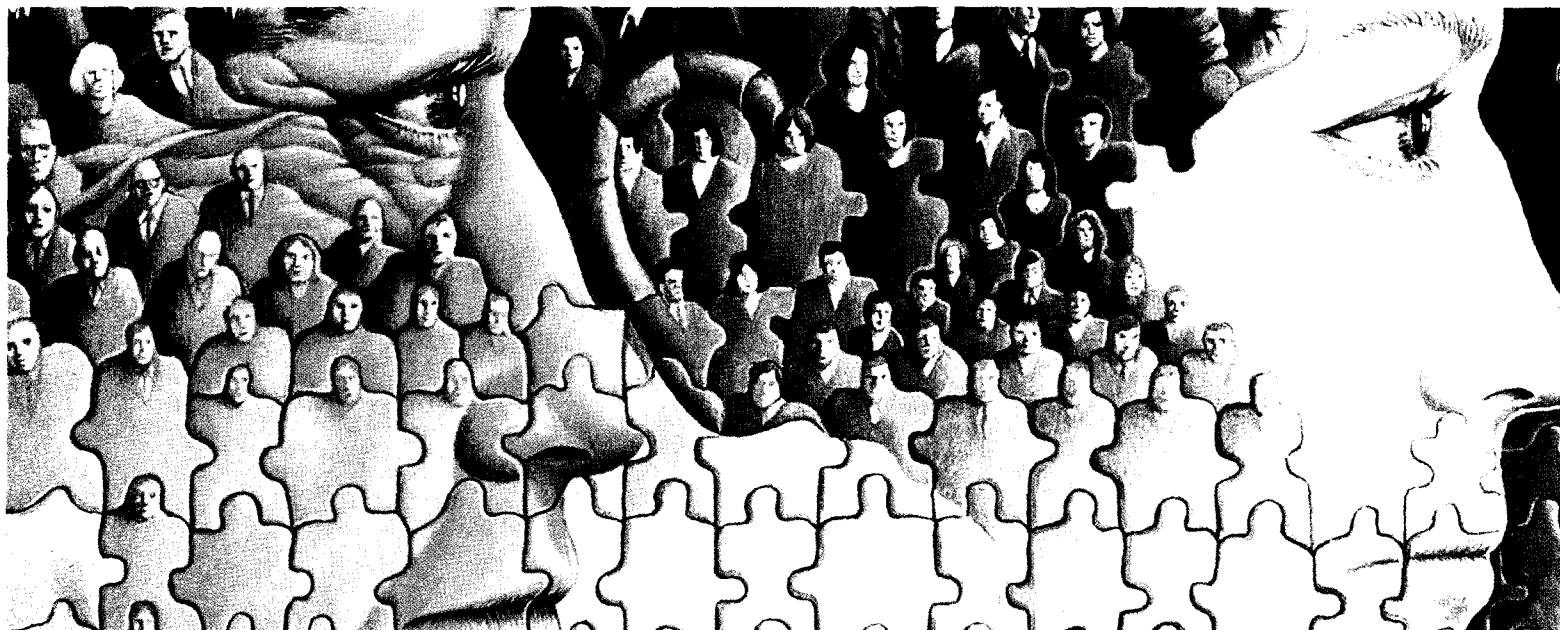


SAHYADRI INDUSTRIES LTD.
18TH ANNUAL REPORT 2011-12



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

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Management Discussion & Analysis Report
Corporate Governance Report
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**

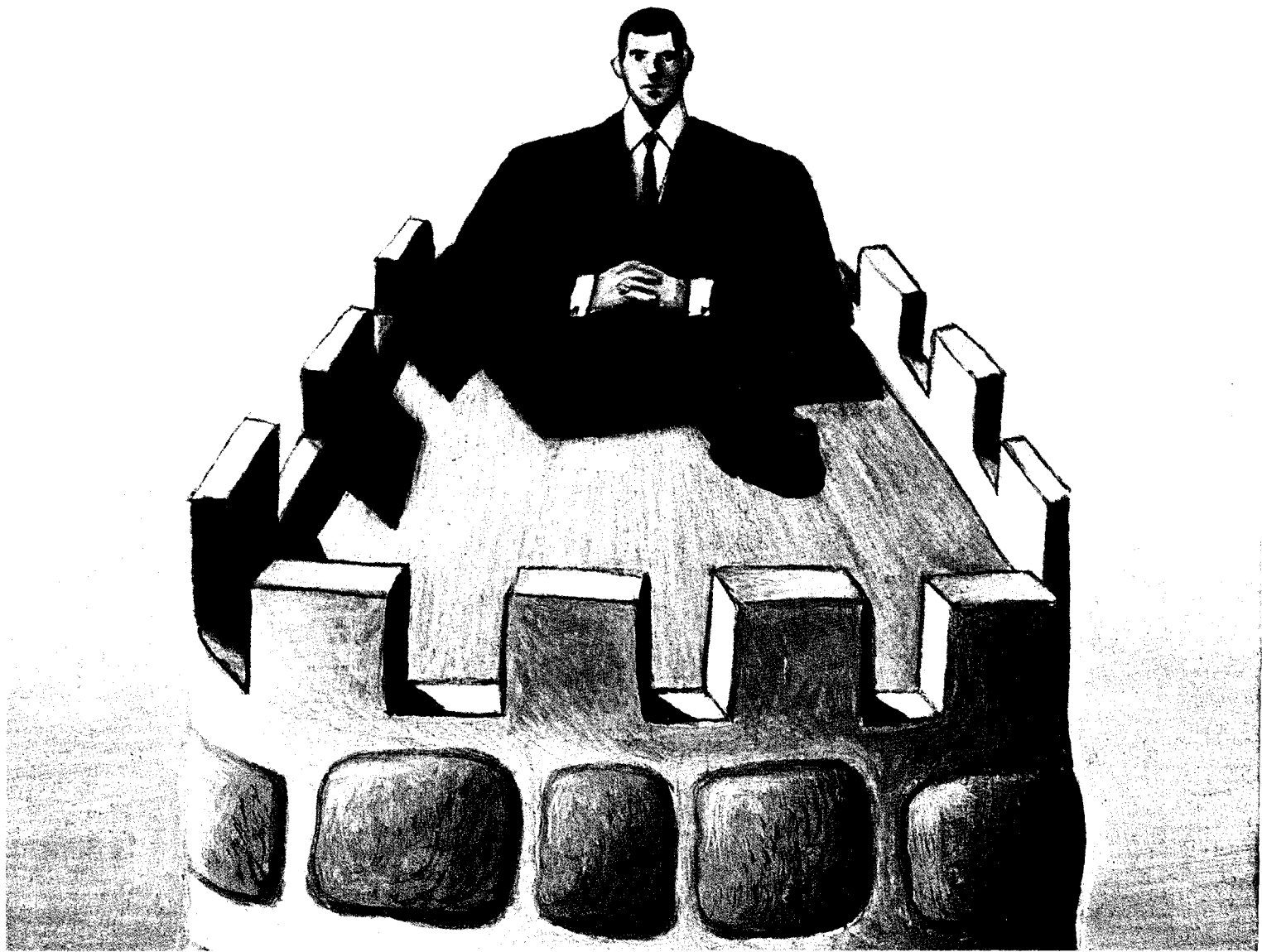
M/s Sharex Dynamic (India) Pvt. Ltd
Unit no. 1, Luthra Industrial Premises,
Safed Pool Andheri (E), Mumbai - 400 072
Phone No. 022 - 28515606/44
Fax No. 022 - 28512885
www.sharexindia.com

➤ **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

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.

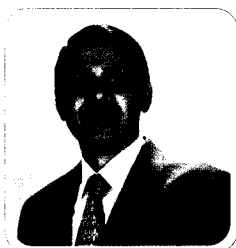
In the field of power generation, a highlight and an encouragement has been our award for the second 'Best Wind Farm' (above 2MW capacity) by Wind Power Association (Windpro) for the year 2011-2012 at Maharashtra.

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.

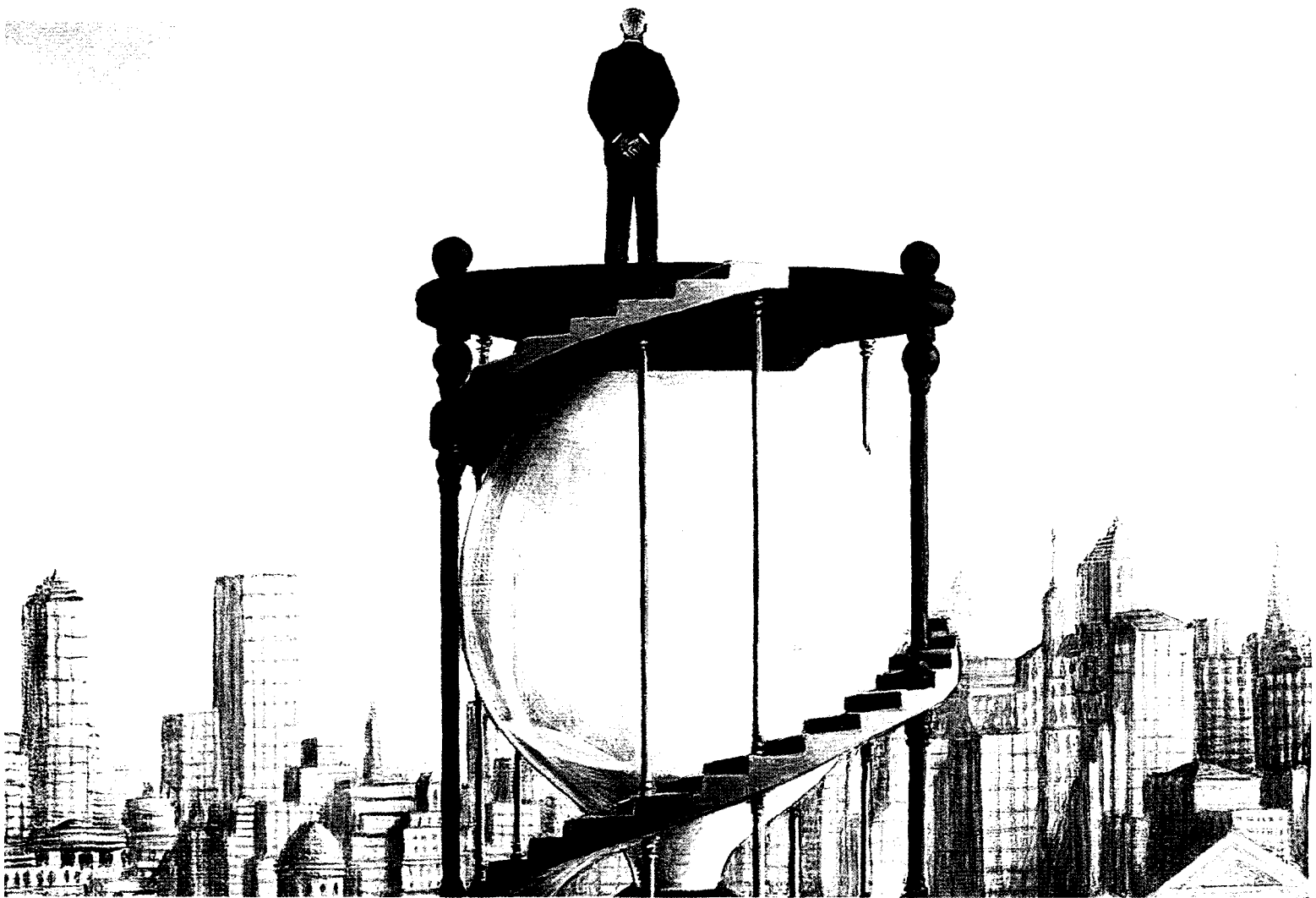
With best regards,



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

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 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)

Name of the Director	Jayesh Patel	Satyen Patel	D. B. Kasad
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 2MW 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