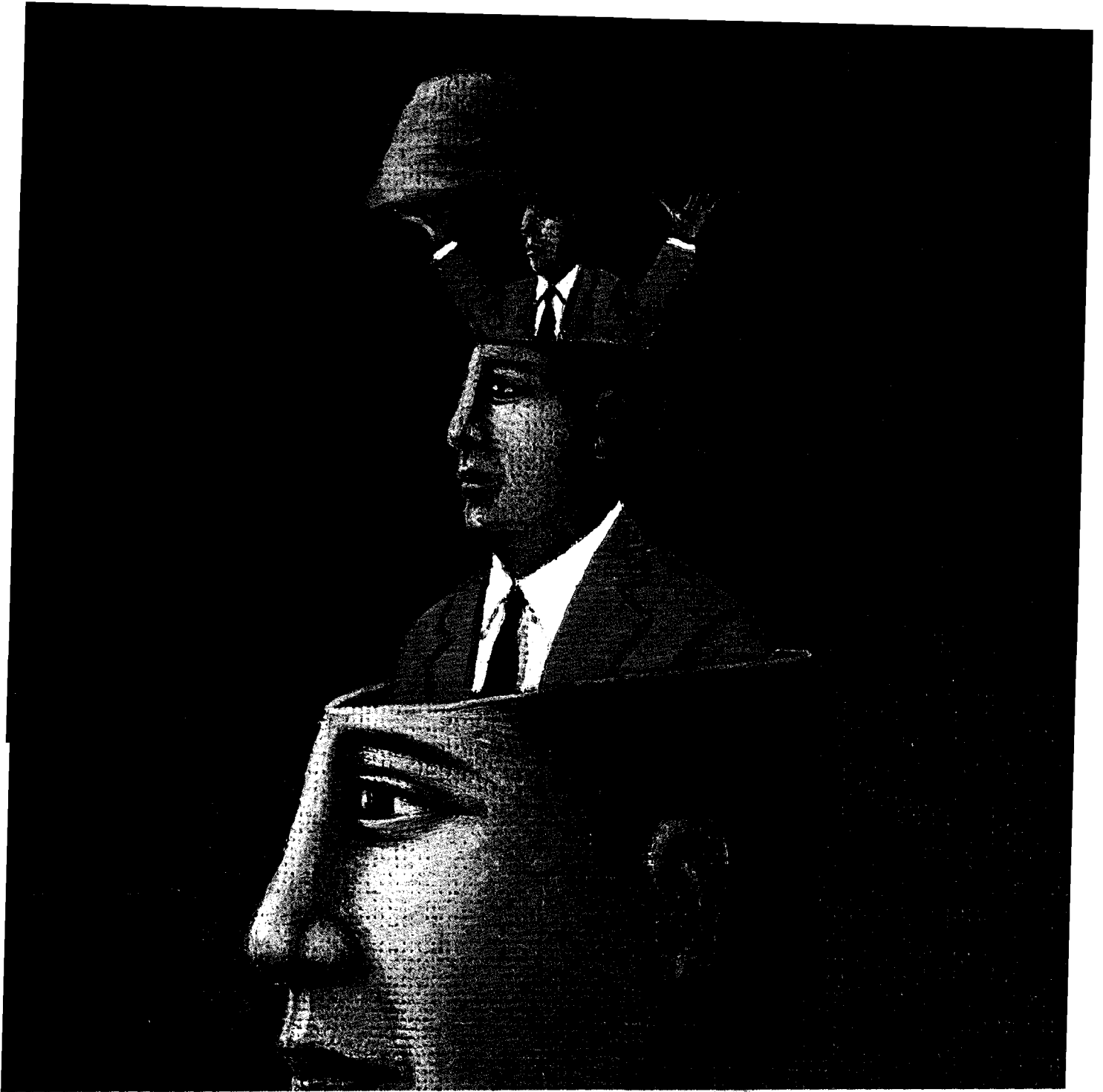




# Green Emphasis

In a time when our actions can have a global impact, Sahyadri understands the need to be responsible and receptive. Be it in the form of bringing sustainable solutions to the building materials sector or wind power production initiatives in the field of energy technology.





## **Efficient production**

Sahyadri boasts of infrastructural capacities that can meet a colossal demand of supply across the nation at any given time. High on technical capabilities, it houses Asia's single largest plant in Pune. Sahyadri has established certifications & accreditations that are prevalent in some of the major markets in the world.



# SAHYADRI INDUSTRIES LIMITED

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2012**

	<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>Current Year</b> ₹ in Lacs	<b>Previous Year</b> ₹ in Lacs
	<b>Net Profit/ (Loss) Before Tax, Provision for bad debts &amp; Extraordinary items</b>	<b>1,382.49</b>	2,078.00
	Adjustment for		
	Unrealised Foreign Exchange Loss / (Gain) (Net)	<b>106.31</b>	0.00
	Depreciation / Amortization	<b>1,435.71</b>	1,173.63
	Preliminary expenses written off	<b>0.37</b>	9.04
	Profit/(Loss) on sale of Assets/ investment	<b>(13.44)</b>	0.07
	Adjustments relating to Earlier Years	<b>(16.33)</b>	9.34
	Finance Cost	<b>1,813.45</b>	1,154.55
	Interest /Dividend credited	<b>(63.08)</b>	(46.75)
	Provision for Leave Encashment & Gratuity	<b>6.66</b>	8.60
	<b>Operating Profit/(Loss) before Working capital changes</b>	<b>4,652.13</b>	4,386.48
	Adjustments for		
	Sundry Debtors	<b>(1,054.63)</b>	(610.39)
	Other receivables (Current & Non current)	<b>898.74</b>	(1,079.77)
	Inventories	<b>(1,180.27)</b>	(2,127.16)
	Sundry Creditors	<b>(548.32)</b>	621.25
	Other Payables	<b>1,446.29</b>	238.71
	Cash generated from operations	<b>4,213.94</b>	1,429.11
	Taxes paid	<b>(357.13)</b>	(628.30)
	Prior Period Items	<b>16.33</b>	(9.34)
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>3,873.15</b>	791.47
	<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets(Net of earlier year Capital WIP if any)	<b>(2,789.41)</b>	(6,744.18)
	Adjustment for creditors relating to capital purchases	<b>(638.85)</b>	837.03
	Adjustment for advances relating to capital purchases	<b>113.76</b>	(132.60)
	Sale of fixed Assets	<b>15.96</b>	14.06
	Adjustment for debtors relating to capital sales	<b>0.00</b>	476.55
	Investments	<b>0.00</b>	(0.48)
	Profit in sale of Investments	<b>0.00</b>	0.00
	Interest/Dividend Received (including accrued if any)	<b>85.70</b>	73.43
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<b>(3,212.84)</b>	(5,476.20)
	<b>C. NET CASH FROM FINANCING ACTIVITIES</b>		
	Total Secured loans raised during the year	<b>3,964.82</b>	2,448.76
	Less :-Total Repayment made during the year	<b>1,573.87</b>	1,223.55
	Secured Loans Long Term	<b>2,390.96</b>	1,225.20
	Secured Loans Short Term	<b>(257.63)</b>	3,815.04
	Total Unsecured loans raised during the year	<b>2,176.95</b>	3,502.15
	Less :-Total Repayment made during the year	<b>3,203.92</b>	2,584.82
	Unsecured Loans	<b>(1,026.97)</b>	917.33
	Dividend & Dividend Tax	<b>(215.09)</b>	(334.49)
	Finance Cost	<b>(1,813.45)</b>	(1,154.55)
	<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(922.18)</b>	4,468.52
	<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS GENERATED ( A )+( B )+( C ) DURING THE YEAR</b>	<b>(261.87)</b>	(216.21)
D.	Cash and Cash Equivalents Opening Balance	<b>1,279.91</b>	1,496.12
	Cash and Cash Equivalents Closing Balance	<b>1,018.04</b>	1,279.91

As per our report of even date  
**For Parag Patwa & Associates**  
Chartered Accountants

On behalf of Board of Directors

**(CA P. I. Patwa )**  
Partner  
(Mem No. 041529)

**S. V. Patel**  
Managing Director

**J. P. Patel**  
Chairman

**Mahesh Purandare**  
Company Secretary

Place : Pune  
Date : 30th May, 2012



# **SAHYADRI INDUSTRIES LIMITED**

## **NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2012**

### **1. CORPORATE INFORMATION :**

The company is engaged in the production of Cement Sheets and Accessories, trading in cemply and steel doors & in generation of wind power electricity. The company presently has four manufacturing units situated at Maharashtra, Tamiinadu and Gujarat. The company has set up Wind Turbine Generators in Maharashtra, Rajasthan & Tamilnadu.

### **2. BASIS OF PREPARATION :**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

### **2.1 : SIGNIFICANT ACCOUNTING POLICIES FOLLOWED :**

#### **2.1.1 Presentation and disclosure of financial statements:**

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### **2.1.2 Fixed Assets :**

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, non refundable duties and taxes, incidental expenses if any.

#### **2.1.3 Intangible assets:**

Intangible assets are stated at cost of acquisition less accumulated amortization.

#### **2.1.4 Depreciation/ Amortization :**

i) Depreciation on fixed assets has been provided to the extent of depreciable assets on written down value method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life except on fixed assets installed at Gujrat factory & Windmills installed at Chavaneshwar wherein depreciation is provided on straight line method in the manner prescribed in schedule XIV of Companies Act, 1956 over their useful life.

- ii) Lease hold land is amortized over the period of lease.
- iii) Computer software are amortized over period of 5 years.
- iv) Windmill rights are amortized over period of 10 years.

#### **2.1.5 Provision for Taxation & Deferred Tax :**

i) Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year, net off Minimum Alternate Tax credit available u/s 115JB of the Income Tax Act, 1961.

ii) Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for the tax purpose. The effect on deferred tax assets and liabilities of a change in tax rates is recognized as income using the tax rates and tax laws that have enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

MAT Credit is recognized as an asset only when & to the extent there is convincing evidence that the Company will pay normal income tax during the specified year. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Profit & Loss account & shown as MAT credit entitlement. The Company reviews the same at each balance Sheet date & drags down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period

#### **2.1.6 Retirement and other employees Benefits :**

i) Retirement benefit in the form of provident fund & superannuation /pension schemes, are defined contributions scheme and are charged to Profit & Loss account of the year when the contributions to the respective funds are due.

ii) Gratuity Liability is a defined benefit obligations. The Company has taken an insurance policy under Group Gratuity Scheme with Life Insurance Corporation of India to cover the gratuity liability of the employees and amount paid / payable in respect of present value of liability for past services is charged to Profit & Loss account on the basis of actuarial valuation on



## **SAHYADRI INDUSTRIES LIMITED**

the projected unit credit method made at the end of financial year.

iii) Long term compensated absences are provided for based on actuarial valuation at the end of the financial year. The actuarial valuation is done as per projected unit credit method.

iv) Actuarial gains / losses are immediately taken to Profit & Loss Account and are not deferred.

### **2.1.7 Investments :**

Investments are stated at cost of acquisition less any provision for diminution in value.

### **2.1.8 Foreign Currency Transactions :**

i) Foreign Currency transactions are accounted at exchange rates prevailing on the date of transactions. Monetary items denominated in foreign currency & outstanding at the balance sheet date are translated at the exchange rate prevailing on that date. In case of forward exchange contracts, the difference between the year end rate & rate on the date of the contract is recognised as exchange difference & the premium paid on forward contracts is recognised over the life of the contract. Exchange differences arising on foreign currency transactions are accounted in the period in which they arise.

ii) Derivative instruments & hedge accounting :

The company uses foreign currency forward contracts and currency options to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments : Recognition and Measurement" (AS 30).

The use of hedging instruments is governed by the Company's policy approved by the Board of Directors. The Company does not use Derivative financial instruments for speculative purposes.

Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in fair value of these derivatives that are designated and effective as hedges of future cash flow are recognized directly in shareholder's fund and the ineffective portion, if any is recognized immediately in Profit and Loss Account.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in the profit and loss account as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At the time for forecasted transaction any cumulative gain or loss on the hedging instrument recognized in shareholder's fund is retained there until, the forecasted transaction occurs. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss recognized in reserves is transferred to Profit and Loss Account.

### **2.1.9 Borrowing Costs :-**

The interest on working capital borrowed is charged against the profits for the year in which it is incurred. Interest on borrowing for capital asset is capitalized till the date of commencement of commercial use of the asset. Borrowing Cost also includes exchange differences arising from foreign currency borrowings to the extent that they are relating to interest component.

### **2.1.10 Valuation of Inventory :**

i) Raw material is valued at lower of moving weighted average cost (Net off Cenvat) & net realizable value. However material held for use in the production of inventories are not written down below cost, if the finished product in which they will be incorporated are expected to be sold at or above cost.

ii) Work in Progress is valued at weighted average cost.

iii) Finished goods are valued at lower of weighted average cost and net realizable value. Cost for this purpose includes direct cost, attributable overheads and excise duty. Doors are valued at moving weighted average cost. Pipes & other items meant for resale are valued at cost or net realizable value whichever is lower.

iv) Stores & spares are valued at moving weighted average.

v) In the opinion of the management the value of scrap and rejected material is nil and hence the same is not taken in inventories.

### **2.1.11 Revenue recognition**

i) Sale: The sale of product is accounted for net of Sales Tax but including excise duty recovered on transfer of title of goods to the customer.

ii) Export incentive receivable are accounted as accrued as and when finally quantified by appropriate authorities.

iii) Debit / Credit arising out of revisions in prices of supplies, breakages and other claims are accounted for, in the year of



## **SAHYADRI INDUSTRIES LIMITED**

its acceptance.

(V) Carbon credit entitlement :- In process of generation of wind power the company also generate carbon emission reduction units which may be negotiated for price in international market under Clean Development Mechanism(CDM) subject to completing formalities and obtaining certificate of Carbon Emission Reduction(CER) as per Kyoto Protocol. In addition company also explore the possibilities of negotiating Voluntary Emission Reduction (VER) in respect of some of the Company's wind power generation projects. Revenue from CER and VER is accounted on its realization.

### **2.1.12 Provisions :-**

A provision is recognized when there is a present obligation as a result of past event & it is probable that an outflow of resources will be required to settle the obligation & in respect of which a reliable estimate can be made. These are reviewed at each Balance sheet date & adjusted to reflect the current best estimates.

### **2.1.13 Lease :-**

Operating lease – Leases where lessor effectively retains substantially all the risks & benefits of ownership of the leased assets are classified as Operating leases. Operating lease charges are recognized as an expenses in the Profit & Loss account on a straight line basis over the lease term.

Finance lease – Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present minimum lease rentals is capitalized as fixed assets with corresponding amounts shown as lease liability. The principle component in the lease rentals is adjusted against lease liability and interest component is charged to Profit & Loss account.

### **2.1.14 Use of Estimates :-**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates & assumptions that affect the reported amounts of assets & liabilities at the date of the financial statements and the reported amounts of revenues and the expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialized.

### **2.1.15 Impairment of Assets :-**

The carrying amount of assets are reviewed at each Balance Sheet date for impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

As per our report of even date  
**For Parag Patwa & Associates**  
Chartered Accountants

**On behalf of Board of Directors**

**(CA P I. Patwa )**  
Partner  
(Mem No. 041529)

**S. V. Patel**  
Managing Director

**J. P. Patel**  
Chairman

**Mahesh Purandare**  
Company Secretary

Place : Pune  
Date : 30th May, 2012



# SAHYADRI INDUSTRIES LIMITED

Notes on financial statement for the year ended March 31st, 2012

₹ in Lacs except as otherwise stated

PARTICULARS	As at March 31, 2012	As at March 31, 2011		
<b>3. SHARE CAPITAL</b>				
<b>Authorised Share Capital</b>				
120,00,000 Equity Shares of ₹ 10/- each (120,00,000)	1,200.00	1,200.00		
<b>Issued, Subscribed &amp; Paid Up</b>				
95,61,500 Equity Shares of ₹ 10/- each fully paid up and issued at par (95,61,500)	956.15	956.15		
<b>Total :</b>	<b>956.15</b>	<b>956.15</b>		
<b>3.1 Terms / rights attached to equity shares:</b>				
The company has only one class of equity shares having a face value of ₹10/- per share. Each holder of equity shares is entitled to one vote per share.				
In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.				
<b>3.2 The details of shareholders holding more than 5% of equity shares</b>				
<b>Name of the shareholders</b>	<b>% OF HOLDING</b>	<b>NUMBER</b>	<b>% OF HOLDING</b>	<b>NUMBER</b>
Vallabhbhai Lalajibhai Patel	5.11%	488,435	5.11%	488,435
Jayesh Purshottam Patel	6.06%	579,350	6.06%	579,350
Chetan Purshottam Patel	6.01%	574,323	6.01%	574,323
Shilpa Jignesh Patel	5.90%	564,150	5.90%	564,150
Trilochana Vipul Patel	6.05%	578,250	6.05%	578,250
Harsha Jayesh Patel	5.39%	515,400	5.39%	515,400
Purna Chetan Patel	5.44%	520,000	5.44%	520,000
<b>4. RESERVES &amp; SURPLUS</b>				
<b>Capital Redemption Reserve</b>				
As per last Balance-sheet		375.00		375.00
<b>General Reserve</b>				
Balance as per last Balance Sheet		1,172.06		972.06
Add :- Transferred from Profit & Loss Account		200.00		200.00
		1,372.06		1,172.06
<b>Hedge Reserve</b>				
Balance as per last Balance Sheet		(403.90)		(365.53)
Add: Changes on re-measurement of Hedging instrument		461.92		(38.38)
		58.02		(403.90)
<b>Profit &amp; Loss A/c</b>				
Balance as per last Balance Sheet		6,802.44		5,877.45
Add: Profit for the year		961.59		1,347.24
		7,764.03		7,224.69
Less: Appropriations				
Transfer to General Reserve		200.00		200.00
Proposed dividend on equity shares		191.23		191.23
{Dividend per share ₹ 2/- (previous year ₹ 2/-)}				
Dividend Distribution tax		31.02		31.02
		7,341.78		6,802.44
<b>Total :</b>		<b>9,146.86</b>		<b>7,945.60</b>



# SAHYADRI INDUSTRIES LIMITED

Notes on financial statement for the year ended March 31st, 2012

₹ in Lacs except as otherwise stated

PARTICULARS	As at March 31, 2012		As at March 31, 2011	
	Current Maturity	Non Current	Current Maturity	Non Current
<b>5. LONG TERM BORROWINGS</b>				
<b>Secured:</b>				
Rupee Term Loans from Banks *	1056.71	5,390.77	735.87	2,652.69
Foreign Currency Term Loans from Banks **	721.95	1,797.51	658.58	2,199.02
Rupee Term Loans from NBFC ***	0.63	0.00	1.74	0.63
	<u>1779.29</u>	<u>7,188.28</u>	<u>1,396.19</u>	<u>4,852.34</u>
<b>Unsecured</b>				
From Directors and Promoter group	0.00	1,502.00	0.00	0.00
	<u>0.00</u>	<u>1,502.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total :</b>	<b>1,779.29</b>	<b>8,690.28</b>	<b>1,396.19</b>	<b>4,852.34</b>
Less : Current maturities shown under current liabilities	<u>1,779.29</u>	<u>0.00</u>	<u>1,396.19</u>	<u>0.00</u>
	<u>0.00</u>	<u>8,690.28</u>	<u>0.00</u>	<u>4,852.34</u>

\*Rupee Term loans excepting loans against vehicles are secured by exclusive first charge on assets financed by /mortgaged to/hypothecation in favour of Term lending Bank and personal guarantee of four Directors in three cases and guarantee of two directors in one case.

\*\*Foreign Currency Term loans are secured by exclusive first charge on assets financed, exclusive first charge on receivables of project financed and personal guarantee of one Director.

\*\*\*Rupee Term loans from banks and NBFC for vehicles are secured by hypothecation on vehicles purchased.

5.1 Maturity profile of term loan are as set out below:

Particulars	2013-14	2014-15	2015-16	2016-17	After 2017-18
Rupee Term Loans from Banks	1,110.24	1,156.81	1,217.26	1,102.31	804.15
Foreign Currency Term Loans from Banks	721.95	721.95	353.61	0.00	0.00

## 6. DEFERRED TAX LIABILITY (NET):

Deferred tax liability	1,999.08	1,587.58
Total :	<u>1,999.08</u>	<u>1,587.58</u>

### Components of Deferred tax assets /liabilities are as under :

Deferred Tax liability on account of :		
a) Depreciation	2918.46	2033.21
	<u>2918.46</u>	<u>2033.21</u>
Deferred Tax asset on account of :		
a) Employee Benefits	99.97	57.73
b) Provision for Bad & Doubtful Debts	45.75	37.40
c) Provision in Diminution in Value of investments	0.10	0.10
d) Others	773.57	350.41
	<u>919.38</u>	<u>445.63</u>
Net Deferred Tax Liability	<u>1999.08</u>	<u>1587.58</u>





# SAHYADRI INDUSTRIES LIMITED

Notes on financial statement for the year ended March 31st,2012

₹ in Lacs except as otherwise stated

PARTICULARS	As at March 31,2012	As at March 31,2011
<b>7. SHORT TERM BORROWINGS:</b>		
<b>Secured:</b>		
<b>Working Capital Loans from Banks</b>		
Rupee Loans from Banks	2,299.90	4,064.10
Foreign Currency Loans from Banks	3,034.17	1,458.39
	<b>5,334.07</b>	<b>5,522.49</b>
<b>Unsecured:</b>		
From Directors and Promoter group	504.20	3,026.08
inter-corporate Deposit from related parties	35.75	42.83
	<b>539.95</b>	<b>3,068.92</b>
<b>Total :</b>	<b>5,874.02</b>	<b>8,591.40</b>
7.1 Working Capital loans are secured by pari-passu hypothecation charge of Stock of Raw Material, stock in process, Consumables, Stores, Finished Goods. Book Debts & other current assets & fixed assets and personal guarantee of two Directors.		
<b>8. TRADE PAYABLES</b>		
Micro, small and medium enterprises	8.87	19.90
Others*	1,991.53	2,526.86
<b>Total :</b>	<b>2,000.40</b>	<b>2,546.76</b>
*Includes payable to related parties of 39.80 (P.Y.14.81)		
8.1 As defined under Micro, Small & Medium Enterprises Development Act, 2006, the disclosure in respect of the amount payable to such enterprises as at 31st March, 2012 has been made in the financial statement based on information received available and identified by the company.		
a) the principal amount remaining unpaid to any suppliers as at the end of each accounting year.	8.87	19.90
b) the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	0.13	Nil
c) the amount of interest paid by the Company in terms of Section 16, of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	1.68	1.48
d) the amount of interest due & payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year ) but without adding the interest specified under MSMED Act, 2006.	0.93	1.68
e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.06	1.68
f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil



# SAHYADRI INDUSTRIES LIMITED

Notes on financial statement for the year ended March 31st,2012

₹ in Lacs except as otherwise stated

PARTICULARS	As at March 31,2012	As at March 31,2011
<b>9. OTHER CURRENT LIABILITIES</b>		
Current maturities of Long term debts	1,779.29	1,396.19
Creditors for Capital expenditure	198.18	837.03
Advance from Customers *	572.71	438.01
Deposits from Stockists/dealer/supplier	735.32	532.26
Unclaimed dividend	16.76	9.59
VAT/Service tax/Withholding taxes and other taxes & contribution payables	1,065.62	940.37
Provision for expenses **	1,349.47	411.40
Hedge Payable	0.00	434.10
Other payables ***	110.84	30.38
<b>Total :</b>	<b>5,828.18</b>	<b>5,029.33</b>
*Includes advance from related parties of ₹ 0.62 (PY.0.02)		
**Includes interest accrued but not due of ₹ 94.20 lacs		
***Includes payable to employees, forward contact payables etc.		
<b>10. SHORT TERM PROVISIONS</b>		
Provision for gratuity and Leave encashment	130.46	123.80
Proposed Dividend	191.23	191.23
Provision for Dividend Distribution tax	31.02	31.02
Provision for Wealth Tax (Net of Advance Tax paid)	0.22	0.38
<b>Total :</b>	<b>352.93</b>	<b>346.43</b>
<b>12. NON-CURRENT INVESTMENTS</b>		
<b>Non Trade Investments</b>		
<b>Quoted - Equity shares (fully paid up)</b>	<b>0.30</b>	<b>0.30</b>
Vaishno Cement Co. Ltd. 3000 Equity Shares of ₹10/- each Quoted Market Values not available	0.30	0.30
Less: Provision For Diminution In Value Of Investments		
<b>(A)</b>	<b>0.00</b>	<b>0.00</b>
<b>Unquoted - Equity shares (valued at cost)</b>		
In equity shares of Associate companies 4800 Fully paid up Equity Shares of ₹10 each of Sahyadri Enerco Pvt. Ltd.	0.48	0.48
14200 Equity Shares of ₹ 100/- each of Cosmos Co-operative Bank Ltd. (valued at cost)	14.20	14.20
<b>(B)</b>	<b>14.68</b>	<b>14.68</b>
<b>Government Securities</b>		
National Saving Certificates	0.34	0.34
<b>(C)</b>	<b>0.34</b>	<b>0.34</b>
<b>Total : A+B+C</b>	<b>15.02</b>	<b>15.02</b>



# SAHYADRI INDUSTRIES LIMITED

Notes on financial statement for the year ended March 31st, 2012

₹ in Lacs except as otherwise stated

PARTICULARS	As at March 31, 2012	As at March 31, 2011
<b>13. LONG TERM LOANS &amp; ADVANCES (Unsecured, considered good unless otherwise stated)</b>		
Advance income tax net of provisions	126.95	9.81
Deposits*	393.63	416.76
MAT Credit entitlement	629.84	374.04
<b>Total :</b>	<b>1,150.42</b>	<b>800.62</b>
*Includes deposits to related parties of 53.55 (P.Y.53.55)		
<b>14. OTHER NON-CURRENT ASSET</b>		
Hedge Receivable	355.90	0.00
Others*	300.62	298.66
<b>Total :</b>	<b>656.52</b>	<b>298.66</b>
*Includes amount paid for common power infrastructure for windmills.		
<b>15. INVENTORIES</b>		
(As valued, verified and certified by Management)		
Raw Material	3,065.36	2,458.07
Raw Material in transit	384.98	105.97
Stores , Spares	364.81	403.94
Work-in-Progress	11.58	10.92
Finished Goods	5,823.72	5,384.12
Stock in trade	190.19	297.36
<b>Total :</b>	<b>9,840.63</b>	<b>8,660.36</b>
15.1 For mode of valuation refer note number 2.1.10		
<b>16. TRADE RECEIVABLES</b>		
Unsecured, Considered good unless otherwise stated		
Debts Outstanding for a period exceeding six months from due date of payment		
Considered Good	160.77	117.02
Considered Doubtful	140.99	115.26
	<b>301.76</b>	<b>232.28</b>
Less :Provision for Doubtful Debts	140.99	115.26
	<b>160.77</b>	<b>117.02</b>
Other Debts*	2,689.57	1,704.30
	<b>2,850.33</b>	<b>1,821.32</b>
*Includes debts due from related parties of 15.50 (P.Y.6.03)		
<b>17. CASH &amp; CASH EQUIVALENTS</b>		
Cash in Hand	15.08	14.84
Cheques and Drafts on Hand	519.22	476.43
Balance with banks-		
In Current Accounts*	384.58	248.38
In Deposit accounts**	99.16	540.27
<b>Total :</b>	<b>1,018.04</b>	<b>1,279.91</b>

\*Balance with bank includes balance in unclaimed dividend A/c of ₹ 16.76 lacs (previous year ₹ 9.60 lacs) and restricted bank deposit of ₹ 4.95 (previous year ₹ 214.95) on account of margin money deposit against Guarantees and L/C's.

\*\*Deposits with bank includes deposit of ₹ 4.95 (previous year ₹ 44.22) with maturity of more than 12 months. These deposits can be withdrawn by the company at any point without prior notice or penalty on the principal.



# SAHYADRI INDUSTRIES LIMITED

**Notes on financial statement for the year ended March 31st, 2012**

₹ in Lacs except as otherwise stated

PARTICULARS	As at March 31, 2012	As at March 31, 2011
<b>18. SHORT TERMS LOAN &amp; ADVANCE</b>		
<b>(Unsecured considered good unless otherwise stated)</b>		
Balance with Custom, Central Excise and VAT authorities	162.02	465.43
Imprest balance with employees	0.00	98.42
Interest accrued on Deposits	9.16	31.78
Pre-paid expenses	83.16	52.74
Advance for capital purchases	18.84	132.60
Advance with Suppliers *	410.73	790.18
Others	0.00	133.31
<b>Total :</b>	<b>683.91</b>	<b>1,704.46</b>
* Includes debts due from related parties of 0.54 (P.Y.0.54)		
<b>19. OTHER CURRENT ASSETS</b>		
Others *	249.09	242.48
<b>Total :</b>	<b>249.09</b>	<b>242.48</b>
* Includes stock of promotional material & service tax/excise pending availment		
<b>20. REVENUE FROM OPERATIONS</b>		
Sale of Products	39,363.78	30,065.50
Income from Services	0.44	0.69
Other Operating Revenues	163.79	47.26
	<b>39,528.01</b>	<b>30,113.45</b>
Less: Excise duty recovered	1,849.82	973.75
<b>Total :</b>	<b>37,678.19</b>	<b>29,139.70</b>
<b>20.1 : Sale of Product</b>		
Sheets & Accessories	38,006.67	29,117.33
Doors	222.13	191.77
Power	1,134.97	756.40
	<b>39,363.78</b>	<b>30,065.50</b>
<b>21. OTHER INCOME</b>		
Interest Income	60.24	90.51
Dividend Income	2.84	3.06
Profit on Sale of asset	13.44	0.00
Other non - operating income *	17.51	2.69
Net gain on exchange fluctuation	0.00	0.28
<b>Total :</b>	<b>94.03</b>	<b>96.54</b>
*Includes prior period income of 16.33		
<b>22. COST OF MATERIAL CONSUMED</b>		
<b>22.1 Raw Material Components &amp; Consumption</b>		
Cement	6402.19	4835.34
Fibre	11346.11	8713.09
FLYASH & Others	1542.92	896.13
	<b>19291.22</b>	<b>14444.56</b>
22.2 Breakup of raw material consumption into imported & indigenus is provided in note number 29		



# SAHYADRI INDUSTRIES LIMITED

Notes on financial statement for the year ended March 31st, 2012

₹ in Lacs except as otherwise stated

PARTICULARS	Year ending March 31, 2012	Year ending March 31, 2011
<b>23. PURCHASE OF STOCK-IN-TRADE</b>		
Imported - Doors	82.12	130.83
<b>Total :</b>	<b>82.12</b>	<b>130.83</b>
<b>24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRANSIT</b>		
<b>Opening Stock :</b>		
Work In Progress	10.92	8.31
Finished Goods	5,384.12	4,441.05
Traded goods	297.36	286.69
	<b>5,692.39</b>	<b>4,736.06</b>
<b>Less:- Closing Stock :</b>		
Work In Progress	11.58	10.92
Finished Goods	5,823.72	5,384.12
Traded goods	190.19	297.36
	<b>6,025.48</b>	<b>5,692.39</b>
Change in inventories of finished goods, work-in-progress and stock-in-trade	<b>333.09</b>	<b>(956.34)</b>
<b>25. EMPLOYEE BENEFIT EXPENSE</b>		
Salaries , Wages, Bonus & leave Encashment	1,543.08	1,268.32
Contribution to Provident Fund & other Funds	117.52	96.01
Welfare Expenses	66.40	35.93
<b>Total :</b>	<b>1,727.00</b>	<b>1,400.26</b>
25.1 Additional disclosure as per AS 15 is provided in note number 36		
<b>26. FINANCE COST</b>		
Interest Expenses	1,593.20	1,154.55
Applicable net gain/loss on foreign currency transaction and translation	220.25	0.00
<b>Total :</b>	<b>1,813.45</b>	<b>1,154.55</b>
<b>27. OTHER EXPENSES</b>		
<b>(A)Manufacturing expenses:</b>		
Stores & Consumables *	420.21	325.81
Power & fuel(Diesel)& Water Charges	1,314.83	1,024.64
Labour charges, sub-contracting charges, machine hire charges	475.39	292.35
Machinery & Moulds maintenance	761.23	598.22
Insurance	13.40	7.33
Packing expenses	24.42	28.32
Rent Manufacturing	22.80	22.80
Other manufacturing expenses	102.68	79.62
	<b>3,134.94</b>	<b>2,379.09</b>

\*Breakup of stores & consumable consumption into imported & indigenous is provided in note number 30



# SAHYADRI INDUSTRIES LIMITED

Notes on financial statement for the year ended March 31st,2012

₹ in Lacs except as otherwise stated

PARTICULARS	Year ending March 31,2012	Year ending March 31, 2011
<b>(B)Administration, selling and establishment expenses:</b>		
Professional & Consultancy fees	189.62	97.22
Travelling, conveyance and vehicle maintenance	291.48	242.08
Postage, telegram, telephone and telex	58.91	55.41
Rent	67.35	58.43
Building Repairs and maintenance	48.94	6.66
Repairs & main. - Windmill	61.47	46.35
Rates and Taxes	14.58	23.88
Insurance	9.52	2.28
Annual listing fees	0.25	0.15
Windmill Expenses	68.57	57.10
Excise Duty *	1,850.02	1,886.50
Sales tax, VAT and Service Tax	93.46	40.14
Power, fuel and water charges	20.96	12.90
Other Repairs	33.88	14.14
Donations	19.84	2.24
Bank Charges	172.04	115.80
Discounts and Rate difference	2,330.46	1,663.01
Breakages & Damages	612.71	344.12
Sales promotion and Advertisement Expenses	372.51	257.23
Commission on sales	219.62	240.16
Carriage outward & Forwarding Expenses	1,996.80	2,013.64
Remission, Bad Debts & rebate	41.04	17.19
Exchange fluctuation loss	346.38	0.00
Preliminary Expenses written off	0.37	9.04
Provision for Bad and Doubtful debts	25.73	38.09
Loss on sale of assets	0.00	0.07
Remuneration to auditors	7.87	6.50
Penalty	10.22	0.41
Other Miscellaneous Expenses **	305.00	231.08
<b>Total : (A)+(B)</b>	<b>12,404.55</b>	<b>9,860.90</b>

\* Excise duty shown under expenditure represents the aggregate of excise duty borne by the company & difference between excise duty on opening & closing stock of finished goods.

\*\*Includes expenses of prior period NIL (P.Y.9.33)

## 27.1 Payment to Auditors

### (A) Towards Audit Fees

Towards Audit Fees	5.25	5.00
Towards Tax Audit	1.75	1.50
Towards Service Tax	0.87	0.57
	<b>7.87</b>	<b>7.07</b>

### (B) Other Services

Towards taxation matters	2.00	0.00
Towards other services	1.16	0.99
Towards Service Tax	0.12	0.10
	<b>3.28</b>	<b>1.10</b>

<b>Total : (A)+(B)</b>	<b>11.14</b>	<b>8.16</b>
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27.2 Expenditure in foreign currency on various accounts are reported in note number 32



# SAHYADRI INDUSTRIES LIMITED

**NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 ST MARCH 2012**

₹ in Lacs except as otherwise stated

## **28 : CONTINGENT LIABILITIES & COMMITMENTS ( TO THE EXTENT NOT PROVIDED FOR)**

### **28.1 Contingent Liabilities not provided for :**

	Year ended 31st March 2012	Year ended 31st March 2011
a) Bank Guarantees	4.95	210.00
b) Claims against the company not acknowledged as debts	0.00	43.81

### **28.2 Commitments**

a) Estimated amount of contracts remaining to be executed on Capital Account net of advances & not provided for	48.18	2809.71
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## **29 : Consumption of Raw Material**

Imported	11496.97	59.60%	8736.07	60.48%
Indigenous	7794.25	40.40%	5708.49	39.52%
	19291.22		14444.56	

## **30 : Consumption of Store & Consumables**

Imported	6.64	1.58%	3.01	0.92%
Indigenous	413.57	98.42%	322.79	99.08%
	420.21		325.81	

## **31 : Value of Imports on C.I.F. basis**

a) Raw Materials	10,205.68	8022.90
b) Consumables & Stores	5.56	2.36
c) Capital Goods	33.14	5.86
d) Trading Items	56.89	98.46

## **32 : Expenditure in foreign currency**

a) Foreign Exchange Outgo on foregin tour	4.02	2.32
b) Foreign Exchange Outgo on Interest	9.30	9.43
c) Foreign Exchange Outgo on Commission	5.59	1.98
d) Foreign Exchange Outgo on Exhibition	2.61	0.00
e) Foreign Exchange Outgo on Consultancy	2.94	0.00

## **33 : Remittances in foreign currencies on accounts of Dividend to non - resident share holders.**

NIL NIL

## **34 : Foreign Exchange Earnings**

On account of export of goods on FOB basis	238.82	49.32
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## **35 : PROJECT DEVELOPMENT EXPENDITURE**

Project Development Expenditure is included under the head capital work ing progress under fixed assets. Details are as under -

Particulars	2011-2012	2010-2011
Opening balance	16.68	24.54
Add - Expenditure incurred	32.38	609.23
	49.06	633.77
Less - Capitalised during the year	2.98	617.09
	46.08	16.68



# SAHYADRI INDUSTRIES LIMITED

## NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2012

₹ in Lacs except as otherwise stated

### 36 : Disclosure pursuant to Accounting Standard 15 ( Revised) Employees Benefits

The Company has adopted revised Accounting Standard 15 " Employees Benefits", issued by the Institute of Chartered Accountants of India, which is effective from 1st April,2007.

As per Accounting Standard 15 "Employees Benefits", the disclosure of employee benefits as defined in the Accounting Standard are given below.

#### A. Defined contribution plan

Contribution to the defined contribution plan recognized as expense for the year are as under

Particulars	2011-2012	2010-2011
	₹	₹
Employers Contribution to Provident Fund (Including administrative expenses)	73.03	66.50

The Provident Fund contributions are contributed to the Regional Provident Fund Commissioner.

#### B Defined Benefit Plan

The Employee Gratuity Fund Scheme & Leave Encasement is defined benefit plan. The present value of the obligation is based on Actuarial Valuation using Projected unit credit method.

PARTICULARS	2011-2012		2010-2011	
	GRATUITY	LEAVE ENCASHMENT	GRATUITY	LEAVE ENCASHMENT
<b>Expenses to be recognized p&amp;l a/c</b>				
Current service cost	23.21	23.14	20.50	31.15
Interest cost	9.29	6.35	8.36	4.59
Expected return on plan assets	(8.41)	0.00	(6.79)	0.00
Net actuarial losses/(gain)	(8.77)	(7.69)	(8.47)	1.85
<b>Total Expense</b>	<b>15.33</b>	<b>21.80</b>	<b>13.60</b>	<b>37.58</b>
<b>Reconciliation of opening and closing balance of changes in present value of defined benefit obligation</b>				
Opening defined benefit obligation as on 1-4-2011	126.39	88.01	111.19	68.69
Service cost	23.21	23.14	20.50	31.15
interest cost	9.29	6.35	8.36	4.59
Actuarial gain/losses	(8.65)	(7.69)	(8.38)	1.85
<b>Benefits paid</b>	<b>(14.55)</b>	<b>(13.30)</b>	<b>(5.29)</b>	<b>(18.26)</b>
<b>Liabilities extinguished on settlement</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Closing defined benefit obligations os on 31-3-2012</b>	<b>135.69</b>	<b>96.51</b>	<b>126.39</b>	<b>88.01</b>
<b>Reconciliation of opening and closing balance of changes in fair value of plan assets</b>				
Opening fair value of plan assets as on 1-4-2011	90.60		64.68	
Expected return on plan assets	8.41		6.79	
Contribution by employer	17.16		24.33	
Actuarial gain/(losses)	0.12		0.09	
Benefits paid	(14.55)		(5.29)	
<b>Closing balance of fair value of plan assets as on 31-3-2012</b>	<b>101.74</b>		<b>90.60</b>	
<b>Net liability recognized in the balance sheet as on 31-3-2012</b>				
Defined benefit obligation as on 31-3-2012	135.69	96.51	126.39	88.01





# SAHYADRI INDUSTRIES LIMITED

**NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

**FOR THE YEAR ENDED 31 ST MARCH 2012**

₹ in Lacs except as otherwise stated

Fair value of plan assets as on 31-3-2012	<b>101.74</b>	<b>0.00</b>	90.60	0.00
Present value of unfunded obligation as on 31-3-2012	<b>33.95</b>	<b>96.51</b>	35.79	88.01
Actuarial Assumptions				
Discount rate (per annum)	<b>8.50%</b>	<b>8.50%</b>	7.80%	7.80%
Salary increment rate (per annum)	<b>7%</b>	<b>7%</b>	7%	7%
Expected rate of return on assets	<b>9.15%</b>		9.15%	
Expected average remaining working lives of employees (years)	<b>6.15</b>	<b>6.15</b>	6.15	6.15

**37 (Disclosure as required by AS - 11 "The Effect of changes in Foreign Exchange Rates")**

**37.1 Forward Cover Contracts :**

The company has used forward cover contracts to hedge its exposure to the movements in foreign currency exchange rates. Such forward covers are used to reduce the risk which may result from foreign rates fluctuations, and is not used by the company for trading or speculation purposes.

The details of such forward contracts are as under :

a) Details of Derivative Instruments (for hedging) :

Particulars	Amount in Foreign Currency	Currency	Equivalent Amt in ₹	Purpose
Cross Currency interest rate Swap	49.25	USD	2519.46	For repayment of External Commercial Borrowing
	(64.00)	USD	(2857.60)	

b) Details of forward contracts for currency related risk :

Particulars	Currency	Amount in Foreign Currency		Equivalent INR	
		2011-12	2010-11	2011-12	2010-11
Forward contracts	USD	36.84	0.00	1884.48	0.00

c) Details of foreign currency exposures that are not hedged by a derivative instrument or otherwise :

Particulars	Currency	Amount in Foreign Currency		Equivalent INR	
		2011-12	2010-11	2011-12	2010-11
Creditors	USD	10.22	1.55	522.98	69.40
Debtors	USD	0.14	0.19	7.22	8.29
Foreign Currency Borrowings including interest payable net of forward contract exposure	USD	23.10	32.75	1181.48	1462.14
Bank Balances	USD	0.00	0.15	0.01	6.79



# SAHYADRI INDUSTRIES LIMITED

## NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 ST MARCH 2012

₹ in Lacs except as otherwise stated

### 37.2 Cash Flow Hedge (Disclosure as required by AS - 30 "Financial Instruments : Recognition and Measurement")

a) In accordance with its risk management policy & business plan, the company has hedged its cash flows. The Company has entered into Derivative contracts to offset the foreign currency risk & floating interest risk arising from the amounts denominated in currencies other than the India rupee & rate of interest determined at LIBOR. The counter party to the Company's foreign currency interest swap contracts is a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments and highly probable forecasted transactions. The Management has assessed the effectiveness of its hedging contracts outstanding as on March 31, 2012 as required by AS 30 and accordingly the MTM Gain of 461.92 is recognized in the Hedging Reserve.

b) The following are the outstanding derivative Contracts entered into by the Company which have been designated as Cash Flow Hedges as on March 31, 2012 :

Type of Cover	Amount Outstanding at year end in Foreign Currency USD	Fair Value Gain/(Loss)	Amount Outstanding at year end	Exposure
Cross Currency Interest Swap	49.25 (64.00)	461.92 (38.38)	2519.46 (2857.60)	i) Buy ii) Floating Rate to Fixed Rate

The movement in hedging reserve during period ended March 31, 2012 for derivatives designated as Cash Flow Hedges is as follows :

Particulars	2011-2012	2010-2011
Balance at the beginning of the year	(403.90)	(365.53)
Gain/(Losses) transferred to income statement on occurrence of forecasted hedge transaction	Nil	Nil
Changes in the fair value of effective portion of outstanding cash flow derivative	461.92	(38.38)
Net derivative gain/(losses) related to discounted cash flow hedge Balance at the end of the year	58.02	(403.90)

### 38 : Operating Lease :

Where the lessor effectively retains substantially all the risks & benefits of ownership of the leased item, they are classified as Operating Lease.

Operating lease payments are recognised as an expense in the Profit & Loss Account.

Particulars	F.Y. 2011-12	F.Y. 2010-11
Non cancellable operating lease obligations		
- Not Later than one year	3.00	3.00
- Later than one year but not later than five years	13.39	12.94
- Later than five years	71.86	75.31
<b>Total</b>	<b>88.25</b>	<b>91.25</b>

Rental expenses of 3.00 (P.Y. 3.00 ) in respect of obligation under non-cancellable operating leases have been charged to Profit & Loss Account. Further a sum of 87.15 (P.Y. 78.23) has been charged to Profit & Loss Account in respect of cancellable operating leases.

General description of leasing arrangements :

- (i) The company has taken premises, Vehicle & Plant & Machinery on operating lease.
- (ii) Lease rentals are charged to the Profit and Loss Account for the year.



# SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 ST MARCH 2012

₹ in Lacs except as otherwise stated

- (iii) There are no sub-leases.  
(iv) These leases are usually renewable by mutual consent on mutually agreeable terms.  
(v) Future lease rental payments are determined on the basis of the lease payments as per the agreement.

### **39 : Earning per Share (EPS) - The numerator and denominator used to calculate Basic and Diluted Earnings per Share**

- Profit attributable to the Equity Shareholders (₹) - A	961.59	1347.24
- Basic / Weighted average number of Equity Shares outstanding during the year - (B)	9561500	9561500
- Nominal value of Equity Shares (₹)	10	10
- Basic / Diluted Earning per Share (₹) - (A)/(B)	10.06	14.09

### **40 : Segment wise Revenue/ Results & Capital Employed (₹. In lakhs)**

A) <u>Segment Revenue</u>		
a) Building Material	36447.89	28383.30
b) Power Generation	1560.92	951.09
Sub Total	38008.81	29334.39
Less : Inter Segment Revenue	330.61	194.69
Net Sales / Income from Operations	37678.19	29139.70
B) <u>Segment Results Profit (+) / Loss(-) before tax &amp; interest from each segment</u>		
a) Building Material	2482.90	2932.30
b) Power Generation	682.53	174.71
Sub Total	3165.43	3107.01
Less :- I) Interest	1813.45	1154.55
(II) Unallocable Expenditure net of unallocable Income	0.00	0.00
Add:- Un-allocable income Net of unallocable Expenditure	4.77	87.46
Profit Before Income Tax	1356.76	2039.91
C) <u>Capital Employed</u>		
a) Building Material	6307.44	5895.48
b) Power Generation	3735.38	2591.14
c) Unallocable	59.24	402.55
TOTAL	10102.05	8889.17

- Notes :-1) The Company has two business segments namely Building Material Products & Power Generation by Windmills.  
:-2) Segment Revenue include External Sales directly identifiable with segment.  
:-3) Inter segment Revenue includes power generation for captive consumption.  
:-4) Expenses and assets those are directly identifiable are considered for Segment Reporting.

**41 : List of persons & the relationship with related parties with whom transaction have taken place during the year with value of transactions as required by Accounting Standard 18 "Related Party Disclosure" is enclosed in Annexure.**

**42 : Previous years figures have been regrouped and rearranged wherever necessary.**

As per our report of even date  
**For Parag Patwa & Associates**  
Chartered Accountants

On behalf of Board of Directors

**(CA P. I. Patwa )**  
Partner  
(Mem No. 041529)

**S. V. Patel**  
Managing Director

**J. P. Patel**  
Chairman

**Mahesh Purandare**  
Company Secretary

Place : Pune  
Date :30th May,2012



# SAHYADRI INDUSTRIES LIMITED

Schedules attached to and forming part of the Balance Sheet as at MARCH 31, 2012

₹ in Lacs except as otherwise stated

## SCHEDULE 11 :-FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	AS AT 01.04.2011	ADDITIONS DURING THE YEAR	DEDUCTIONS	AS AT 31.03.2012	AS AT 01.04.2011	FOR THE YEAR	DEDUCTIONS	AS AT 31.03.2012	AS AT 31.03.12	AS AT 31.03.11
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>(A) TANGIBLE ASSET</b>										
<b>SHEET ASSETS</b>										
LAND	343.80	28.50	0.64	371.66	0.00	0.00	0.00	0.00	371.66	343.80
LEASE HOLD LAND	437.47	0.00	0.00	437.47	32.55	5.44	0.00	38.00	399.48	404.92
LAND DEVELOPMENT & FENCING	147.91	0.00	0.00	147.91	0.00	0.00	0.00	0.00	147.91	147.91
FACTORY BUILDING	3,949.80	1,090.15	0.00	5,039.95	1,226.86	182.18	0.00	1,409.04	3,630.92	2,722.95
BUILDING (Other than Factory Building)	1,582.47	108.41	0.00	1,690.87	106.44	50.58	0.00	157.02	1,533.86	1,476.03
PLANT & MACHINERY	3,099.34	308.69	0.00	3,408.03	1,207.13	230.11	0.00	1,437.23	1,970.80	1,892.22
ELECTRICAL INSTALLATION	419.93	29.16	0.00	449.10	168.71	33.03	0.00	201.74	247.36	251.22
COMPUTERS	89.38	11.07	0.00	100.45	66.05	11.07	0.00	77.12	23.33	23.33
COMPUTER PERIPHERALS	49.31	1.53	0.00	50.84	23.34	3.91	0.00	27.25	23.60	25.97
FURNITURE	74.35	21.69	0.00	96.04	55.07	9.28	0.00	64.35	31.69	19.28
VEHICLES	204.46	55.92	8.31	252.06	93.92	36.42	6.42	123.92	128.15	110.54
TEMPLATES, MOULDS & OTHER EQUIPMENTS	1,273.14	25.81	0.00	1,298.95	1,047.38	50.24	0.00	1,097.63	201.33	225.76
OFFICE EQUIPMENT	76.23	7.39	0.00	83.62	37.52	6.18	0.00	43.70	39.92	38.71
LABORATORY EQUIPMENTS	22.74	7.99	0.00	30.73	15.60	1.36	0.00	16.95	13.78	7.14
ELECTRICAL GENSET	345.81	33.12	0.00	378.93	167.24	25.16	0.00	192.41	186.53	178.57
TROLLEYS	8.45	0.00	0.00	8.45	8.39	0.02	0.00	8.40	0.04	0.06
SCALE MACHINE	28.46	0.00	0.00	28.46	7.16	2.53	0.00	9.70	18.76	21.29
MATERIAL HANDLING EQUIPMENT	771.65	212.68	0.00	984.34	281.51	76.73	0.00	358.25	626.09	490.14
CANTEEN EQUIPMENTS	0.14	0.23	0.00	0.37	0.08	0.01	0.00	0.09	0.28	0.06
<b>WINDMILL ASSETS</b>										
LAND FOR WINDMILL	26.63	0.00	0.00	26.63	0.00	0.00	0.00	0.00	26.63	26.63
BUILDING	7.69	0.00	0.00	7.69	1.67	0.30		1.97	5.72	6.02
WIND ENERGY CONVERTORS	10,004.83	2,718.62	0.00	12,723.44	3,674.10	674.63	0.00	4,348.72	8,374.72	6330.73
ELE. INSTALLATION (WINDMILL)	53.14	0.00	0.00	53.14	38.92	1.98	0.00	40.90	12.24	14.22
<b>SUB -TOTAL</b>	<b>23,017.11</b>	<b>4,660.97</b>	<b>8.94</b>	<b>27,669.14</b>	<b>8,259.63</b>	<b>1,401.17</b>	<b>6.42</b>	<b>9,654.37</b>	<b>18,014.77</b>	<b>14,757.49</b>
<b>(B) INTANGIBLE ASSET</b>										
<b>SHEET ASSETS</b>										
COMPUTER SOFTWARE	122.82	19.20		142.02	91.63	19.55	0.00	111.19	30.83	31.19
WINDMILL ASSETS										
INTANGIBLE RIGHTS	96.31	97.75	0.00	194.05	9.66	14.99		24.65	169.41	86.65
<b>SUB -TOTAL</b>	<b>219.13</b>	<b>116.94</b>	<b>0.00</b>	<b>336.07</b>	<b>101.29</b>	<b>34.54</b>	<b>0.00</b>	<b>135.83</b>	<b>200.24</b>	<b>117.84</b>
<b>TOTAL ASSETS</b>	<b>23,236.24</b>	<b>4,777.92</b>	<b>8.94</b>	<b>28,005.21</b>	<b>8,360.92</b>	<b>1,435.71</b>	<b>6.42</b>	<b>9,790.21</b>	<b>18,215.01</b>	<b>14,875.32</b>
<b>(C) CAPITAL WORK IN PROGRESS</b> (Including Expenses pending Capitalization & Stock lying with contractor)	<b>2,157.43</b>	<b>2,744.41</b>	<b>4,732.92</b>	<b>168.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>168.92</b>	<b>2,157.43</b>
<b>TOTAL CAPITAL WORK IN PROGRESS</b>	<b>2,157.43</b>	<b>2,744.41</b>	<b>4,732.92</b>	<b>168.92</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>168.92</b>	<b>2,157.43</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>25,393.67</b>	<b>7,522.33</b>	<b>4,741.86</b>	<b>28,174.14</b>	<b>8,360.92</b>	<b>1,435.71</b>	<b>6.42</b>	<b>9,790.21</b>	<b>18,383.93</b>	<b>17,032.75</b>



# SAHYADRI INDUSTRIES LIMITED

## ANNEXURE - RELATED PARTY DISCLOSURES { AS - 18 }

List of persons & the relationship with related parties with whom transaction have taken place during the year with value of transactions (as certified by management)

### NAME OF THE RELATED PARTY -

#### I) Associates -

- a ) Poonam Roofing Products Pvt.Ltd. ( PRPPL )      b ) Parv Ventures      c ) JVS Coatmatco Industries Pvt. Ltd .  
d) Anjani Buildcon Pvt. Ltd.      e) Poonam Tiles      f) Mahanagar Constructions  
g) Sahyadri Enerco Pvt. Ltd.      h) PVRB Agro Products Pvt Ltd.

#### II ) Key Management Personnel -

- a) Mr.Vallabh L. Patel - Director      b) Mr. Purushottam L. Patel - Director      c) Mr.Jayesh P. Patel - Director  
d) Mr.Satyen V. Patel - Director

#### III ) Relatives of Key Management Personnel -

- a) Mr. V. V. Patel      b) Mr. Chetan P. Patel      c) Mrs. B.P.Patel      d) Mrs. Parviti Patel      e) Mr. J.V. Patel  
f) Mrs.Geeta S.Patel      g) Mrs. Harsha J. Patel      h) Kalpana Patel      i) Malvi Patel      j) Jigar J. Patel  
l) Rashmi P Patel      J) Pranil S. Patel      k) Dhemahee S. Patel

### Transactions during the year with related parties (AS 18) ₹ in Lacs except as otherwise stated

Nature of Transactions	Associates		Key Management Personnel		Relatives Of Key Management Personnel	
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
<b>1) Transactions during the year</b>						
<b>a) Unsecured Loan</b>						
a Taken during the year	40.75	3.72	1,235.00	2,325.25	901.20	850.95
b Repaid during the year	47.83	142.91	2,136.61	1,490.43	1,019.47	587.74
<b>b) Revenue Items</b>						
Labour Charges	87.47	65.48	0.00	0.00	0.00	0.00
Lease Charges	22.80	22.80	0.00	0.00	0.00	0.00
Power & Fuel Expenses	8.43	8.66	0.00	0.00	0.00	0.00
Sale of Asbestos Sheets	0.00	0.00	0.00	0.00	0.00	0.00
Sale of scrap	0.00	1.03	0.00	0.00	0.00	0.00
Trade Mark Fees	37.70	29.52	0.00	0.00	0.00	0.00
Purchases	0.00	0.00	0.00	0.00	0.00	0.00
<b>c) Interest</b>						
Interest on Unsecured Loan paid during the year	5.53	5.27	92.96	172.45	142.11	70.60
<b>d) Rent paid</b>	0.60	0.60	3.31	1.83	5.76	5.76
<b>f) Managerial Remuneration paid during the year</b>	0.00	0.00	156.31	230.42	15.95	14.48
<b>g) Dividend Paid</b> (Provided in 2010-11 paid during the year)	0.25	0.37	30.95	46.42	91.53	76.64
<b>h) investment in equity Shares</b>	0.48	0.48	0.00	0.00	0.00	0.00



## SAHYADRI INDUSTRIES LIMITED

i) Share Application Money pending allotment	15.58	15.58	0.00	0.00	0.00	0.00
<b>2) Balance outstanding as on year end</b>						
a) Debts Due	40.42	14.83	0.00	0.00	0.00	0.45
b) Debts receivable	16.04	6.57	0.00	0.00	0.00	0.00
c) Unsecured Loan / ICD	35.75	42.83	1,170.00	2,071.61	836.20	872.05
d) Deposits	41.10	41.10	1.45	1.45	11.00	11.00
e) investment in equity Shares	0.48	0.48	0.00	0.00	0.00	0.00
f) Share Application Money pending allotment	15.58	15.58	0.00	0.00	0.00	0.00

**Gratuity Contribution :-**

The contribution to gratuity funds has been made on a group basis & separate figures applicable to an individual employee are not available & therefore, contribution to gratuity funds has not been considered in the above computation.

As per our report of even date

**For Parag Patwa & Associates**  
Chartered Accountants

**On behalf of Board of Directors**

**(CA P. I. Patwa )**

Partner  
(Mem No. 041529)

**S. V. Patel**  
Managing Director

**J. P. Patel**  
Chairman

**Mahesh Purandare**  
Company Secretary

Place : Pune  
Date : 30th May, 2012



## SAHYADRI INDUSTRIES LIMITED

**Dear Shareholders,**

Re: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No 17/2011 dated 21.04.2011 and Circular No 18/2011 dated 29.04.2011) allowing paperless compliance by companies through paperless mode. Companies are now permitted to send various notices/documents to its shareholders in electronic mode to the registered email addresses of shareholders. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards the Green Environment. It will also ensure prompt receipt of communication, avoid loss in postal transit.

Keeping in view the underline theme, members are requested to support green initiative by registering/uploading their email address in respect of shares held in physical form by sending email to [silworldgogreen@sharexindia.com](mailto:silworldgogreen@sharexindia.com) or by sending to our R&T Agent on the address given below.

The members who held shares in dematerialisation form are requested to register/update their email address with their respective Depository Participants (DPs)

(For Members holding shares in physical form)

To,

**Sharex Dynamic (India) Private Limited.**

Unit No 1, Luthra Industrial Premises,  
E.M. VasANJI Marg, Andheri Kurla Road,  
Safed Pool, Andheri (East)  
Mumbai - 400072.

Unit: Sahyadri Industries Limited.

Dear Sir,

Sub: - "GO GREEN" initiative of the Ministry of Corporate Affairs (MCA), Government of India.

We are happy to note that our company has taken up this initiative. We give below our email Id for the purpose of serving of documents like General Meeting Notices (Including AGM), Audited Financial Statements, Directors Report, Auditors Report etc. by the Company in electronic Mode.

Name of the Shareholder(s) :

Folio No. :

Email Id(s) :

Thanking you  
Yours Faithfully,

Signature (s) of the Shareholder(s)

Dated:

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# SAHYADRI INDUSTRIES LIMITED

SAHYADRI INDUSTRIES LIMITED

## ATTENDANCE SLIP

EIGHTEENTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 14TH AUGUST 2012

Name of the Member/Proxy: .....

Registered Folio No. ....

\*DP ID No. & Client ID No. ....

No. of Shares held: .....

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

I hereby record my presence at the Seventeenth Annual General Meeting of the Company at Plot No.39, D III Block, MIDC, Chinchwad, Pune- 411019 at 3.30 p.m. on 14th August 2012.

.....  
\*\* Member(s)/Proxy signature

\*\* To be signed at the time of handing over the slip.

Note:

- Member/proxy wishing to attend the meeting must complete this Attendance slip and hand it over **at the entrance of** the meeting hall.
- Members are requested to bring their copy of the Annual Report for the meeting.

SAHYADRI INDUSTRIES LIMITED

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ being member/s of SAHYADRI INDUSTRIES LIMITED, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy in my/our absence to attend and vote for me/ us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at 3.30 p.m. on 14th August 2012 and at any adjournment thereof.

Name of the Member : .....

Signature(s): .....

Registered Folio No./ \* DP ID & Client ID No. ....

No. of shares held .....

Affix 1 Re.  
Revenue  
stamp

Note: In order to be effective proxy form should be duly stamped, completed and signed & must be deposited at the Registered office of the Company at 'Swastik House' 39/D, J. N. Marg, Gultekadi, Pune 411037 not less than 48 hours before the time of the meeting.

\* Applicable for investors holding Shares in Electronic Form.



# International Markets

The current generation at the helm has surged Sahyadri's horizons beyond national boundaries with innovative product lines/extensions, exports and international alliances. The company now offers exciting product offerings for metropolitan, urban & rural spaces not just in India, but some major markets worldwide.



**SANYADRI INDUSTRIES LTD.**

Swastik House, 39 D, Gultekdi, Jawaharlal Nehru Marg, Pune - 411 037  
T: +91 20 26444625/26/27, 26452064, 26453075 F: +91 20 26458888, 26454524  
E: cs@silworld.in W: www.silworld.in