



SAHYADRI INDUSTRIES LIMITED

Board of Directors

Mr. P. L. Patel	Chairman
Mr. V. L. Patel	Managing Director
Mr. J. P. Patel	Executive Director
Mr. S. V. Patel	Director Commercial
Mr. D. B. Kasad	Director
Mr. S. U. Joshi	Director
Mr. M. P. Kulkarni	Director
Mr. S. U. Koshti	Director
Mr. J. G. Awate	Director
Mr. S. Y. Mestry	Director

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Company Secretary

Abhijit Barje

Registered Office

39/D, Swastik House
Gultekdi, J. N. Road,
Pune - 411037

Auditors

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

Bankers

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

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

Plants

Chinchwad

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

Kedgaon

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

Perundurai

Plot No. KK2(N) and KK2(S),
SIPCOT Industrial Growth
Centre, Perundurai – 638052
Erode District, Tamilnadu

Mahuvej

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

Website

www.silworld.in



SAHYADRI INDUSTRIES LIMITED

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ATTENDANCE SLIP

SEVENTEENTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 26TH AUGUST 2011

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 26th August 2011.

** 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.

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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 26th August 2011 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.



SAHYADRI INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of Sahyadri Industries Limited will be held on Friday, 26th August 2011 at 3.30 p.m. 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 2011 and the Profit & Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To declare final dividend.
3. To re-appoint Mr. P. L. Patel as a director, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Mr. V. L. Patel as a Director, who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint Mr. J. G. Awate 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 Monday, 22nd August 2011 to Friday, 26th August 2011 (both days inclusive).
3. The Dividend, as recommended by the Board of Directors, if approved at the 17th 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 19th August 2011.

b) In physical form, if their names appear on the Company's Register of Members as on 26th August 2011.

4. Members holding shares in physical form are requested to promptly notify any change in their address to the Company's Registrar & Share Transfer Agent namely, M/s Sharex Dynamic (India) Private Limited, Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri (E), Mumbai - 400072. 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 of the Company, 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).



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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 dividend amount in respect of interim dividend declared during financial year 2004-05

will be transferred to Investor Education & Protection Fund on or after 3rd March 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.

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

Name of the Director	Mr. P. L. Patel	Mr. V. L. Patel	Mr. J. G. Awate
Date of Birth	10.10.1942	26.09.1953	09.10.1943
Date of Appointment	01.04.1997	30.06.1994	30.01.2006
Expertise in specific function areas	General Management	General Management	Agriculture
List of outside Directorships held in other public limited companies	Nil	Nil	Nil
Chairman/Member of the Committees of the Board of the Company	Nil	Nil	Nil
Chairman/Member of the Committees of the Board of other Companies	Nil	Nil	Nil

On Behalf of the Board of Directors

J. P. Patel
Executive Director

S. V. Patel
Director Commercial

Pune, 30th May 2011

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



SAHYADRI INDUSTRIES LIMITED

Directors' Report

To the Members,

We are delighted to present the report on our business and operations for the year ended March 31, 2011.

Financial Results

(Rs. In Lakhs)

Particulars	March 31, 2011	March 31, 2010
Sales & other income	29994.33	29924.61
Profit before tax	2049.25	3990.31
Provision for tax	692.67	1251.55
Profit after tax	1347.24	2682.22
Balance of Profit brought forward from previous year	5877.45	3829.72
Profit available for appropriation	7224.69	6511.94
Dividend (including dividend distribution tax)	222.25	334.49
Transfer to General Reserve	200.00	300.00
Profit Carried to Balance Sheet	6802.44	5877.45

Performance

The sales and other income for the year ended March 31, 2011 was Rs. 29994.33 Lakhs as against Rs. 29924.61 Lakhs for the previous year. The Company earned a profit before tax of Rs. 2049.25 Lakhs and profit after tax of Rs. 1347.24 during the year ended March 31, 2011 as against profit before tax of Rs. 3990.31 Lakhs and profit after tax of Rs. 2682.22 Lakhs during the year ended March 31, 2010.

The high inflation had an impact on spend of rural households for new shelter or upgradation. During the year under review, raw material prices were also increased and the Company could not pass on the increase to its customers. On account of high raw material prices, the Company saw a drop in profitability.

Expansions

To increase the market share, the Company is constantly exploring the option to set up new plants in new strategic locations to keep pace with the growing demand for our products. During the year under review the Company has set up plant at Mahuvej in Gujarat and started commercial production from it from 25th February 2011. This will help the company to cater to the growing market for roofing sheets in the country, as the demand for this product is expanding.

Also Company has decided to set up its fifth plant at Vijayawada in the state of Andhra Pradesh. During the year under review the land has been acquired and public hearing was completed

successfully.

New Company

Though the concept of wind power is new in India, your Company has developed the wind farm in phases since 2000, and has thus, in the process gained experience to further expand its power generation capacities. In view of the expansion of power business, your Company has incorporated new company namely Sahyadri Enerco Private Limited on 2nd March 2011 for generation of power by non conventional resources.

Dividend

We recommended final dividend of Rs. 2 per share (20%) for the year ended March 31, 2011. The dividend amount to be paid out is being Rs. 222.25 Lakhs including dividend distribution tax.

The register of members and share transfer books will remain closed from 22nd August 2011 to 26th August 2011 (both days inclusive). Our Annual General Meeting has been scheduled for 26th August 2011.

Directors

As per the provisions of Companies Act, 1956 and Articles of Association of the Company, Mr. P. L. Patel, Mr. V. L. Patel and Mr. J. G. Awate, retire by rotation at the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment.

As required, the requisite details of Directors seeking re-appointment are included in this Annual



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Report.

Awards

The Company's wind farm has bagged **BEST PERFORMING WIND FARM** award for the third consecutive time among wind farms located in Maharashtra, Gujarat, Rajasthan and Madhya Pradesh for the year 2008-09.

Directors' Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, relating to 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 year ended March 31, 2011, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;

ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2011 and of the Profit of the Company for the year ended on that date;

iii) they have taken proper and sufficient care for the maintenance of 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) they have prepared the annual accounts for the year ended March 31, 2011 on a going concern basis.

Auditors

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

Fixed deposit

We have not accepted any fixed deposits 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 2010-11.

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 Employees) 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.
Conservation of energy

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 to 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



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technology is continuously upgraded to improve the overall performance of the Company.

C) Foreign exchange earnings & out go

1. Foreign Exchange Earned Rs. 4,932,026
2. Foreign Exchange Outgo Rs. 1,174,989

Acknowledgment

We thank our customers, vendors, investors and bankers for their continued support during the year. 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.

Auditor's Report

With reference to the clause 18 of the Annexure to the Auditor's Report, we state that during the course of internal check, it came to notice that collection made by one of the employee of the company from customers was not deposited with the company. The complaint was filed in court of law.

Authentication of Balance Sheet and Profit and Loss Account

Since Mr. P. L. Patel, Chairman and Mr. V. L. Patel, Managing Director are out of India, the Annual Report is signed by Mr. J. P. Patel, Executive Director and Mr. S. V. Patel, Director Commercial on Behalf of the Board.

On behalf of the Board of Directors

J. P. Patel **S. V. Patel**
Executive Director Director Commercial

Pune, 30th May 2011

Management Discussion & Analysis Report

Industry structure and developments

Building material

The Gross Domestic Product (GDP) growth of India is 8.6% and construction and building material industry is usually follows the growth in the country's GDP, with main drivers of demand being real estate and infrastructure projects. Growing Building material industry is showing favorable growth mainly on account of sustained rural demand on the back of adequate disposable incomes and

government sponsored schemes. With the economy well on track, the Government has rolled out various initiatives to boost the country's construction and infrastructure capacity which will result in increase in demand for building material products. Company's building material products continue to be in demand because of its affordability, and other qualities such as corrosion resistance, weather and fire proof nature.

Factoring the estimated growth in demand, the leading players in the industry are contemplating expansion plans by augmenting capacity at strategic locations. Besides this new players are also entering this field.

Wind power

The widespread awareness about climate change and efforts by governments to encourage renewable sector by enforcing renewable energy obligations and also providing tax shelters to developers will keep the momentum going. Wind energy is a particularly attractive form of renewable energy in India due to its sizeable untapped potential. There are growing number of independent power producers (IPPs) involved in wind power generation. It is expected that the growth in India will remain strong as wind power is becoming cost competitive.

Opportunities and threats

Building material

In union budget 2011-12, government has increased expenditure allocation on rural and infrastructure development. Increased focus of government towards rural and infrastructure development and implementation of the various programs like Indira Awas Yojna, Golden Jubilee Rural Housing Finance Scheme, Bharat Nirman are expected to boost the demand for product in rural area thereby increasing the potential market for usage of fibre cement sheets in rural areas. Implementation of the NREGS & UIN program is expected to further boost income for the rural poor thereby increased income level will bring shifting from thatch/tiles roof to durable and affordable roof. The Fibre cement sheet business is poised for growth over next few years on account of anticipated migration from thatched/tiles roofing to more refined roofing.

The main raw material for fibre cement sheets are cement, pulp, fly ash and imported fibres. Any hike



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in prices of cement or fibre may have adverse impact on the margin of the company. 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. Any change or decrease in spending by the government on these schemes could reduce the purchasing power of rural people.

Wind power

The renewable energy sector is being encouraged by the central and several state governments. The key drivers for the renewable energy sector in India include: (i) the demand-supply gap, especially as population increases; (ii) regulatory incentives and the availability of CDM benefits and/or Indian RECs, when fully-implemented by the Indian government; (iii) a large untapped potential; (iv) environmental concerns regarding the use of fossil fuels; (v) the desire to strengthen India's energy security; and (vi) a viable solution for rural electrification.

The advent of new manufacturers has changed the market dynamics of the industry even when some still struggle to survive. A shortage of critical components, supply chain bottlenecks and insufficient infrastructure is causing disrupted schedules for some manufacturers.

Risks and concerns

Malafide campaign against Asbestos products, exchange rate fluctuations and continuous increase in the input cost are concern to the industry as a whole.

The malafide anti asbestos product campaign is kept under control by educating the end user and bringing the real situation before the public at large.

The Hon. Supreme Court came heavily on anti asbestos campaign in the recent judgment. The industry is now hopeful that the anti asbestos campaign will take necessary lessons and stop its malafide campaign. It is very encouraging to the industry and very interesting to note the judgment delivered by the Hon. Supreme Court in recent PIL filed by the anti asbestos lobbyist.

Hon. Supreme Court of India has dismissed the

petition filed by one NGO and its secretary asking for ban on asbestos citing no merit in the petition and imposed a cost of Rs. 1 lakh and sentenced the petitioner for day's simple imprisonment for contempt of court. The judgment said that

1. There is no law enacted so far which requires banning of any activity in regard to asbestos at any stage of mining, manufacturing or production. Any such activity wherever being carried out, is in accordance with specified parameters.

2. Every factory engaged in the manufacturing of asbestos based products obtains clearance under the existing Environment Policy and activities are carried out in accordance with the law without endangering the lives of people.

3. The PIL filed by the contemnors was instituted at the behest of a rival industrial group, which was interested in banning of the activity of mining and manufacturing of asbestos and its products by obtaining certain orders from this court.

4. When all the laws in force have been complied with and directions of this court as contained in the case of Consumer Education and Research Centre are carried out in their true spirit, we see no reason as to why this court, in exercise of its extraordinary jurisdiction under Article 32 of the Constitution, should ban such an activity when admittedly large number of families are dependent upon such processes.

5. It was litigation initiated with ulterior motive of causing industrial imbalance and financial loss to the industry of asbestos through the process of court.

Financial performance

The sales and other income for the year ended March 31, 2011 was Rs. 29994.33 Lakhs as against Rs. 29924.61 Lakhs for the previous year. The Company earned a profit before tax of Rs. 2049.25 Lakhs and profit after tax of Rs. 1347.24 during the year ended March 31, 2011 as against profit before tax of Rs. 3990.31 Lakhs and profit after tax of Rs. 2682.22 Lakhs during the year ended March 31, 2010.

Wind Power Generation

During current year additional three wind mills were commissioned in the state of Maharashtra which



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commenced their wind power generation from September, 2010 onwards. During this current year, it will be their first wind season and performance could be measured only after one cycle is completed.

Company has further invested in additional wind mills in the state of Maharashtra. During the year under review additional six wind mills with a capacity of 0.8 MW each are purchased. All six machines are under erection. These machines are expected to commission before September 2011. The total capacity at the financial year ended 31.03.2011 is 18.40 MW and after commissioning of above six windmills the capacity would be 23.20 MW.

Carbon Credit

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. 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. The Company is in the process to obtain the registration from UNFCCC.

Social Responsibility

As a part of its corporate social responsibility to the society, your Company has taken the following measures:

- i. Distributed note books to the children of all workers of company's three plants at the start of previous academic year.
- ii. Donated academic books to under privilege student of orphanage school at Sai Satyam Park, Wagholi, Pune.
- iii. Financial support was given to wrestlers of Maharashtra namely Mr. Ranjit Nalawade and Mr. Sagar Birajdar for their wrestling training.
- iv. Drinking water and refreshment provided at Company's Kedgaon plant to 'Warkaris' (pilgrims) going to Pandharpur.
- v. Medical camp organised for vaccination for swine flue for families of workers of the Company.

Bank and financial institutions

Company's working capital requirements are financed by consortium of six bankers consists of three nationalised banks, one private bank, one

foreign bank and a Co-operative bank. The term loans are advanced by individual member bank. Company is enjoying excellent co-operation 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.

Internal control system and their 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 by the management and where ever required takes steps to modify or enhance the scope of the system. The audit committee reviews the audit system and internal control from time to time.

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 important valuable assets 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.

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.



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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 highest 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 are 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 10 Directors comprising four Executive Directors, and six 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(l)(A)(iii) of the listing agreement.

Director	Category	No. of Board Meetings attended during 2010-11	Whether last AGM attended	No. of committee positions held in other public limited companies
Mr. P. L. Patel	Executive Chairman	4	Yes	Nil
Mr. V. L. Patel	Managing Director	4	Yes	Nil
Mr. J. P. Patel	Executive Director	4	Yes	Nil
Mr. S. V. Patel	Director Commercial	4	Yes	Nil
Mr. D. B. Kasad	Non-Executive Independent	3	Yes	Nil
Mr. S. U. Koshti	Non-Executive Independent	3	No	Nil
Mr. M. P. Kulkarni	Non-Executive Independent	5	Yes	Nil
Mr. S. U. Joshi	Non-Executive Independent	5	Yes	Nil
Mr. J. G. Awate	Non-Executive Independent	5	Yes	Nil
Mr. S. Y. Mestry	Non-Executive Independent	3	No	Nil

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



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facilitate discussion for taking an informed decision.

During the year 2010-11, five Board Meetings were held on May 29, 2010, August 14, 2010, August 23, 2010, November 15, 2010 and February 11, 2011.

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 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

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	3
Mr. M. P. Kulkarni	Member	Non-Executive Independent	4	4
Mr. S. U. Joshi	Member	Non-Executive Independent	4	4

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 2010-11, four Audit Committee meetings were held on May 29, 2010, August 14, 2010, November 15, 2010 and February 11, 2011.

Remuneration Committee

The Remuneration Committee comprises solely independent directors. The members of the committee are Mr. M. P. Kulkarni (Chairman), Mr. S. U. Koshti, Mr. S. U. Joshi. 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 2010-11 are as follows:

Name of director	Relationship with other directors	Salary, Perquisites & retirement benefits Rs	Commission Rs	Sitting Fees Rs	Total Rs
Mr. P. L. Patel	Father of J. P. Patel, Brother of V. L. Patel	3,967,746	1,872,309	-	5,840,055
Mr. V. L. Patel	Father of S. V. Patel, Brother of P. L. Patel	3,967,746	1,872,309	-	5,840,055
Mr. J. P. Patel	Son of P. L. Patel	3,848,066	1,872,309	-	5,720,375
Mr. S. V. Patel	Son of V. L. Patel	3,848,066	1,872,309	-	5,720,375
Mr. D. B. Kasad	-	-	-	6,000	6,000
Mr. S. U. Koshti	-	-	-	6,000	6,000



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Mr. M. P. Kulkarni	-	-	-	10,000	10,000
Mr. S. U. Joshi	-	-	-	10,000	10,000
Mr. J. G. Awate	-	-	-	10,000	10,000
Mr. S. Y. Mestry	-	-	-	6,000	6,000

The details of shares of the Company, held by the non-whole-time Directors as on March 31, 2011 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

Investors' Grievances Committee

The Investors' Grievances Committee comprises of Mr. S. U. Joshi (Chairman), Mr. M. P. Kulkarni and Mr. S. U. Koshti (Members). 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 29, 2010, August 14, 2010, November 15, 2010 and February 11, 2011.

During the year under review 7 complaints were received from the shareholders. All the complaints were attended to and as at 31st March 2011, 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. Abhijit Barje
Company Secretary
Phone: 020-26444625/26/27

General Body Meetings

Date	Time	Special Resolution	Location	AGM/EGM
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
10.09.2008	3.30 p.m.	No	Block D-III, MIDC, Chinchwad, Pune 411019	AGM

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 2010-11.

Disclosures

1. There has been no materially significant related party transactions 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 was 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 Economic Times, Maharashtra Times, Free Press



SAHYADRI INDUSTRIES LIMITED

Journal & Navshakti. The results and official news releases are displayed on the Company's website www.silworld.in

General Shareholders Information

Annual General Meeting (AGM)

Date and time: Friday, 26th August 2011 at 3.30 p.m.

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.

Market Price Data BSE

The monthly high and low quotations of shares traded on the Bombay Stock Exchange Limited, Mumbai is as follows:

Month	Stock Market Price on BSE		BSE Sensex		No. of Trades
	High	Low	High	Low	
April 2010	179.90	102.00	18047.86	17276.80	35422
May 2010	155.00	120.55	17536.86	15960.15	9861
June 2010	144.45	124.10	17919.62	16318.39	3139
July 2010	195.45	136.00	18237.56	17395.58	31520
August 2010	194.40	154.85	18475.27	17819.99	23503
September 2010	181.95	155.00	20267.98	18027.12	3722
October 2010	192.00	156.50	20854.55	19768.96	3446
November 2010	177.80	121.10	21108.64	18954.82	1917
December 2010	135.05	81.00	20552.03	19074.57	3056
January 2011	97.00	70.05	20664.80	18038.48	1615
February 2011	78.75	55.00	18690.97	17295.62	1511
March 2011	72.50	50.00	19575.16	17792.17	2814

Registrar and Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.

Unit No. 1, Luthra Industrial Premises,

Safed Pool, Andheri (E), Mumbai 400072

Phone: 022-28515606/44, Fax: 022- 28542885

Email: sharexindia@vsnl.com

Share Transfer System

The entire work relating to share transfers, transmissions and dematerializations 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 8 days.

Dates of Book Closure

From Monday, 22nd August 2011 to Friday, 26th August 2011 (both days inclusive)

Dividend

Board of Directors has recommended payment of dividend of Rs. 2 per share, for the financial year ended 31st March 2011, 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



SAHYADRI INDUSTRIES LIMITED

Shareholding Pattern as at 31st March 2011

Category	No. of Shares held	Percentage
Promoters and Promoter Group	6,139,385	64.21
Banks/Financial Institutions	1,000	00.01
Bodies Corporate	1,450,211	15.17
General Public	1,939,230	20.28
Clearing Members	23,226	00.24
NRI/OCBs	8,448	00.09
Total	9,561,500	100.00

Distribution of Shareholding as at 31st March 2011

No. of Shares	No. of Holders	Percentage	Total shares	Percentage
1 to 100	3,371	65.08	263,974	2.76
101-200	597	11.53	109,196	1.14
201-500	583	11.25	221,279	2.32
501-1000	275	5.31	223,470	2.34
1001-5000	234	4.52	556,129	5.82
5001-10000	54	1.04	385,748	4.03
10001-100000	49	0.95	1,245,093	13.02
100001 and above	17	0.32	6,556,611	68.57
Total	5,180	100.00	9,561,500	100.00

Dematerialisation of shares as at 31st March 2011

Categories	Position as on 31.03.2011		Position as on 31.03.2010		Net change during 2010-11	
	No. of shares	% to total shareholding	No. of shares	% to total shareholding	No. of shares	% to total shareholding
Physical	158,008	1.65	166,108	01.74	(8,100)	(00.09)
Demat:						
NSDL	7,654,790	80.06	9,014,725	94.28	(1,359,935)	(14.22)
CDSL	1,748,702	18.29	380,667	03.98	1,368,035	14.31
Sub Total	9,403,492	98.35	9,395,392	98.26	8,100	00.09
Total	9,561,500	100.00	9,561,500	100.00	-	-

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 2011.

Plant Locations

Plant	Location
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.
Perundurai	Plot No. KK2 (N) & KK2(S), SIPCOT Industrial Growth Center, Perundurai -638052. Erode district, Tamilnadu
Mahuvej	S. No. 127, 128, 129, 186, 187 & 129/1/1, Block No. 88, 89, Village Mahuvej, Tal. Mangrol, Dist. Surat, Gujarat



SAHYADRI INDUSTRIES LIMITED

Address for investor correspondence

Sahyadri Industries Limited
39/D, Swastik House, Gultekdi,
J. N. Marg, Pune 411037
Phone: (020) 26444625/26/27 Fax: (020) 26458888
Email: abarje@silworld.in

Declaration by Chief Executive Officer (CEO)

I, Satyen V. Patel, Director Commercial of Sahyadri Industries Limited hereby declare that all the board members and senior managerial personnel have affirmed for the year ended 31st March 2011 compliance with the code of conduct of the company laid down for them.

Place: Pune
Date: 30.05.2011

S. V. Patel
Director Commercial

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
SAHYADRI INDUSTRIES LIMITED

We have examined the compliance of the conditions of Corporate Governance by Sahyadri Industries Limited for the financial year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and 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 the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Parag Patwa & Associates**
Chartered Accountants
(Firm Regn. No. 107387W)

Place: Pune
Date: 30.05.2011

CA P. I. Patwa
Membership No. 41529



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, 2011 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, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on March 31, 2010 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, 2011;
- 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 Regn. No. 107387W)

Place: Pune

Date: 30.05.2011

CA P. I. Patwa

Membership No. 41529



SAHYADRI INDUSTRIES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

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

The nature of the company's business / activity during the year is such that clauses (xii), (xiii), (xiv) of paragraph 4 of the company (Auditor's Report) Order, 2003 are not applicable to the company.

1. In respect of fixed assets:

(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 programme of verification which, in our opinion, provides for physical verification of all assets at reasonable intervals. 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 accepted loans from parties covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 3757.64 Lacs and year end balance was Rs. 2986.49 Lacs involving 18 parties.

b) 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.

c) According to the information and explanations given to us there is no stipulation of repayment of loan taken from parties listed in the register maintained under section 301 of the Companies Act, 1956.

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 as per information available with the company.

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 records maintained by the company relating to wind power generation, 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 haven been made and maintained. We have however, not made a detailed examination of records with a view to



SAHYADRI INDUSTRIES LIMITED

determine whether they are accurate. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records for any other products of the Company.

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, 2011 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us there are no disputed dues in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty as at 31st March 2011.

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

13. 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.

14. 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.

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

16. The Company has not issued any debentures.

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

18. 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 not come across any instance of fraud by the Company. ***The management has reported that an employee had misappropriated funds amounting to Rs.4,30,500/- of the company during the year under audit.***

For **Parag Patwa & Associates**
Chartered Accountants
(Firm Regn. No. 107387W)

Place: Pune

Date: 30.05.2011

CA P. I. Patwa
Membership No. 41529



SAHYADRI INDUSTRIES LIMITED

BALANCE SHEET AS AT MARCH 31, 2011

PARTICULARS	SCHEDULE NO.	As At March 31, 2011	As At March 31, 2010
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	95,615,000	95,615,000
Reserves & Surplus	2	794,559,955	685,898,823
Deferred Tax Liability		158,757,549	93,582,385
Loan Funds			
Secured Loans	3	1,177,101,912	675,093,944
Unsecured Loans	4	306,891,509	215,158,626
Total Funds Employed		2,532,925,924	1,765,348,780
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	2,323,624,368	1,726,915,681
Less : Accumulated Depreciation		836,091,885	725,668,891
Net Block		1,487,532,484	1,001,246,790
Capital Work In Progress		215,742,587	146,385,725
Investments	6	1,502,000	1,454,000
Current Assets, Loans & Advances			
Inventories	7	866,906,737	654,190,496
Sundry Debtors	8	182,132,100	172,556,237
Cash & Bank Balances	9	127,991,456	149,612,338
Loans and Advances	10	303,618,987	146,868,136
		1,480,649,280	1,123,227,208
Less : Current Liabilities & Provisions	11	652,632,726	508,001,614
Net Current Assets		828,016,552	615,225,595
Miscellaneous Expenditure (To the extent not written off)	12	132,300	1,036,671
Total Funds Applied		2,532,925,924	1,765,348,780

The Schedules and Notes to accounts form an integral part of the Financial Statements

As per our report of even date
For Parag Patwa & Associates
Chartered Accountants
(Firm Regn. No. 107387W)

(CA P. I. Patwa)
(Mem No. 41529)

Place : Pune
Date : 30th May 2011

On behalf of Board of Directors

S. V. Patel
Director Commercial

J. P. Patel
Executive Director

Abhijit Barje
Company Secretary



SAHYADRI INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2011

PARTICULARS	SCHEDULE NO.	As At March 31, 2011	As At March 31, 2010
INCOME			
Gross Revenue	13	3,084,922,026	3,025,770,429
Less - Excise Duty Recovered		97,374,920	69,007,935
		2,987,547,106	2,956,762,494
Other Income	14	11,886,325	35,698,131
Increase / (Decrease) in Stock	15	95,633,536	71,267,406
TOTAL		3,095,066,967	3,063,728,031
EXPENDITURE			
Raw Materials Consumed		1,444,455,827	1,427,114,303
Manufacturing Expenses	16	244,718,428	229,265,820
Payment to & Provision for Employees	17	140,026,025	142,864,031
Administration, Selling & other Expenses	18	824,536,643	703,293,440
Depreciation / Amortization		117,362,554	87,125,019
Interest	19	115,455,142	72,391,756
Preliminary Expenses Written Off	20	904,372	991,368
Self Produced material capitalised		(1,125,721)	-
TOTAL		2,886,333,272	2,663,045,735
Profit Before Income Tax & Provision for Bad Debts		208,733,695	400,682,296
Provision for Bad & Doubtful Debts		3,808,627	1,650,691
Provision for current Tax			
a) Income tax		41,416,000	72,500,000
b) For Deferred Tax		65,175,164	52,615,187
c) For Wealth Tax		79,987	40,000
d) Mat credit entitlement		(37,404,000)	
Profit After Tax		135,657,917	273,876,418
Expenses / (Income) Pertaining to Previous Year		933,992	599,382
Income Tax / wealth Tax pertaining to previous year		-	5,054,944
Profit before appropriations		134,723,925	268,222,092
Add :- Balance brought forward from previous year		587,745,283	382,971,828
Amount available for appropriations		722,469,209	651,193,920
Less :			
Dividend on Equity Shares		19,123,000	28,684,500
Provision for Tax on Dividend on Equity Shares		3,102,229	4,764,137
Transfer to General Reserve		20,000,000	30,000,000
NET PROFIT Carried to Balance Sheet		680,243,980	587,745,283
Basic & Diluted Earning per Share		14.09	28.05
Notes to Accounts	21		

The Schedules and Notes to accounts form an integral part of the Financial Statements

As per our report of even date
For Parag Patwa & Associates
Chartered Accountants
(Firm Regn. No. 107387W)

(CA P. I. Patwa)
(Mem No. 41529)

Place : Pune
Date : 30th May 2011

On behalf of Board of Directors

S. V. Patel
Director Commercial

J. P. Patel
Executive Director

Abhijit Barje
Company Secretary



SAHYADRI INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2011

		Current Year Rs.	Previous Year Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/ (Loss) Before Tax Provision for bad debts Extraordinary items	208,733,695	400,682,298
	Adjustment for		
	Depreciation / Amortization	117,362,554	87,125,019
	Preliminary expenses written off	904,372	991,368
	Profit/(Loss) on sale of Assets/ investment	7,258	(90,192)
	Adjustments relating to Earlier Years	(933,992)	(599,382)
	Interest paid	115,455,142	72,391,756
	Interest /Dividend Received	(4,675,149)	(5,723,605)
	Provision for Leave Encashment & Gratuity	859,952	4,262,130
	Operating Profit/(Loss) before Working capital changes	437,713,833	559,039,393
	Adjustments for		
	Sundry Debtors	(61,039,276)	(6,779,263)
	Other receivables	(107,977,244)	(6,494,854)
	Inventories	(212,716,240)	69,457,726
	Sundry Creditors	62,124,805	(53,133,472)
	Other Payables	23,870,643	67,490,580
	Cash generated from operations	141,976,521	629,580,110
	Direct taxes paid	(62,829,581)	(85,093,639)
	NET CASH FROM OPERATING ACTIVITIES	79,146,940	544,486,471
		(A)	
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets(Net of earlier year Capital WIP if any)	(674,418,450)	(674,541,705)
	Adjustment for creditors relating to capital purchases	83,703,030	82,571,117
	Adjustment for advances relating to capital purchases	(13,260,214)	(3,401,783)
	Sale of fixed Assets	1,406,083	240,000
	Adjustment for debtors relating to capital purchases	47,654,786	3,808,183
	Investments	(48,000)	-
	Interest/Dividend Received (including accrued if any)	7,342,569	3,931,598
	NET CASH FLOW FROM INVESTING ACTIVITIES	(547,620,193)	(587,392,586)
		(B)	
C.	NET CASH FROM FINANCING ACTIVITIES		
	Total Secured loans raised during the year	244,875,810	396,463,008
	Less :-Total Repayment made during the year	122,355,473	52,780,747
	Secured Loans Long Term	122,520,336	343,682,261
	Secured Loans Short Term	381,503,631	(197,139,714)
	Total Unsecured loans raised during the year	350,214,684	96,117,455
	Less :-Total Repayment made during the year	258,481,802	108,870,589
	Unsecured Loans	91,732,882	(12,753,134)
	Dividend & Dividend Tax	(33,449,337)	(22,286,685)
	Interest paid	(115,455,142)	(72,391,756)
	NET CASH USED IN FINANCING ACTIVITIES	446,852,370	39,110,973
		(C)	
D.	NET INCREASE IN CASH & CASH EQUIVALENTS GENERATED DURING THE YEAR	(21,620,882)	(3,795,143)
		(A)+(B)+(C)	
	Cash and Cash Equivalents Opening Balance	149,612,338	153,407,481
	Cash and Cash Equivalents Closing Balance	127,991,456	149,612,338

As per our report of even date
For Parag Patwa & Associates
 Chartered Accountants
 (Firm Regn. No. 107387W)

(CA P. I. Patwa)
 (Mem No. 41529)

Place : Pune
 Date : 30th May 2011

On behalf of Board of Directors

S. V. Patel
 Director Commercial

J. P. Patel
 Executive Director

Abhijit Barje
 Company Secretary



SAHYADRI INDUSTRIES LIMITED

Schedules attached to and forming part of the Balance Sheet as at March 31, 2011

PARTICULARS	As at March 31, 2011	As at March 31, 2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised Share Capital		
12,000,000 Equity Shares of Rs. 10/- each	120,000,000	120,000,000
	<u>120,000,000</u>	<u>120,000,000</u>
Issued, Subscribed & Paid Up		
9,561,500 Equity Shares of Rs. 10/- each fully paid up and issued at par	95,615,000	95,615,000
1) Includes 6,000,000 shares allotted as fully paid up by way of Bonus Shares.		
2) Include 3,061,500 Equity Shares of Rs. 10/- each issued as fully paid up to the Shareholders of erstwhile Swastik Roofing Ltd. in pursuant to Scheme of Amalgamation sanctioned by Mumbai High Court. The Shares are issued without consideration being received in cash.		
	<u>95,615,000</u>	<u>95,615,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Capital Redemption Reserve	37,500,000	37,500,000
General Reserve		
Balance as per last Balance Sheet	97,206,328	67,206,328
Add :- Transfer from Profit & Loss Account	20,000,000	30,000,000
	<u>117,206,328</u>	<u>97,206,328</u>
Hedge Reserve	(40,390,353)	(36,552,788)
Balance in Profit & Loss A/c	680,243,980	587,745,283
	<u>794,559,955</u>	<u>685,898,823</u>
SCHEDULE 3		
SECURED LOANS		
Term Loans from Banks		
Rupee Term Loans	334,266,080	301,780,853
(Payable within 12 months out of above loans Rs.713.52 lacs Previous year Rs.821.03 lacs)		
Foreign Currency Term Loans	285,760,000	198,616,000
(Payable within 12 months : 658.58 lacs P.Y. : NIL)		
Hire Purchase loans (Vehicles)	4,827,094	3,951,984
(Payable within 12 months out of above loans Rs. 24.09 lacs Previous year Rs.21.53 lacs)		
Working Capital Loans		
Foreign Currency Loans	145,838,885	-
Rupee Loans	406,409,853	170,745,107
	<u>1,177,101,912</u>	<u>675,093,944</u>
<p>1) Rupee Term loans are secured by exclusive first charge on assets financed by /mortgage to / hypothecation in favor of Term lending Bank and personal guarantee of four Directors in four cases.</p> <p>2) Foreign Currency Term loans are secured by Exclusive first charge on assets financed by /mortgage to / hypothecation in favor of Term lending Bank and personal guarantee of two Directors.</p> <p>3) Hire Purchase loans are secured by hypothecation on vehicles/assets purchased under Hire Purchase Agreement.</p> <p>4) 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.</p>		
SCHEDULE 4		
UNSECURED LOAN		
From Directors	207,160,944	123,679,849
From Promoter Group	95,447,385	73,276,279
Inter corporate Deposit	4,283,180	18,202,499
	<u>306,891,509</u>	<u>215,158,626</u>
<p>Note :-There is no stipulation of repayment in respect of Unsecured loans from Directors, Promoter's group & Inter Corporate Deposits</p>		



SAHYADRI INDUSTRIES LIMITED

Schedules attached to and forming part of the Balance Sheet as at March 31, 2011

SCHEDULE 5 :-FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	AS ON 01.04.2010	ADDITIONS DURING THE YEAR	DEDUCTIONS	AS ON 31.03.2011	UP TO 01.04.2010	FOR THE YEAR	ON SALE	UPTO 31.03.2011	AS ON 31.03.11	AS ON 31.03.10
SHEET ASSETS										
LAND	8,047,024	26,333,165	-	34,380,189	-	-	-	-	34,380,189	8,047,024
LEASE HOLD LAND	43,747,334	-	-	43,747,334	2,710,743	544,454	-	3,255,197	40,492,137	41,036,591
LAND DEVELOPMENT & FENCING	8,873,209	5,917,471	-	14,790,680	-	-	-	-	14,790,680	8,873,209
FACTORY BUILDING	252,644,202	142,335,856	-	394,980,058	108,212,463	14,473,082	-	122,685,545	272,294,513	144,431,739
BUILDING (Other than Factory Building)	49,254,506	108,992,135	-	158,246,641	7,851,576	2,792,351	-	10,643,927	147,602,714	41,402,930
PLANT & MACHINERY	195,053,932	114,880,534	-	309,934,466	105,237,295	15,475,401	-	120,712,696	189,221,771	89,816,637
ELECTRICAL INSTALLATION	28,294,932	13,698,272	-	41,993,204	14,636,167	2,234,999	-	16,871,166	25,122,038	13,658,765
COMPUTERS	6,802,523	2,135,287	-	8,937,810	5,837,590	767,447	-	6,605,036	2,332,773	964,933
COMPUTER SOFTWARE	11,336,128	946,210	-	12,282,338	7,665,757	1,497,673	-	9,163,430	3,118,908	3,670,371
COMPUTER PERIPHERALS	4,747,253	183,671	-	4,930,924	1,910,865	423,316	-	2,334,181	2,596,743	2,836,388
FURNITURE	7,342,884	92,060	-	7,434,944	5,037,137	469,659	-	5,506,796	1,928,148	2,305,747
VEHICLES	22,998,745	5,799,661	8,352,901	20,445,505	13,628,427	2,702,655	6,939,560	9,391,522	11,053,983	9,370,318
TEMPLATES, MOULDS & OTHER EQUIPMENTS	112,549,220	14,764,855	-	127,314,075	100,439,174	4,299,016	-	104,738,190	22,575,885	12,110,046
OFFICE EQUIPMENT	6,070,513	1,552,363	-	7,622,876	3,293,403	458,169	-	3,751,572	3,871,304	2,777,110
LABORATORY EQUIPMENTS	1,822,640	451,028	-	2,273,668	1,411,626	148,009	-	1,559,634	714,034	411,014
ELECTRICAL GENSET	28,652,778	5,928,158	-	34,580,937	14,728,448	1,995,652	-	16,724,100	17,856,836	13,924,330
TROLLEYS	844,506	-	-	844,506	835,948	2,567	-	838,515	5,991	8,558
SCALE MACHINE	1,596,554	1,249,000	-	2,845,554	559,551	156,631	-	716,182	2,129,372	1,037,003
MATERIAL HANDLING EQUIPMENT	50,519,420	26,645,930	-	77,165,350	23,492,100	4,659,080	-	28,151,180	49,014,170	27,027,320
CANTEEN EQUIPMENTS	13,890	-	-	13,890	7,116	942	-	8,058	5,832	6,774
SUB -TOTAL	841,212,194	471,905,656	8,352,901	1,304,764,948	417,495,386	53,101,103	6,939,560	463,656,928	841,108,020	423,716,807
WINDMILL ASSETS										
LAND FOR WINDMILL	2,663,196	-	-	2,663,196	-	-	-	-	2,663,196	2,663,196
BUILDING	769,192	-	-	769,192	135,723	31,673	-	167,396	601,796	633,469
WIND ENERGY CONVERTORS	867,326,657	133,155,932	-	1,000,482,589	304,372,882	63,036,982	-	367,409,864	633,072,726	562,953,775
ELE. INSTALLATION (WINDMILL)	5,313,884	-	-	5,313,884	3,662,262	229,741	-	3,892,003	1,421,881	1,651,622
INTANGIBLE RIGHTS	9,630,559	-	-	9,630,559	2,638	963,056	-	965,694	8,664,865	9,627,921
SUB -TOTAL	885,703,488	133,155,932	-	1,018,859,420	308,173,505	64,261,452	-	372,434,957	646,424,464	577,529,983
TOTAL	1,726,915,682	605,061,588	8,352,901	2,323,624,368	725,668,890	117,362,554	6,939,560	836,091,885	1,487,532,484	1,001,246,790
CAPITAL WORK IN PROGRESS (Including Expenses pending Capitalization & Stock lying with contractor)	146,385,725	1,028,507,754	959,150,892	215,742,587	-	-	-	-	215,742,587	146,385,725
WIP TOTAL	146,385,725	1,028,507,754	959,150,892	215,742,587	-	-	-	-	215,742,587	146,385,725
GRAND TOTAL	1,873,301,407	1,633,569,342	967,503,793	2,539,366,955	725,668,890	117,362,554	6,939,560	836,091,885	1,703,275,071	1,147,632,515



SAHYADRI INDUSTRIES LIMITED

Schedules attached to and forming part of the Balance Sheet as at March 31, 2011

PARTICULARS	As at March 31, 2011	As at March 31, 2010
SCHEDULE 6		
INVESTMENTS		
Quoted - Equity shares (fully paid up)		
Vaishno Cement Co. Ltd.	30,000	30,000
3,000 Equity Shares of Rs. 10/- each Quoted Market Values not available		
Less:- Provision for Dimunition in value of Investments	30,000	30,000
	<u>0</u>	<u>0</u>
Unquoted		
710,000 Equity Shares of Rs. 20/- each in Cosmos Co-operative Bank Ltd. (valued at cost)	1,420,000	1,420,000
4,800 Equity Shares of Rs. 10/- each of Sahyadri Enerco Pvt. Ltd. (valued at cost)	48,000	-
National Saving Certificates	34,000	34,000
	<u>1,502,000</u>	<u>1,454,000</u>
SCHEDULE 7		
INVENTORIES		
(As valued, verified and certified by Management)		
Raw Material (Includes material in transit)	256,403,433	150,016,223
Stores , Spares (Includes material in transit)	40,393,590	30,422,650
Work-in-Progress	1,091,513	831,463
Finished Goods	538,411,532	444,105,428
Doors (Entasafe & Cemply)/Pipes	29,736,197	28,668,816
Promotional Material	870,471	145,916
	<u>866,906,737</u>	<u>654,190,496</u>
SCHEDULE 8		
SUNDRY DEBTORS		
Unsecured, considered good unless otherwise stated		
Debts Outstanding for a period exceeding six months		
Considered Good	17,730,888	51,522,244
Considered Doubtful	11,526,347	7,717,720
	<u>29,257,235</u>	<u>59,239,964</u>
Other Debts	164,401,212	121,033,993
	<u>193,658,446</u>	<u>180,273,957</u>
Less :Reserve for Bad Debts	11,526,347	7,717,720
	<u>182,132,100</u>	<u>172,556,237</u>
SCHEDULE 9		
CASH & BANK BALANCES		
Cash in Hand	1,483,881	1,420,103
Cheques in Hand	5,405,605	8,781,328
Balances with scheduled Banks		
In Current Accounts	14,344,168	6,039,489
In Collection Accounts	52,731,179	86,169,683
In Deposit Accounts	54,026,623	47,201,735
	<u>127,991,456</u>	<u>149,612,338</u>



SAHYADRI INDUSTRIES LIMITED

Schedules attached to and forming part of the Balance Sheet as at March 31, 2011

PARTICULARS	As at March 31, 2011	As at March 31, 2010
SCHEDULE 10		
LOANS & ADVANCES		
Unsecured, Considered Good unless otherwise stated		
Advances Recoverable in cash or in kind or for value to be received	244,808,472	117,634,679
Imprest Balances with Employees	9,842,304	5,037,470
Interest Accrued on Deposits	3,177,864	5,845,284
Advance Income Tax (Net of Provisions)	776,813	-
Advance fringe benefit tax (Net of Provisions)	204,530	204,530
Balances with Excise, Customs & VAT Authorities	44,809,004	18,146,173
	303,618,987	146,868,136
SCHEDULE 11		
CURRENT LIABILITIES		
Current Liabilities		
Sundry Creditors		
Micro & Small enterprises creditors	1,989,780	412,668
Other Creditors	336,389,115	192,138,392
Hedge Payable Account	43,410,353	37,556,788
Advances from Customers	43,800,561	45,483,467
Other Liabilities	138,214,742	118,286,954
Deposit from Stockist / Dealers/Suppliers	53,226,328	47,600,559
Unclaimed Dividend	958,944	959,644
Sub - Total (A)	617,989,823	442,438,472
Note :-There is no amount due & outstanding as at Balance Sheet date to be credited to Investors Education & Protection Fund		
Provisions		
Provision for Income Tax (Net of Advance Tax paid)	0	20,569,267
Provision for Proposed Dividend	19,123,000	28,684,500
Provision for Income Tax on Dividend	3,102,229	4,764,137
Provision for Wealth Tax (Net of Advance Tax paid)	37,655	25,169
Provision for leave Encashment & Gratuity	12,380,020	11,520,068
Sub - Total (B)	34,642,904	65,563,141
(A) + (B)	652,632,726	508,001,614
SCHEDULE 12		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses	1,036,672	2,028,040
Less :- Written off during the year	904,372	991,369
	132,300	1,036,671



SAHYADRI INDUSTRIES LIMITED

Schedules attached to and forming part of the Profit & Loss Account for the year ended March 31, 2011

PARTICULARS	As at March 31, 2011	As at March 31, 2010
SCHEDULE 13		
GROSS REVENUE		
Sale of Sheets & Accessories	2,987,542,178	2,941,824,609
Sale of Raw Material	-	629,712
Sales Steel Doors	19,176,820	26,574,922
Sale of Power	75,639,931	54,594,256
Sale Others	2,563,097	2,146,930
	<u>3,084,922,026</u>	<u>3,025,770,429</u>
SCHEDULE 14		
OTHER INCOME		
Interest from Banks (TDS Rs.415,165/- Previous year Rs.407,171/-)	4,369,349	5,506,752
Dividend	305,800	216,853
Realized gain on Foreign Exchange	28,146	10,175,107
Other Income	7,183,028	19,709,230
Profit/(Loss) on sale of Assets (Net)	-	90,192
	<u>11,886,325</u>	<u>35,698,131</u>
SCHEDULE 15		
INCREASE / (DECREASE) IN STOCK		
Opening Stock :		
Work In Progress	831,463	304,114
Finished Goods	444,105,428	368,931,972
Doors & Frames/Pipes	28,668,816	33,102,214
	<u>473,605,707</u>	<u>402,338,301</u>
Less:- Closing Stock :		
Work In Progress	1,091,513	831,463
Finished Goods	538,411,532	444,105,428
Doors & Frames/Pipes	29,736,197	28,668,816
	<u>569,239,243</u>	<u>473,605,707</u>
Increase / (Decrease) in Stock	<u>95,633,536</u>	<u>71,267,406</u>
SCHEDULE 16		
MANUFACTURING EXPENSES		
Packing expenses	9,641,835	8,128,709
Power, Fuel & Water Charges	102,463,658	111,900,325
Machinery & Moulds Maintenance	59,821,653	50,722,598
Stores & Consumables	32,580,740	34,016,424
Other Manufacturing Expenses	37,197,202	22,210,095
Insurance	733,341	7,669
Rent	2,280,000	2,280,000
	<u>244,718,428</u>	<u>229,265,820</u>
SCHEDULE 17		
PAYMENTS TO & PROVISION FOR EMPLOYEES		
Salaries , Wages, Bonus & leave Encashment	126,832,189	126,398,282
Contribution to Provident Fund & other Funds	8,240,513	7,284,563
Welfare Expenses	3,592,897	3,903,310
Gratuity Fund & other Contributions	1,360,426	5,277,876
	<u>140,026,025</u>	<u>142,864,031</u>



SAHYADRI INDUSTRIES LIMITED

Schedules attached to and forming part of the Profit & Loss Account for the year ended March 31, 2011

SCHEDULE 18

ADMINISTRATION, SELLING & OTHER EXPENSES

Power, Fuel & Water Charges	1,289,529	1,301,753
Building Repair & Maintenance	666,047	709,398
Stores & Consumables	112,837	1,248,470
Rates & Taxes	2,308,097	1,553,329
Insurance	227,663	469,231
Commission on Sales	24,015,882	42,392,697
Professional & Consultancy Fees	9,721,516	8,348,653
Carriage Outward & Forwarding Expenses	277,172,905	248,587,096
Printing & Stationery	1,566,876	1,697,076
Travelling, Conveyance & Vehicle Maintenance	24,207,763	19,822,556
Postage, Telegram, Telephone & Telex	5,540,557	3,621,119
Rent	5,843,276	4,975,704
Bank Charges	11,579,692	14,813,179
Discounts & Rate Difference	166,300,557	124,705,191
Breakages & Damages	34,412,247	32,159,163
Remission, Bad Debts & Rebate	1,719,202	2,551,098
Sales Tax Paid	3,950,830	3,196,239
Auditors Remuneration	650,000	550,000
Miscellaneous Expenses	15,378,560	12,775,554
Windmill Expenses	10,345,247	783,693
Purchase for resale	13,083,030	14,787,767
Sales Promotion & Advertisement Expenses	25,723,303	22,912,516
Excise Duty	188,650,342	137,453,068
Service Tax paid	63,425	1,878,890
Loss on sale of fixed assets	7,258	-
	824,536,643	703,293,440

SCHEDULE 19

INTEREST

Interest on Term Liabilities	56,730,218	27,982,742
Interest on Working Capital	28,227,601	16,568,993
Other Interest	30,497,323	27,840,021
	115,455,142	72,391,756

SCHEDULE 20

PRELIMINARY EXPENSES WRITTEN OFF

Preliminary Expenses Written Off During the Year	904,372	991,368
	904,372	991,368



SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

SCHEDULE 21

1) SIGNIFICANT ACCOUNTING POLICIES FOLLOWED :

a) Basis of Accounting :

The accounts are prepared under historical cost convention and on accrual basis of accounting unless otherwise stated and in accordance with normally accepted accounting principles and comply with accounting standards as notified by the Companies (Accounting Standards) Rules, 2006.

b) 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.

c) Intangible assets:-

Intangible assets are stated at cost of acquisition less accumulated amortization

d) 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 in the Company's Act, 1956 over their useful life except on fixed assets installed on Gujrat factory & Windmills installed at Chavaneshwar wherein depreciation is provided on straight line method in the manner prescribed in schedule XIV of Company's Act, 1956 over their useful life.

ii) Lease hold land is amortized over the period of lease.

iii) Windmill rights are amortized over period of 10 years.

e) 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 it credit to the Profit & Loss account & shown as MAT credit entitlement. The Company review's 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

f) Retirement and other employees Benefits :

i) Retirement benefit in the form of provident fund & super annunciation /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's account on the basis of actuarial valuation on 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.

v) Liability for employees leave encashment amounting to Rs.8,801,063/- have been provided in the account for the current year.

g) Investments :

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



SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

h) 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. 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.

i) 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.

j) 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 resold 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 and promotional materials 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.

k) Revenue recognition

I) Sale: The sale of fibre sheet & products was 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 its acceptance.

IV) 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



SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

some of the Company's wind power generation projects. Revenue from CER and VER is accounted on its realization.

l) 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.

m) 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.

n) 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

o) Impairment of Assets :-

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of 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.

p) No liability has been provided in respect of garlic activities for additional demand likely to be raised by MADHYA PRADESH STATE CO-OPERATIVE MARKETING FEDERATION LTD. and may not be acceptable to the company, and in the case it is made obligatory the liability to be shared by the parties to the business arrangements. Total amount of estimate of liability Rs.21,000,000/- .

		Year ended 31st March 2011		Year ended 31st March 2010
2) CAPACITY & PRODUCTION :				
Licenced Capacity		Not Applicable		Not Applicable
Licenced & Installed				
Installed Capacity				
Building Material :-		527500 M. T.		443550 M. T.
Windmill		18.40 MW		16 MW
Installed capacity as certified by management has been relied by the Auditors.				
3) RAW MATERIAL AND COMPONENTS CONSUMPTION :				
	Units	(RS.)		(RS.)
i) Cement	M. T.	151207	483,533,696	144426 485,893,835
ii) Fibre	M. T.	28045	871,309,210	26,308 845,499,318
iii) Flyash & Others	*		89,612,921	95,721,150
			1,444,455,827	1,427,114,303

* - Quantity in respect of other materials is not reported as units of measurements of various materials are different.

		Units	(RS.)		(RS.)
4) PRODUCTION & SALES					
A. Building Material					
Opening Stock	Nos.	2550034	444,936,891	2397561	369,236,086
Production & Purchase	Nos.	18064580	-	19877982	-



SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

		Year ended 31st March 2011		Year ended 31st March 2010	
Net Sales/Other use (Including Salvages/ Breakages /self consumption)	*	17513281	2,987,542,178	19725510	2,941,824,609
Closing Stock	Nos.	3101332	539,503,046	2550034	444,936,891
B. Trading items -Doors					
Opening Stock	Nos.	5650	28,040,813	5482	32,474,211
Purchase	Nos.	1792	13,083,030	3086	14,327,179
Net Sales/Other use	Nos.	2017	19,176,820	2918	26,574,922
Closing Stock	Nos.	5425	29,108,194	5650	28,040,813
C. Wind Power Generation & Sale					
Opening Stock	kwh	0	0	0	0
Production	kwh	23250707	95,108,646	13560573	54,594,256
Net Sales/Other use (Including intersegment revenue)	kwh	23250707	95,108,646	13560573	54,594,256
Closing Stock	kwh	0	0	0	0
D. Other items (Pipes & Doors)					
Opening Stock	*	0	628,003	0	628,003
Production	*	0	0	0	0
Net Sales/Other use (Including Scrap)	*	0	0	0	0
Closing Stock	*	0	628,003	0	628,003

* - Quantity in respect of other materials is not reported as units of measurements of various materials are different.

5 Directors Remuneration :

a. Remuneration paid to Directors :

Particulars	Year Ended 31.03.2011 (Rs./Lakhs)	Year Ended 31.03.2010 (Rs./Lakhs)
Whole time Directors		
1. Salaries & Perquisites	144.01	124.72
2. Contributions to Provident & Superannuation Fund	11.52	11.92
3. Commission to Wholetime Directors	74.89	172.38
	<u>230.42</u>	<u>309.02</u>

Note : Provisions for contribution to employee retirement/post retirements & other employee benefits which are based on actuarial valuation done on an overall company basis are excluded from above figures.

Note : Sitting fees paid to non executive directors Rs.0.48 lacs (0.94 lacs)

b. Computation of net profits as per sec. 198 read with sec. 309 of the Companies Act, 1956:

Particulars	Year Ended 31.03.2011 (Rs./Lakhs)	Year Ended 31.03.2010 (Rs./Lakhs)
Profit before tax as per Profit & Loss Account	2039.91	3990.32
Add :Managerial Remuneration (including Director's Sitting Fees)	230.89	309.95
Provision for Bad & Doubtful Debts	38.09	16.51
	<u>2304.13</u>	<u>4316.78</u>
Less : Profit / (Loss) on sale of Fixed Assets	(0.07)	0.90
Profit for the year under section 198 of Companies Act, 1956	2304.20	4315.88
Maximum remuneration payable to whole time directors	230.42	431.59

6) Payment to Auditors

a) Towards Audit Fees	500,000	450,000
b) Towards Tax Audit	150,000	100,000
c) Towards other services	99,495	32,500
Total	749,495	582,500



SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

	Year ended 31st March 2011	Year ended 31st March 2010		
7) Value of Imports on C.I.F. basis				
a) Raw Materials	802,289,775	601,368,755		
b) Consumables & Stores	235,565	453,135		
c) Capital Goods	585,651	-		
d) Trading items	9,845,836	10,889,423		
8) Consumption of Raw Material	RS.	%	RS.	%
a) Imported	873,606,998	60.48	846,148,937	59.29
b) Indigenous	570,848,828	39.52	580,965,366	40.71
	1,444,455,827	100.00	1,427,114,303	100.00
9) Remittances in foreign currencies on accounts of Dividend to non - resident share holders.	NIL	NIL		
10) Estimated amount of contracts remaining to be executed on Capital Account net of advances & not provided for	280,971,275	90,465,090		
11) Contingent Liabilities not provided for :				
a) Bank Guarantees (Including Gurantee In favour of MARKFED Rs. 21,000,000/- Refer Note No.1 (p))	21,000,000	22,078,217		
b) Letter of Credit	3,750,178	16,808,484		
c) Claims against the company not acknowledged as debts	4,381,094	4,381,094		
12) a) Foreign Exchange Earnings on export of goods	Rs 4,932,026	6,383,645		
b) Expenditure in Foreign Currency				
Foreign Exchange Outgo on foregin tour	Rs 232,112	NIL		
Foreign Exchange Outgo on Interest	Rs 942,877	NIL		
13) 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. 2010-11	F.Y. 2009-10		
Non Cancellable Operating Lease obligations				
- Not Later than one year	300,000	300,000		
- Later than one year but not later than five years	1,293,750	1,248,750		
- Later than five years	7,531,250	7,876,250		
Total	9,125,000	9,425,000		
Rental Expenses of Rs. 300,000/- (P.Y. Rs. 300,000/-) in respect of obligation under non cancellable operating leases have been charged to Profit & Loss Account. Further sum of Rs. 7,823,276/- (P.Y. Rs. 6,955,704/-) 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.				
(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.				
14) i) Forward Cover Contracts (Disclosure as required by AS - 11 "The Effect of changes in Foreign Exchange Rates") :				
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 :				



SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

a) Details of Derivative Instruments (for hedging) :

Particulars	Amount in Foreign Currency	Equivalent Amt in Rs.	Purpose
Cross Currency interest rate Swap	6,400,000 USD (4,400,000) USD	285,760,000 (198,616,000)	For repayment of External Commercial Borrowing

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

Particulars	Currency	Amount in Foreign Currency		Equivalent INR	
		2010-11	2009-10	2010-11	2009-10
Creditors	USD	155,437	523,762	6,940,262	23,642,617
Debtors	USD	18,568	-	829,039	-
Foreign Currency Borrowings including interest payable	USD	3,274,665	-	146,213,782	-
Bank Balances	USD	15,214	-	679,305	-

15) ii) 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 Indian 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 to hedge the foreign currency risks of firm commitment and highly probable forecasted transactions. The Management has assessed the effectiveness of its hedging contracts outstanding as on March 31, 2011 as required by AS 30 and accordingly the MTM Loss of Rs. 3,837,565/- 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, 2011 :

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	6,400,000 (4,400,000)	3,837,565 (36,552,788)	Rs. 285,760,000 (Rs. 198,616,000)	i) Buy ii) Floating Rate to Fixed Rate

The movement in hedging reserve during period ended March 31, 2011 for derivatives designated as Cash Flow Hedges is as follows :

Particulars	2010-2011	2009-2010
Balance at the beginning of the year	36,552,788	Nil
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	3,837,565	36,552,788
Net derivative gain/(losses) related to discounted cash flow hedge balance at the end of the year	76,943,141	36,552,788



SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

16)	Earning per Share (EPS) - The numerator and denominator used to calculate Basic and Diluted Earnings per Share		
		31st March 2011	31st March 2010
	- Profit attributable to the Equity Shareholders (Rs.) - A	134,723,925	268,222,092
	- Basic / Weighted average number of Equity Shares outstanding during the year - (B)	9,561,500	9,561,500
	- Nominal value of Equity Shares (Rs.)	10	10
	- Basic / Diluted Earning per Share (Rs.) - (A)/(B)	14.09	28.05
17)	Segment wise Revenue/ Results & Capital Employed (Rs. In lakhs)		
A)	Segment Revenue		
	a) Building Material	29,119.07	29,021.68
	b) Power Generation	951.09	558.22
	Sub Total	30,070.16	29,579.89
	Less : Inter Segment Revenue	194.69	12.27
	Net Sales / Income from Operations	29,875.47	29,567.62
B)	Segment Results Profit (+) / Loss(-) before tax & interest from each segment		
	a) Building Material	2,932.30	4,349.06
	b) Power Generation	174.71	242.41
	Sub Total	3,107.01	4,591.47
	Less :- I) Interest	1154.55	723.92
	(II) Unallocable Expenditure net of unallocable Income	0.00	0.00
	Add:- Un-allocable income Net of unallocable Expenditure	87.46	116.77
	Profit Before Income Tax	2039.91	3984.32
C)	Capital Employed		
	a) Building Material	5895.48	4948.05
	b) Power Generation	2591.14	2454.22
	c) Unallocable	402.55	402.50
	TOTAL	8889.17	7804.77

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.

18) Components of Deferred tax assets /liabilities are as under :

	As at 31.03.2011	As at 31.03.2010
Deferred Tax		
Deferred Tax liability on account of :		
a) Depreciation	203,320,977	101,526,802
	203,320,977	101,526,802
Deferred Tax asset on account of :		
a) Employee Benefits etc.	5,773,048	5,370,818
b) Provision for Bad & Doubtful Debts	3,739,723	2,563,634
c) Provision in Diminution in Value of investments	9,734	9,965
d) Others	35,040,924	-
	44,563,429	7,944,417
Net Deferred Tax Liability	158,757,548	93,582,385



SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

19) Capital Work In Progress and Preoperative Expenditure :

Capital Work In Progress and Preoperative Expenditure comprise the following :

a. Capital work in progress

Particulars	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
i. Project assets (including stock lying with contractor)	214,074,708	143,931,679
ii. Unallocated project preoperative expenditure (see b below)	1,667,879	2,454,046
	215,742,587	146,385,725

b. Preoperative expenditure

Particulars	2010-2011 (Rs.)	2009-2010 (Rs.)
Opening balance	2,454,046	991,602
Processing Charges - Windmill	0	1,176,300
Interest on Term Loan - Windmill	5,007,770	254,197
Insurance windmill - Preoperative	33,341	0
Preoperative legal expenses - Windmill	298,100	0
Preoperative expenses - Interest (GP)	3,142,881	0
D.G. Set Hiring charges (GP)	130,734	0
Conference Expenses (GP)	219	21,099
Staff Welfare Expenses (GP)	271,645	11,776
Printing & Stationery Expenses (GP)	48,750	5,253
Postage & Tele - Expenses (GP)	38,268	1,141
Telex & Telephone (GP)	67,458	9,759
Books & Periodicals (GP)	2,575	0
Consulting Charges (GP)	69,992	7,000
License & Reg Fees (GP)	27,100	0
Conveyance Expenses (GP)	331,789	45,517
Hire Charges Office (GP)	46,050	0
Electricity Charges Preoperative (GP)	2,995,302	0
Sur & Val (GP)	248,180	5,682
Sundry Expenses (GP)	82,160	0
Pooja Expenses (GP)	100,670	2,100
Travelling Expenses (GP)	442,277	54,037
Salaries (GP)	4,878,226	156,580
Advertisement Expenses (GP)	0	350,862
Insurance Preoperative (GP)	14,778	0
Rates & Taxes (GP)	161,256	78,469
Bank Charges (GP)	1,430	165
Processing Fees Bank Preoperative (GP)	420,340	0
Pre Operative Exp. - Licen. Reg. & Fill. Sht. (GP)	3,960,327	0
Gift Expenses (GP)	0	11,374
Pre-Operative Exp. - Processing Charges (GP)	1,890,400	0
Pollution Control Expenses (GP)	147,758	0
Liasoning (GP)	0	0
Directors Travelling (GP)	14,631	10,575
Repairs & Maintainance - Four Wheelers (GP)	44,174	20,595
Pre-Operative Staff Welfare (GP)	5,000	0
Labour Charges (GP)	2,194,117	100
Freight Inwards (Other) (GP)	1,672,890	450
Guest House Expenses (GP)	51,892	0
Office Maintainance (GP)	447,931	6,813
Donation (GP)	28,000	7,000
Misc Expenses (GP)	8,353	40
Repair Maintenance Other - Pre Operative (GP)	121,540	0
Legal Expenses (GP)	540,400	219,669



SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

Security Service Expenses (GP)	410,170	26,755
Canteen Expenses - Pre Operative (GP)	364,544	0
Recruitment & Training Pre-Operative (GP)	22,538	0
Rent Administration Preoperative (GP)	68,000	0
Weighing Charges Pre operative (GP)	660	0
Water Charges - Pre Operative (GP)	90,020	0
Stores & Spares Pre Operative (GP)	602,968	0
Pre Operative-Disproportionate (GP)	7,531,486	0
Pre Operative-Others (GP)	20,473,940	0
Fare for Travel - Pre Operative (VJ)	156,329	0
Travelling Expenses preoperative (VJ)	202,035	0
Legal & Professional - Pre Operative (VJ)	633,020	0
Printing & Stationery Expenses (VJ)	11,006	0
Misc Expenses (VJ)	36,200	0
Postage & Tele - Expenses (VJ)	3,110	0
Staff Welfare Expenses (VJ)	77,830	0
Telex & Telephone (VJ)	5,400	0
Conveyance Expenses (VJ)	29,451	0
Sundry Expenses (VJ)	45,000	0
Repair & Maintenance Other - Pre Operative (VJ)	12,050	0
Donation (VJ)	10,000	0
Pooja Expenses (VJ)	1,116	0
Advertisement Expenses (VJ)	106,232	0
Salaries (VJ)	28,000	0
Liasoning (VJ)	5,000	0
Security Service Expenses (VJ)	8,000	0
	63,376,855	3,474,910
Less - Capitalised during the year	61,708,976	1,020,864
Balance c/f next year	1,667,879	2,454,046

20) 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	2010-2011 (Rs)
Employers Contribution to Provident Fund (Including administrative expenses)	6,650,475

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

B Defined Benefit Plan

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

PARTICULARS	2010-2011		2009-2010	
	GRATUITY	LEAVE ENCASHMENT	GRATUITY	LEAVE ENCASHMENT
Expenses to be recognized p&l a/c				
Current service cost	2,050,123	3,114,801	3,877,604	1,397,334
Interest cost	835,836	458,595	440,202	417,201
Expected return on plan assets	(678,940)	0	(480,371)	0
Net actuarial losses/(gain)	(846,593)	184,890	1,440,441	(571,686)
Total Expense	1,360,426	3,758,286	5,277,876	1,242,849
Reconciliation of opening and closing balance of changes in present value of defined benefit obligation				
Opening defined benefit obligation as on 1-4-2010	11,119,407	6,868,790	5,651,552	6,126,202
Service cost	2,050,123	3,114,801	3,877,604	1,397,334



SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

Interest cost	835,836	458,595	440,202	417,201
Actuarial gain/losses	(838,046)	184,890	1,448,099	(571,686)
Benefits paid	(528,776)	(1,826,013)	(298,050)	(500,261)
Liabilities extinguished on settlement	0	0	0	0
Closing defined benefit obligations as on 31-3-2011	12,638,544	8,801,063	11,119,407	6,868,790

Reconciliation of opening and closing balance of changes in fair value of plan assets

Opening fair value of plan assets as on 1-4-2010	6,468,129		4,519,816	
Expected return on plan assets	678,940		480,371	
Contribution by employer	2,432,747		1,758,334	
Actuarial gain/(losses)	8,547		7,658	
Benefits paid	(528,776)		(298,050)	
Closing balance of fair value of plan assets as on 31-3-2011	9,059,587		6,468,129	

Net liability recognized in the balance sheet as on 31-3-2011

Defined benefit obligation as on 31-3-2011	12,638,544	8,801,063	11,119,407	6,868,790
Fair value of plan assets as on 31-3-2011	9,059,587	0	6,468,129	0

Present value of unfunded obligation as on 31-3-2011

Corresponding effect in deferred tax	0	8,801,063	4,651,278	6,868,790
Net impact	0		0	

Actuarial Assumptions

Discount rate (per annum)	7.80%	7.80%	7.70%	7.70%
Salary increment rate (per annum)	7%	7%	7%	7%
Expected rate of return on assets	9.15%	-	9.15%	-
Expected average remaining working lives of employees (years)	6.15	6.15	5.99	6.11

21) Related Party Disclosure :-

The Company has entered into transactions in the ordinary course of business with related party at arms length. The details of related party's are reported in the Annexure.

22) 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, 2011 has been made in the financial statement based on information received available and identified by the company.

	As at 31.03.2011	As at 31.03.2010
a) the principal amount remaining unpaid to any supplier as at the end of each accounting year.	1,989,780	412,668
b) the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	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.	148,324	Nil
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.	167,682	37,041
e) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	167,682	148,324
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	148,324



SAHYADRI INDUSTRIES LIMITED

NOTES TO ACCOUNTS ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

23) Previous years figures have been regrouped and rearranged wherever necessary.

As per our report of even date
For Parag Patwa & Associates
Chartered Accountants
(Firm Regn. No. 107387W)

On behalf of Board of Directors

S. V. Patel
Director Commercial

J. P. Patel
Executive Director

(CA P. I. Patwa)
(Mem No. 41529)

Abhijit Barje
Company Secretary

Place : Pune
Date : 30th May 2011

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) Sudarshan Pipes 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.Vallabhbai L. Patel - Director b) Mr. Purushottambhai 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. Parvati Patel
e) Mr. J.V. Patel f) Mrs.Geeta S.Patel g) Mrs. Harsha J. Patel h) Mrs.Kalpana Patel
i) Malvi Patel k) Mrs. Rashmi P Patel l) Pranil S. Patel m) Dhemahee S. Patel

Transactions during the year with related parties (AS 18)

Nature of Transactions	Associates		Key Management Personnel		Relatives Of Key Management Personnel	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
1) Transactions during the year						
a) Unsecured Loan						
a) Taken during the year	372,003	20,540,544	232,524,575	22,539,393	85,095,319	38,447,194
b) Repaid during the year	14,291,322	19,416,943	149,043,480	45,737,633	58,774,000	36,514,194
b) Revenue Items						
Labour Charges	6,548,259	4,530,927	-	-	-	-
Lease Charges	2,280,000	2,280,000	182,816	191,274	-	-
Power & Fuel Expenses	865,821	750,179	-	-	-	-
Sale of Asbestos Sheets	-	2,649,427	-	-	-	-
Sale of scrap	102,845	3,000	-	-	-	-
Trade Mark Fees	2,952,297	2,905,519	-	-	-	-
Purchases	-	335,766	-	-	-	-
c) Interest						
Interest on Unsecured Loan paid during the year	527,006	1,789,253	17,245,306	15,181,547	7,060,173	6,340,815



SAHYADRI INDUSTRIES LIMITED

Nature of Transactions	Associates		Key Management Personnel		Relatives Of Key Management Personnel	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
d) Rent paid	60,000	60,000	182,816	191,274	576,000	453,000
e) Managerial Remuneration paid during the year	-	-	23,041,660	30,901,529	1,448,058	1,069,551
f) Dividend Paid (Provided in 2009-10 paid during the year)	37,500	25,000	4,642,491	6,235,324	7,664,403	5,982,676
g) Investment in Equity Shares	48,000	-	-	-	-	-
h) Share application money pending allotment	1,557,964	--	-	-	-	-
2) Balance outstanding as on year end						
a) Debts Due	1,483,033	1,895	-	-	45,172	-
b) Debts receivable	656,655	-	-	-	-	-
c) Unsecured Loan / ICD	4,283,180	18,202,498	207,160,944	123,679,849	87,204,958	60,177,774
d) Deposits	4,110,000	4,110,000	145,000	145,000	1,100,000	1,100,000
e) Investment in Equity Shares	48,000	-	-	-	-	-
f) Share application money pending allotment	1,557,964	--	-	-	-	-
3) Maximum balance outstanding during the year						
a) Debts Due	1,483,033	1,045,222	-	-	45,172	-
b) Debts receivable	656,655	1,152,949	-	-	-	-
c) Unsecured Loan / ICD	18,574,502	18,415,860	223,085,876	152,802,089	134,103,441	86,746,774
d) Investment in Equity Shares	48,000	-	-	-	-	-
e) Share application money pending allotment	1,557,964	--	-	-	-	-

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
 (Firm Regn. No. 107387W)

(CA P. I. Patwa)
 (Mem No. 41529)

Place : Pune
 Date : 30th May 2011

On behalf of Board of Directors

S. V. Patel
 Director Commercial

J. P. Patel
 Executive Director

Abhijit Barje
 Company Secretary



SAHYADRI INDUSTRIES LIMITED

PART - IV BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

REGISTRATION NO.	78941	STATE CODE	11
BALANCE SHEET DATE	31.03.2011		

II CAPITAL RAISED DURING THE YEAR

(AMOUNT IN THOUSANDS)

PUBLIC ISSUE	NIL	RIGHTS ISSUE	NIL
BONUS ISSUE	NIL	PRIVATE PLACEMENTS	NIL

III POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (AMOUNT IN THOUSANDS)

TOTAL LIABILITIES	2,532,926	TOTAL ASSETS	2,532,926
SOURCES OF FUNDS			
PAID UP CAPITAL	95,615	RESERVES & SURPLUS	794,560
SECURED LOANS	1,177,102	UNSECURED LOANS	306,892
DEFERRED TAX LIABILITY	158,758		

APPLICATION OF FUNDS

NET FIXED ASSETS	1,703,275	INVESTMENTS	1,502
NET CURRENT ASSETS	828,017	MISCELLANEOUS EXP.	132
ACCUMULATED LOSSES	NIL	PRE-OPERATIVE EXPENSES	0

IV PERFORMANCE OF COMPANY

(AMOUNT IN THOUSANDS)

TURNOVER	3,084,922	TOTAL EXPENDITURE	2,891,076
PROFIT / LOSS BEFORE TAX	203,991	PROFIT / LOSS AFTER TAX	135,658
EARNINGS PER SHARE RS	14.09	DIVIDEND RATE %	20

V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY (AS PER MONETARY TERMS)

ITEM CODE NO. (ITC CODE)	681110.00
PRODUCT DESCRIPTION	ASBESTOS CEMENT CORRUGATED SHEETS

As per our report of even date
For Parag Patwa & Associates
Chartered Accountants
(Firm Regn. No. 107387W)

(CA P. I. Patwa)
(Mem No. 41529)

Place : Pune
Date : 30th May 2011

On behalf of Board of Directors

S. V. Patel
Director Commercial

J. P. Patel
Executive Director

Abhijit Barje
Company Secretary



SAHYADRI INDUSTRIES LIMITED

MISCONCEPTIONS ABOUT ASBESTOS

	MYTHS	FACTS
1.	Asbestos cement is dangerous material.	Asbestos cement is completely safe. It is not corrosive, reactive, ignitable or toxic.
2.	Inhalation of even one fibre of asbestos is harmful.	Thousands of asbestos fibres, invisible, are inhaled by us everyday from natural resources, without any harm. Asbestos Cement Roof will not add to the environmental fibres.
3.	Asbestos cement water pipes cause colonic carcinoma and other diseases.	Asbestos fibres in water are ingested without any harm whatsoever. Therefore the AC water pipes pose no threat.
4.	Asbestos cement production is banned in the USA.	The US Court of Appeals rejected a proposed ban on scientific grounds. Asbestos-cement products are not banned in the USA.

Asbestos Types and Applications

Asbestos is a naturally occurring mineral fibre. It is not a chemical. They are grouped into – The Serpentine and The Amphiboles. The white Chrysotile fibre belongs to the Serpentine Group which is very different in the chemical and physical composition from the other fibres.

The asbestos fibres had over 1000 applications, they could be grouped broadly into two

1. Friable products – Principally low density insulation materials that crumbled under hand pressure – such as sprayed insulation. They contained about 90% Asbestos and the balance being binders. In these products the fibres could get loose and get released into the atmosphere.
2. High Density products such as Asbestos Cement, friction materials etc., wherein the fibre content is only about 8-9% and balance is the cement and other binders. Here the fibres are firmly locked into the matrix and there is no release of the fibre into the atmosphere.

Usage in the West

During the World War and thereafter for reconstruction, the western countries have had mixed usage of both fibre types in an uncontrolled negligent fashion producing mostly friable products, leaving the workers in clouds of dust where the fibre levels were far higher than 20 fibres per cc. Uncontrolled work conditions, work with friable insulation materials and the extensive use of Amphibole asbestos fibers in the past have resulted in asbestos related disease in west. But this has nothing to do with Asbestos Cement products containing only Chrysotile(White) fibres. Different studies published over

a period of 30 years have indicated the absence of measurable risk when only Chrysotile(White) is used while complying with standard.

While technically and legally there is no case to ban Asbestos Cement Products, some countries have taken political decision to ban asbestos usage as a reaction to unacceptable rate of disease caused by operations of industrial processes such as insulation, as socially they were unable to communicate the differing risk in various asbestos applications. The countries that have ban the fibre are mostly European countries and those that are suppliers of alternate fibres.

The study by Bernstein has confirmed that the Chrysotile (White) fibres are least hazardous when compared to not only the other asbestos types but also when compared to other industrial fibres.

Consumption in the producer countries

The big three producers of Chrysotile (White) fibres are Russia, Canada & Brazil. In case of Russia and Brazil about half of the production is consumed within their own countries. Canada continues to use the Chrysotile(White) fibres, however, the quantity of export is greater than its consumption. If we look at quantity on per capita basis, Canada's consumption is 20% greater than most consuming developed countries. India consumes only about 15% of the world production.

Alternatives to Asbestos

There is no other fibre which gives the same performance as the Asbestos fibre and the cost of other fibres is at least 4



SAHYADRI INDUSTRIES LIMITED

times that of asbestos. Further the adverse effect on health due to inhalation of these alternate fibres can not be ruled out.

Situation in India

The situation in India is very different. Amphiboles are not used, the use of low density friable insulation materials did not exist in India. Exposure limits for Chrysotile(White) are over two hundreds of times lower than past worker exposures. As a consequence there has not been any adverse health effect on the workers working in the Asbestos Cement plants. The various inspection and studies of the Indian Government agencies from time to time and health record of the employees including the retired employees in the industry are an ample testimony to the industry's claim that manufacture and use of asbestos cement products are not health hazard to the employees or to the users. Workers associated with this industry do not face any risk because the chances of their inhaling fibre are very low as the fibres are bound to cement. Besides, workers are provided with all kinds of precautions like masks, in addition to proper environment engineering controls.

The Supreme Court of India has also heard the arguments on the usage of asbestos fibres and has permitted the usage of the asbestos when is being done in controlled manner.

The manufacture of fibre cement products does not involve any chemical reaction or heating. There are no effluents as everything is recycled. And hence the energy required is low. The substitute products require about 36 times more energy for their manufacture thereby emission of carbon in the environment is much higher.

Over 70% of India's power plants are coal based. These power stations generate nearly 40 million tons of fly ash annually. Fly ash causes severe pollution of air and water and its disposal gobbles up large tracts of land. Thus disposal of fly ash is a national problem. Over 30% of raw material in production of asbestos cement is fly ash. Thus the industry is putting to productive use over one million tons of the material, the disposal of which is a major problem.

Most importantly asbestos cement sheets provides a safe heat protective, least noisy roof to millions of poor people, farmers and their poultry and cattle. After RCC this is the next best roofing option available to the poor and needy. Due to costing less than one third of equivalent steel sheeting, it is understandably hugely popular amongst the poor and farming communities. It has therefore also become the target of rich and powerful steel sheeting industry which wants to spread wrong information and unfounded fears about asbestos and funds unethically and greedy outfits masquerading as NGOs.

The asbestos cement industry in our country is a 4000 Crore industry which generates employment for about 3,00,000

people and contributes to the Government's exchequer about 20% of its turnover by way of direct and indirect taxes. Of the industry capacity, about 25% of the capacity is in Maharashtra.

For a developing country like India, it is not commercially viable to go in expensive substitutes. The basic measure on the agenda should be to change the mindset, so that the public has real knowledge of what asbestos is, what its effects on health and the conditions under which it may be considered safe or unsafe.

In fact AC pipes and sheets have been recommended by organisations like WHO and the World Bank.

Studies undertaken in India

1. 2001 - Central Labour Institute(CLI) conducted an Occupational Health and Environmental Study . The study revealed no cases of possible asbestosis out of the workers examined.
2. 2004 - Central Labour Institute(CLI) conducted a National study on Health Status of Workers in the Asbestos Industry. This study was carried out in 8 Chrysotile industrial units out of which 5 units were manufacturing asbestos cement products using Chrysotile and other 3 units were engaged in manufacturing of brake linings. No established cases of asbestosis were detected during the study.
3. 2005 - Central Labour Institute(CLI) conducted a National study on Status of Work Environment in Asbestos Products manufacturing Industry – Evaluation of Airborne Asbestos Fibres. This study was carried out in 12 units, 6 units manufacturing asbestos cement sheets, 3 manufacturing asbestos cement pipes and 3 unit manufacturing friction materials. All these units were using Chrysotile fibre. The study concluded that concentrations of airborne asbestos fibres in 75% of the units studied(manufacturing Chrysotile cement products) were less than 0.5f/cc while remaining 25% units manufacturing friction materials and other products, the concentration of airborne fibres were between 0.5f/cc to 1f/cc, but nowhere the fibre concentration exceeded the PLE of 1f/cc.

Conclusion

From the above, it will be observed that during the period 2001 -2005 studies undertaken, no cases of asbestosis were detected while working in the units manufacturing Asbestos Cement products using Chrysotile variety of asbestos.



SAHYADRI INDUSTRIES LIMITED

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E-mail : swastikroofing@silworld.in ● Website : www.silworld.in

Dear Shareholder,

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 compliances by Companies through electronic mode. Companies are now permitted to send various notices/documents to its shareholders through electronic mode to the registered e-mail 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 a Greener Environment. It will also ensure prompt receipt of communication, avoid loss in postal transit.

Keeping in view the underlying theme, members are requested to support green initiative by registering / updating their email address in respect of shares held in physical form by sending email to **silworldgogreen@sharexindia.com** or by sending below given form to our R&T Agent. The members who held shares in dematerialisation form are requested to register / update their email address with their respective Depository Participants (DPs).

X

(For members holding shares in physical form)

To,
Sharex Dynamic (India) Pvt. Ltd.
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: