



Indian. Innovative. Iconic.

Sustainable answers in building solutions

Saving

Time

Money

Nature

Future



ANNUAL REPORT 2019-20

## EcoPro offers incredible versatility in mass application.

Years of research.  
Years of testing against all conditions.  
Years of creating amazing innovation and flexibility.

And finally, the Sahyadri Solutions and Innovation Lab is ready for a new launch.

**Probably the most versatile building material known to man.**

**Introducing EcoPro multi-use cement sheets from SSIL.**

And here's the proof!

**Durability? Proof Hai!**

Termite Resistant.  
Water Resistant.  
Fire Resistant.  
Soundproof.  
High Load Bearing Capacity.

**Enhances Aesthetics?**

**Proof Hai!**

Conceals ducts, vents, wiring, plumbing and pipes.  
CNC cut sheets specially designed for aesthetic appeal.

**Cost effective and Economical?**

**Proof Hai!**

Quick+ easy installation and removal.  
Reduced labour and subsequent cost.  
Versatile and multi-utility product mix.

### EcoPro [Fins]

Now no more ugly ducts and vents in the building. Cover them with EcoPro plus get excellent ventilation.



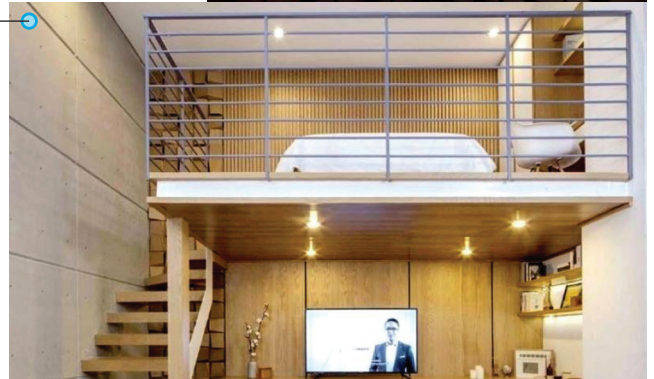
### EcoPro [Roof Underlay]

An EcoPro roof underlay solves leakage problems and cuts down noise from heavy rains. It's also dust free.



### EcoPro [Mezanine]

EcoPro is lighter and yet can handle amazing load. Replace RCC slabs with this lighter durable option.



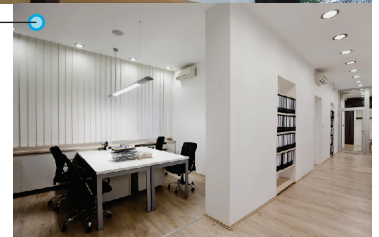
### EcoPro [CNC Cut]

CNC cut designer EcoPro sheets beautify and cover ducts. Or they can be used for pure aesthetic purposes, the choice is yours.



### EcoPro [Wall Partition]

Constructing a partition wall? Just use EcoPro. It's faster, lighter, thinner and water resistant!



### EcoPro [Ceilings]

EcoPro conceals wiring or AC pipes, enhances aesthetics and is a quick and easy option.





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## CORPORATE INFORMATION

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

|                       |  |
|-----------------------|--|
| Mr. Jayesh Patel      | Chairman and Whole time Director         |
| Mr. Satyen Patel      | Managing Director                        |
| Ms. Sarita Kotasthane | Independent Director                     |
| Adv. S.B. Malegaonkar | Independent Director                     |
| Mr. T.R. Maheshwari   | CEO and CFO                              |
| Mr. Prasad Zinjurde   | Company Secretary and Compliance Officer |

## AUDITORS OF THE COMPANY

### STATUTORY AUDITOR

M/s. Vijay Kalera & Associates  
Chartered Accountants  
Pune

### SECRETARIAL AUDITOR

M/s. Suvir Saraf  
Practicing Company Secretary  
Pune

## ADDRESSES

### COMPANY

**Sahyadri Industries Limited**  
CIN: L26956PN1994PLC078941  
39/D, Gultekdi, J.N. Marg, Pune-411037  
Email ID: info@silworld.in  
Tel No. 020-26444625/26/27  
Website: www.silworld.in

### REGISTRAR AND TRANSFER AGENT

**Sharex Dynamic (India) Private Limited**  
CIN: U67190MH1994PTC077176  
C 101, 247 Park, LBS Marg, Vikhroli West,  
Mumbai 400083  
Email ID: support@sharexindia.com  
Tel No. 022-2851560604/44

## BANKERS OF THE COMPANY

The Cosmos Co-operative Bank Limited  
Corporation Bank  
HDFC Bank Limited  
Indian Overseas Bank  
Standard Chartered Bank  
ICICI Bank limited



# **REPORT OF BOARD OF DIRECTORS**



## BOARD'S REPORT

Dear Shareholders,

The Directors of your Company take pleasure in presenting the Twenty Sixth Annual Report on the business and operations of the Company together with financial statements for the financial year ended March 31, 2020.

## I. Financial results & appropriations:

### a) Financial results

|  | (Amount in Lakh) |                 |
|--|------------------|-----------------|
| Particulars  | March 31, 2020   | March 31, 2019  |
| Revenue from operations  | 28,863.68        | 29,524.36       |
| Total Income   | 316.64           | 237.90          |
| <b>Profit before finance cost, depreciation, exceptional items and extraordinary expenses (EBITDA)</b> | <b>5,049.62</b>  | <b>6,933.90</b> |
| Depreciation and amortization (-)  | (1,434.34)       | (1,827.20)      |
| Finance cost (-)   | (786.89)         | (812.01)        |
| Exceptional Items- Income / (Expenses)   | 0                | 194.01          |
| <b>PROFIT BEFORE TAX</b>   | <b>2,828.39</b>  | <b>4,488.69</b> |
| Current tax expense (-)  | (595.07)         | (1,564.55)      |
| Deferred tax (-)   | 424.09           | 265.57          |
| <b>NET PROFIT FOR THE YEAR</b>   | <b>2,657.41</b>  | <b>3,189.71</b> |
| Less: Profit attributable to Non-controlling interest  | 0                | 0               |
| <b>Profit attributable to owners of the Company</b>  | <b>2,657.41</b>  | <b>3,189.71</b> |
| Add: Profit brought forward from last year   | 0                | 0               |
| Add: Re-measurements of defined benefit plans, net of tax  | (18.34)          | 1.45            |
| Less: Transfer to Debenture Redemption Reserve (DRR)   | 0                | 0               |
| Add: On Account of Capital Reduction   | 0                | 0               |
| <b>Balance carried forward in Balance Sheet</b>  | <b>2,639.07</b>  | <b>3,191.17</b> |

### b) Company's Performance

During the financial year 2019-20, Sahyadri Industries Limited achieved revenue of Rs 28,863.68 Lakh as compared to Rs.29524.36 Lakh in the previous year. Profit after tax of the Company for the year stood at Rs.2657.41 Lakh against Rs. 3189.71 Lakh in the previous year.

### c) Material Changes and Commitments

- There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statements relate and the date of this Report. However, Company has Passed Board resolution for scheme of arrangement between the company and Poonam Roofing Products Private Limited.
- Company has filed draft scheme along with other documents to BSE for their NOC/ Observation Letter. Company is in

process of resolving queries raised by the BSE in order to obtain NOC/ Observation Letter from the same.

### d) Dividend

The Board has declared and paid Interim Dividend @ 25% i.e. Rs. 2.5/- per share during the year ended March 2020. Total outgo on account of Dividend was Rs.239.03 Lakh. The shareholders are requested to confirm said interim dividend as final dividend for the FY 2019-20. The resolution to confirm interim dividend as final dividend is mentioned in the Notice of Annual General Meeting.

It is further informed that, Dividend DDs of the shareholders having their account in the Yes Bank Ltd. were dispatched by HDFC Bank Ltd but due to the prevailing pandemic of COVID-19 resulting into a nationwide lockdown from the 23<sup>rd</sup> March 2020, DDs got stuck in the transit and the same were received by the Company post the expiry date of DDs and hence the fresh DDs will be dispatched as soon as the courier services normalized.



**e) Transfer of unclaimed dividend to Investor Education and Protection Fund**

During the year under review, Company has transferred unclaimed dividend amount of Rs. 2.26 Lakh to IEPF account.

**f) Reserves**

The Board of Directors does not propose to transfer any amount to the reserves.

**g) Credit Rating**

During the year under review, there was no change in the Credit rating of the Company.

**h) Details of Internal Financial Controls with reference to the Financial Statements**

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations have been developed with the help of independent expert agency and the same are operating satisfactorily. Internal control systems consisting of policies and procedures are designed to ensure accuracy and completeness of the accounting records and the timely preparation of reliable financial information, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

The internal financial controls with reference to the financial statements were adequate and operating effectively as endorsed by statutory auditors in their report.

**i) Details in respect of frauds reported by Auditors**

During the year under review, there have not been any instances of fraud and accordingly, the Statutory Auditors have not reported any frauds either to the Audit Committee or to the Board under Section 143(12) of the Act.

**2. Industry Outlook and Business Overview:**

Details on economic outlook, industrial outlook, business overview and SWOT analysis of the company is covered in the Management Discussion and Analysis report.

**3. Financial Information and Disclosures**

**a) Report on Performance of Subsidiaries, Associates and Joint Venture Companies**

Since Company does not have any subsidiary, joint venture or associate company, therefore this clause is not applicable to the Company.

**b) Conversion of Company to Public Limited Company**

During the year under review, there was no instance of conversion of company; therefore this clause is not applicable to the Company.

**c) Share Capital**

During the year under review, there were no changes in the structure of share capital of the company compared with previous year.

**d) Deposits**

During the year under review, the Company has not accepted any deposits from the public.

**e) Disclosures under Section 134(3) (1) of the Companies act, 2013 – Material Changes and Commitment**

During the year under review, there were no Material Changes and Commitment affecting the financial position of the Company or impacting the going concern status and Company's operations in future which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

**f) Disclosure regarding significant and material orders passed by regulators or Courts or Tribunal**

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**g) Particulars of contracts or arrangements made with Related Parties**

All related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

However, Form AOC-2 is attached herewith.

**h) Particulars of Loans, Guarantees or Investments under Section 186 of the Act**

During the year under review, Company has not extended any loans, guarantees, investments and securities to any other individual or entity under Section 186 of the Act.

**i) Disclosure under Section 43(a) (ii) of The Companies Act, 2013**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a) (ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is required to be furnished.

**j) Disclosure under Section 54(1) (d) of the Companies Act, 2013**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1) (d) of the Act read with Rule 8 (13) of the Companies (Share Capital and Debenture) Rules, 2014 is required to be furnished.

**k) Disclosure under Section 62(1) (b) of the Companies Act, 2013**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1) (b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is required to be furnished.

**4. Disclosures related to Board, Committees, Remuneration and Policies**

**a) Directors and Key Managerial Personnel**

| Sr. No. | Name of the Director        | Designation                              | Category      |
|---------|-----------------------------|--|---------------|
| 1       | Jayesh Purushottam Patel    | Chairman & Whole time Director           | Executive     |
| 2       | Satyen Vallabhbbhai Patel   | Managing Director                        | Executive     |
| 3       | Sarita Jagannath Kotasthane | Independent Director                     | Non-Executive |
| 4       | Shrikant B Malegaonkar      | Independent Director                     | Non-Executive |
| 5       | T.R. Maheshwari             | CEO & CFO                                | --            |
| 6       | Prasad Zinjurde             | Company Secretary and Compliance Officer | --            |

During the year under review, Mr. M.K. Sharma has resigned from the post of Chief Financial Officer of the Company with effect from 13<sup>th</sup> January 2020.

The Board of Directors on recommendation of Nomination and Remuneration Committee and upon ratification by Audit Committee has appointed Mr. Tuljaram Maheshwari as Chief Executive Officer and Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 16<sup>th</sup> January, 2020.

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mr. Jayesh Patel (DIN: 00131517) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Jayesh P. Patel was appointed as Executive Chairman and Whole Time Director of the Company for the tenure of 3 years through the resolution passed by the members in their meeting held on 28<sup>th</sup> September 2017. The said tenure of appointment was expired on 30<sup>th</sup> June 2020.

The Nomination and Remuneration committee in its meeting held on 15<sup>th</sup> June 2020 and the Board of Directors at their meeting held on 15<sup>th</sup> June 2020 has given their approval for re-appointment Mr. J. P. Patel as an Executive Chairman and Whole Time Director for further period of 5 years w.e.f 1<sup>st</sup> July 2020.

Mr. Satyen Patel was appointed as Managing Director of the Company for the tenure of 3 years through the resolution passed by the members in their meeting held on 28<sup>th</sup> September 2017. The said tenure of appointment was expired on 30<sup>th</sup> June 2020.

The Nomination and Remuneration committee in its meeting held on 15<sup>th</sup> June 2020 and the Board of Directors at their meeting held on 15<sup>th</sup> June 2020 has given their approval for re-appointment Mr. S. V. Patel as a Managing Director for further period of 5 years w.e.f 1<sup>st</sup> July 2020.

Brief details of the Director, who are proposed to be re-appointed, as required under Regulation 36 of the SEBI Listing Regulations, are provided in the Notice of Annual General Meeting.

Details of Board Meetings and Committee meetings held during the year under review attendance at the meetings are provided in Corporate Governance Report.

**b) Declaration by Independent Directors**

In terms of Section 149(7) of the Act, the Independent Directors have submitted their declaration confirming compliance with the criteria of independence as stipulated under Section 149(6) of the Act.

**c) Information on Board Meeting procedure and attendance during the Financial Year 2019-20**

The Board meetings of the Company are conducted as per the provisions of the Companies Act, 2013 and applicable Secretarial Standards. Information as mentioned in the Act and all other material information, as may be decided by the management, were placed before board for their consideration. Details on the matters to be discussed along with relevant supporting documents, data and other information are also furnished in the form of detailed agenda to the Board and



the Committees concerned, to enable directors take critical decisions and accordingly advise the management.

Details regarding information furnished to the Board members, number of Committee and Board meetings held during the year along with attendance record of each director has been disclosed in the Corporate Governance Report of the Company.

#### **d) Director's Remuneration Policy and Criteria for Matters under Section 178 and Payment of Commission**

As stipulated under Section 178 of the Act, the Board has approved a Nomination and Remuneration Policy of the Company. The Policy documents mention in detail the mechanism for appointment, cessation, evaluation and remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company. Information on the Policy and details of the criteria for determining qualifications, positive attributes and other matters in terms of Section 178 of the Act is provided in the Corporate Governance Report.

The Company has paid Commission to Executive Directors during the financial year under review. The Company has paid in aggregate profit related commission of 68.66 Lakh to executive directors for the financial year 2019-20 which is within 1% of profit and details of the same are provided in Corporate Governance Report.

#### **e) Annual evaluation of the performance of the Board, its Committees and Directors**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, the Board of Directors has carried out an annual performance evaluation of its own performance and that of the Directors and Committees, internally.

It included the Evaluation of the Board as a whole, Board Committees and Directors. The exercise was led by the Chairman of Nomination and Remuneration Committee along with an Independent Director. The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience, performance of duties and governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution, independent judgment and guidance and support provided to the management.

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Director's.

#### **f) Directors' Responsibility Statement**

Pursuant to Section 134(5) of the Act, the Directors, based on the representation received from the management, confirm that:

- i. in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting

standards have been followed along with proper explanation relating to material departures;

- ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2019-20 and of the profit and loss of the Company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis;
- v. the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **g) Corporate Governance**

Corporate Governance Report along with General Shareholder Information and Management Discussion and Analysis is included in this Annual Report.

The Managing Director and Chief Financial Officer have certified to the Board with regard to financial statements and other matters as required under Regulation 17(8) read with Schedule II to the Listing Regulations is annexed herewith as an Annexure I.

#### **h) Corporate Social Responsibility and CSR Policy**

Corporate Social Responsibility is an integral part of the Company's ethos and policy and it has been pursuing this on a sustained basis. In this endeavor, the Company has contributed funds for the CSR activities/project related to promoting rural and nationally recognized sports, promotion of education and employment enhancing vocational skills, environment sustainability and promoting art and culture etc.

During the year under review the Company was required to spend 54.97 Lakh towards CSR activities against which, the Company has spent Rs.35.17 Lakh. The Annual Report on CSR activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure - II to this Report. Web link for CSR Policy [www.silworld.in/investors](http://www.silworld.in/investors)

#### **i) Risk Management Policy**

The Board of Directors has approved and adopted comprehensive Risk Management Policy for the Company. The Risk Management Policy is designed to manage risk within the risk threshold established by the Board and

provide reasonable assurance over the achievement of strategic and operational objectives. The Policy will help in risk identification, risk measurement, define risk appetite and threshold limits and suggesting risk mitigation measures. The process is ongoing and requires continuous exercise across all locations and functions of the Company. The Audit Committee will do the periodic review of implementation, assessment and mitigation measures under Risk Management Policy. Web link for Risk Management Policy [www.silworld.in/investors](http://www.silworld.in/investors)

## 5. Auditors

### a) Statutory Auditor

Pursuant to the provisions of section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, as amended from time to time, appointment of M/s. Vijay S. Kalera & Associates, Chartered Accountants, Pune [Firm Registration No. 115160W] as the Statutory Auditors of the Company was made by the members at the 23<sup>rd</sup> Annual General Meeting held on 28<sup>th</sup> September, 2017 for a term of five years.

Auditors have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under.

Independent Auditors Report forms part of this Annual Report.

### b) Cost Auditor

As per the provisions of Section 148 of the Act and Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"), the Company is required to maintain cost records with respect to certain products of the Company and get the same audited.

The Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee has appointed M/s Nimkar Mohani & Associates, Cost Auditors, Pune to audit the cost accounts of the Company for the financial year 2020-21 on a remuneration of Rs. 30,000/- plus Goods and services Tax as applicable. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s Nimkar Mohani & Associates, Cost Accountants, Pune, Cost Auditors is included in the Notice convening the Annual General Meeting. The Cost Audit Report for the financial year 2020-21 will be filed within the stipulated period of 30 days after it is submitted by the Cost Auditors.

### c) Secretarial Audit and Secretarial Auditors Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. Suvir Saraf, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2019-20

The Secretarial Audit Report is included as Annexure III and forms an integral part of this Report.

The Company has complied with all the applicable Secretarial Standards.

## 6. Other Disclosures

### a) Particulars of employees and related disclosures

Disclosure of remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as Annexure-IV.

A statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as separate annexure forming part of this Report. In terms of Section 136 of the Act, the Annual Report and financial statements are being sent to the Members excluding the aforesaid annexure. The said annexure is available for inspection at the registered and corporate office of the Company during business hours and will be made available to any shareholder, on request.

### b) Conservation of Energy, Technology absorption, Foreign exchange earnings and Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in Annexure - V to this report.

### c) Extract of Annual Return

As required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), an extract of annual return in Form MGT - 9 is attached as an Annexure VI.

### d) Occupational Health & Safety

The organization believes in 'Zero Harm'. The aim is to improve health and safety standards of people who are working with the organization in their capacity as employees, contractors or in any other role. Efforts are taken to minimize activities which may affect the health and safety in working place. Steps are taken for optimum utilization of plants, with least disposal of harmful gases in environment.