Everest Industries Limited

77TH ANNUAL REPORT 2009-10

CONTENTS

BOARD OF DIRECTORS

A. V. Somani	Chairman
M. L. Gupta	Managing Director
Mohanlal Bhandari	Director
Sandeep Junnarkar	Director
M. L. Narula	Director
Amitabh Das Mundhra	Director
Manish Sanghi	COO and Director
Y. Srinivasa Rao	Executive Director (Operations)

COMPANY SECRETARY

Neeraj Kohli

AUDITORS

M/s Deloitte Haskins & Sells,
Chartered Accountants, Gurgaon

BANKERS

State Bank of India
State Bank of Patiala
ICICI Bank Limited
Axis Bank Limited
HDFC Bank Limited

REGISTERED OFFICE

Gat No. 152 Lakhmapur Taluka Dindori
Nashik - 422 202 Maharashtra

HEAD OFFICE

Genesis A-32 Mohan Co-operative Industrial Estate Mathura Road New Delhi - 110 044

SHARE TRANSFER AGENTS

MCS Limited F-65 Okhla Industrial Area Phase - I New Delhi - 110 020

MANAGEMENT DISCUSSION AND ANALYSIS

India has shown economic stability and strength during the global financial crisis last year. India's GDP growth in 2009-10 was 7.2% compared to 6.7% in the previous year.

Everest Industries Ltd. operates in the infrastructure and construction sector. These are fundamental to economic development and normally grow at twice the rate of GDP.

Your Company is a building solutions company. We provide ready-to-use building products and pre-engineered buildings. All our products are eco-friendly and enable construction with strength, speed and safety. This year, we have seen an overall growth of 23%.

Percentage growth rates*

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
GDP	9.5	9.7	9.2	6.7	7.2
Infrastructure Investment	18	19	20	19	21
Everest Industries Ltd.	8.6	11.2	5.6	24.5	11.6

The Government is committed to inclusive growth and has increased expenditure on rural and infrastructure development. It has also focused on agriculture and education. Your Company operates in all these sectors. Programs like National Rural Employment Guarantee Scheme, Indira Awas Yojana and Sarva Siksha Abhiyan are rapidly expanding the demand for our building products. The thrust on developing backward areas has led to an increase in construction of schools, hospitals and housing. Your Company has focused on expanding its existing network to meet this demand. Your Company serves 100,000 villages across 600 cites through 31 sales offices and 6,000 retail counters.

After a temporary slowdown in new industrial activity during FY 2008-09, new project announcements in India gathered momentum during the second half of FY 2009-10. Now more companies prefer pre-engineered buildings and ready-to-use building products for faster construction and efficient project management. Manufacturing industries like automobile, power, textiles, engineering goods and services like logistics, warehousing and infrastructure are large users of PEBs and their rapid growth has a positive impact on Everest.

* Source: GDP and Economic Survey 2009-10
Infrastructure investment-Planning Commission Document, March 2010

Financial Results

Your company's Net Sales/ Income from Operations increased to Rs. 652.53 crores from Rs. 529.45 crores in FY 08-09, a growth of 23%. This growth was a result of volume growth of 10.7% in Building Products division and 47.8% in the Steel Buildings division. In value terms the two divisions grew by 20.5% and 36.7% respectively. Operating profits rose from Rs. 53.73 crores (10.1% of sales) to Rs. 70.03 crores (10.7% of Sales). PAT for the year is Rs 30.01 crores, a 107% increase from last year. The return on average net worth increased to 25.7 % from 13.7 % in the previous year.

Financial Performance

Strong cash flows during the year resulted in savings in interest cost from Rs. 16.48 crores in the previous year to Rs. 9.95 crores in the current year.

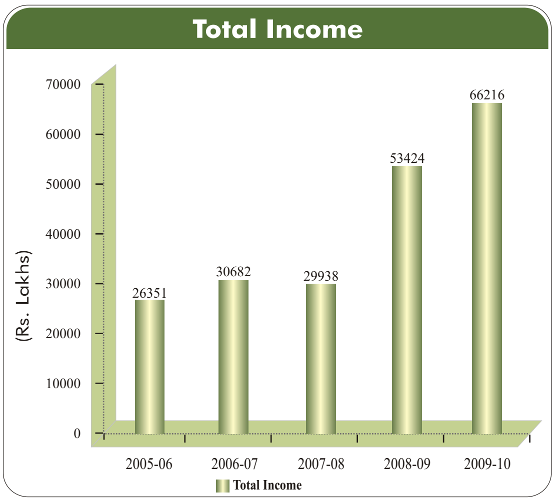
Raw material cost (including changes in inventory) was Rs. 357.97 crores (54.8% of sales) from Rs. 272.36 crores (51.4% of sales).

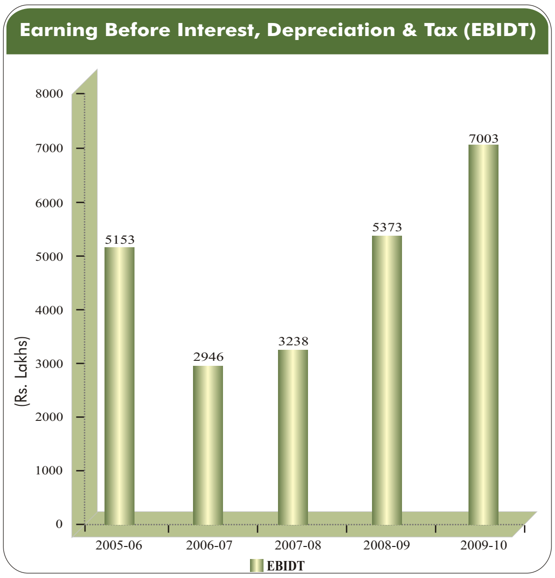
The Balance Sheet of Everest Industries Ltd continues to strengthen. Net worth of the Company stood at Rs. 173.69 crores as at March 31, 2010 as compared with Rs. 151.33 crores a year before, a growth of 14.7% during the year. Company's borrowings reduced from 184.63 crores a year ago to Rs. 119.89 crores this year. The debt equity ratio as on 31 March 2010 stood at 0.69 as compared to 1.22 on 31 March 2009.

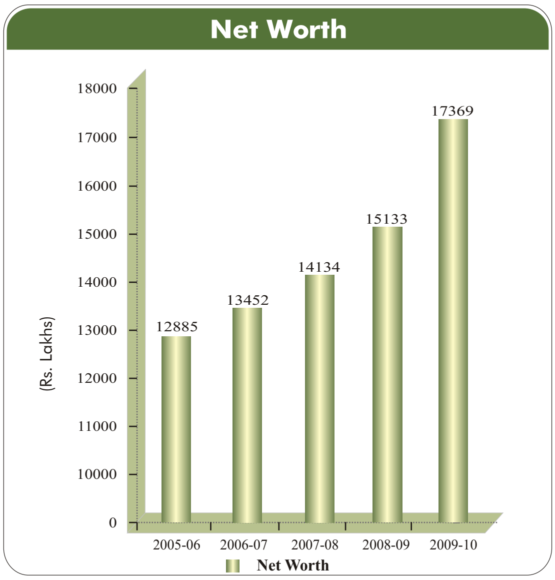
Key features of the Company's financial and operational performance

	Amount (Rs. in Lacs)		
	2009-10	2008-09	Change over Previous Year
Net Sales / Income from operations	65,253	52,945	23.2%
Other Operating Income	963	479	101%
Total Income	**66,216**	**53,424**	**23.9%**
Expenditure			
Materials (including change in stock)	35,797	27,236	31.4%
Other expenses	23,416	20,815	12.5%
Total expenditure	59,213	48,051	23.2%
Profit from operations before depreciation & interest	**7,003**	**5,373**	**30.3%**
(Percentage to sales)	10.7%	10.1%	
Depreciation	1,837	1,714	7.2%
Interest	995	1,648	-39.6%
Profit from Ordinary Activities before tax	**4,171**	**2,011**	**107.4%**
(Percentage to sales)	6.4%	3.8%	
Tax Expense (including Deferred tax net of MAT credit)	1,170	566	106.6%
Net Profit from Ordinary Activities after tax	**3,001**	**1,445**	**107.7%**
(Percentage to sales)	4.6%	2.7%	

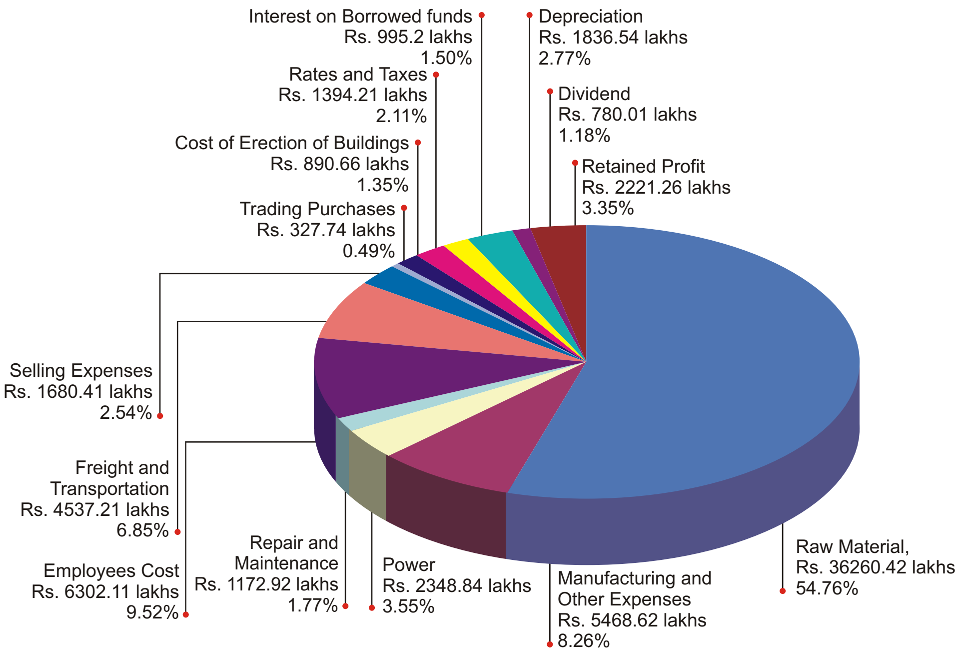
Performance at a glance







How each rupee earned has been spent during 2009-10



BUILDING PRODUCTS DIVISION

The demand for Everest Building products is very strong in rural, commercial and industrial sectors. This division now has a wide variety of Everest products which reach out to architects, interior designers, contractors, roofers and masons across the country.

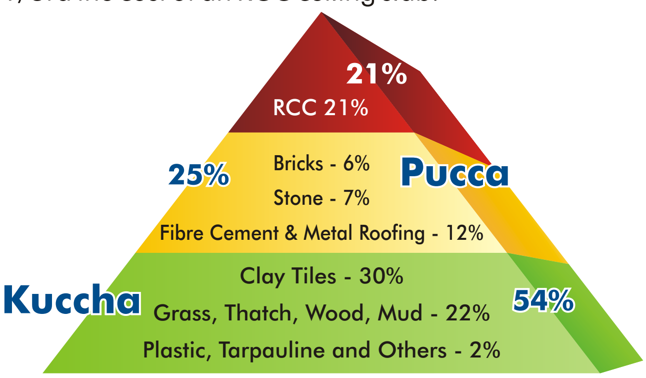
Roofing

Rural prosperity and liquidity give long term strength to the roofing market. There are estimated 25 crore houses in India. Of these, 46% are considered to be homes with pucca roofs. The rest 54% homes are made of thatch (temporary kuccha roofing) and clay tiles. Usage of clay tiles is shrinking due to non-availability of raw material.

AC Roofing

Amongst pucca houses, less than half are made with RCC slabs. The rest are made with ready-to-use roofing products which include Fibre Cement Roofing and metal roofing. Some roofs are also made using bricks and stone.

A kuccha roof home owner has aspirations and seeks security. He is more likely to graduate to a Fibre Cement Roof rather than a RCC slab. The cost of a pucca roof using Fibre Cement Roofing is 1/3rd the cost of an RCC ceiling slab.



* Source Census 2001

The market for Fibre Cement Roofing today is estimated to be Rs. 3,250 crores and for metal roofing Rs. 3,500 crores and India's demand for housing and infrastructure continues to grow unabated. This validates the market potential for our roofing products. Everest has been a pioneer in this segment with 76 years of experience in the roofing business.

Hi-Tech Roofing

Boards and Panels

The concept of environment-friendly construction is gaining importance. Increasing concern for preserving natural resources and forests augurs well for Green Building concepts and our industry. Trade acceptance for cement boards, as a substitute for plywood is growing. Increasingly, Everest Fibre Cement Boards and panels are being specified by architects, interior decorators and contractors. Our products provide high resistance to fire, termites and moisture. Everest offers a variety of products which include solutions for ceilings, walls, external cladding, flooring and internal walls.

The Boards industry is large and fragmented. Boards made of different material such as wood, plywood, gypsum, calcium silicate and fibre cement have been introduced in the market within the last decade. Current industry size for wood based products is Rs. 4200 crores. Fibre Cement Boards (Rs. 200 crore), Gypsum boards (Rs. 500 crore) and Calcium Silicate (Rs. 50 crore) are new product variants which meet specific customer requirements at similar price points.

Ceilings

The application of these products is very high in developed nations, and are particularly used in large construction projects. Fibre Cement Boards are eco-friendly and enhance LEED ratings in projects. Usage in India is yet at a nascent stage but growing rapidly. As the use of wood and wood-based products reduces, an increase in usage of these new-age modern boards is being seen across many construction projects.

Our Fibre Cement Boards provide higher safety from fire and termites and enable longer lasting aesthetic finishes by preventing the attack of moisture. Everest boards are well accepted in the retail market and the division has seen a strong growth in retail counters this year.

Operations

The fibre cement industry in India has a capacity of 4.88 million MT. There are 17 players and Everest has a 14% market share evenly spread across the nation. Everest roofing sheets are produced at 5 locations – Bhagwanpur Works at Roorkee, Uttarakhand (North), Lakhmapur Works at Nashik, Maharashtra (West), Kymore Works at Katni, Madhya Pradesh (Central), Calcutta Works at Kolkata, West Bengal (East) and Podanur Works at Coimbatore, Tamil Nadu (South).

Everest Fibre Cement Boards are produced at Lakhmapur Works at Nashik, Maharashtra (West), and Bhagwanpur Works at Roorkee, Uttarakhand (North). There are four major players in the Fibre Cement Boards industry where Everest is a major player. Our installed capacity for Boards and Panels is 1,36,000 MT and markets are expanding. This year saw a growth of 9 % in volumes over the last year.

The combined capacity of our fibre cement product plants is 7.10 lac MT. During the year, our production volume for roofing sheets increased to 504,000 MT from 455,000 MT in 2008-9, an increase of 10%.

Cost of goods sold increased by 20% on account of increase in cement prices (15%-25% at our plant locations), fibre prices (10%) and freight rates (8%). The increase in raw material cost was primarily on account of changes in product mix and input costs. Manpower cost during the year was Rs. 63.02 crores (9.6% of sales) as compared to Rs. 56.30 crores (10.6% of sales) in the previous year. Another major item of cost, i.e. freight was Rs. 45.37 crores (6.9% of sales) as compared with Rs. 38.50 crores (7.3% of sales) in the previous year.

Roofing Sheet manufacturing plant

All plants undertook a drive to upgrade processes to increase raw material yields and reduce on-line rejections. This has led to an increase in the availability of our products and quality in the market. Constant training for the workers resulted in, two of our plants increasing production volumes by 25% and one plant achieving production increase of 13%. The benefits of these process improvements will be sustained in the long run.

Overall, the Building Products division grew by 21% in Sales revenue and 54% in profit (EBIT) over the last year (mainly due to cost reduction and productivity improvement carried out during the year.)

Opportunities, Risks, Threats and Concerns

Markets continue to expand. Increased liquidity in rural India and Government's thrust on housing and construction are increasing the demand for all ready-to-use building products. Backward regions of the country are seeing an increase in industrialization and infrastructure development. Reaching these potential markets and converting users to adopt modern construction techniques provides unlimited opportunities for our company in the coming years. The industry expects to maintain a top line growth of 7% with stable margins.

The main raw materials for our fibre cement products are cement, pulp, fly ash and imported fibres. An upward trend in cement prices and international fibre prices increased our total cost of raw-material by 15% during the year.

Raw material forms 70% of the cost of goods sold. Everest has long standing relationships with cement manufacturers. Chrysotile fibre is imported from CIS countries, Brazil and Canada and witnessed a 10% increase in prices globally. The price for pulp has also seen an increase of 37%.

Accordingly, prices of Roofing products increased this year by 12.8% over last year and margins were maintained. Everest also manufactures Hi-Tech Roofing sheets. These are made by substituting chrysotile fibre with imported synthetic fibre. The demand for Everest Hi-Tech sheets is growing, especially in pharmaceutical and export oriented units. The product requires special handling and erection techniques. Our technical teams undertake regular training of contractors to familiarize them with the new product.

Floors

Claddings

To offer a large variety of roofing options to our consumers, our product portfolio includes polycarbonate sheets, coloured and bare galvanized metal roofing in various profiles and roof accessories. This has enabled our Sales teams to offer a wider range of roofing solutions to serve even complex customer requirements. Growth in these products is dependent on new industrial projects and expansions. We expect them to gather momentum in the coming years.

Foreign exchange volatility impacts the cost price of our imported fibre. Last year saw a strengthening of INR vis-a-vis USD which reduced our import cost. Everest exported goods worth Rs. 38.75 crores last year and we undertake simple currency hedging to prevent reduction in margins on exports.

There are many misconceptions about one of our raw materials, asbestos. We use white asbestos (Chrysotile) fibre bound in a cement matrix in the manufacturing of AC roofing. Chrysotile is a naturally occurring mineral, mined and imported in shrink-wrapped pallets from developed and environmentally conscious countries like Canada, Russia and Brazil. In our manufacturing process, fibre is used in controlled environment. Fibre emission is fully controlled and fibre dust concentration at our production facilities is better than prescribed international norms. We have systems to ensure zero discharge of industrial effluent. Regular health check-ups for all workmen confirm the absence of any asbestos-related disease over decades of service. Everest ensures the highest level of safety for our workmen and the community.

Living and working under an Everest roof, which contains chrysotile asbestos, is safe. Fibre Cement Roofing continues to be the most economical and affordable form of pucca roofing in India and in other developing nations.

STEEL BUILDINGS DIVISION

In 2 years, Everest Steel Buildings has undertaken 350 projects and is now established amongst architects, structural consultants, project divisions of companies and leading contractors operating in industrial and logistics sectors. The division offers Pre–Engineered Steel Buildings, Smart Steel Buildings, Metal Cladding, Roofing and Accessories for industrial sheds, commercial establishments and logistics parks in 23 states of India. Two Everest projects completed this year were nominated at the Essar Steel Infrastructure Excellence Awards 2010.

Two of our prestigious PEB Projects were nominated for the 'Essar Steel Infrastructure Excellence Awards 2010'

In India, at present, only 27% of all industrial and institutional buildings use pre-engineered buildings, while in the United states, more than 70% of all construction in industrial and institutional segments is done using pre-engineered buildings.

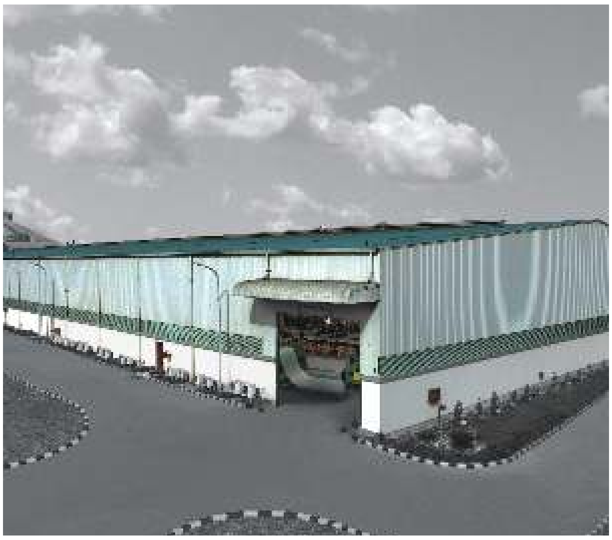
Pre-engineered buildings are custom-designed and factory-built. They can be erected in half the time with minimal on-site work. This reduces the uncertainty in project schedules and accelerates project completion by almost 6 months.

Low maintenance costs, versatile use and ease of expansion are reasons why this is the preferred construction method in most developed nations for decades. The average world per capita steel consumption is 150 kg. India's steel consumption is only 38 kg per capita, one of the lowest amongst developing nations.

The market today for PEB's in India is estimated at Rs. 3000 crores with a 35% growth rate. Architects, structural consultants and project departments are now increasingly using Pre Engineered Buildings for their projects.

Operations

There are ten organized PEB manufacturers in India of which the Top 5 make 80% of the market. Demand has grown by 35% and is expected to accelerate in the coming years. The current industry capacity is 1.5 million MT which has rapidly expanded from 1 million MT in 2009 by anticipating the growing demand.



Pre-Engineered Buildings

Everest's market share in the PEB market is 5%. The division supplied 18,000 MT of steel buildings and components this year and achieved a turnover of Rs. 125 crores, an increase of 36.7% from last year.

* Source: India Brand Equity Fund of CII

Mr. M.L. Gupta, MD of EIL was awarded the prestigious CIDC Vishwakarma Award 2010 for outstanding industry performance

Opportunities, Risks, Threats and Concerns

Indias' capex cycle is transforming after the temporary slump in FY09 and gathering momentum now. Companies across India are adopting PEB's for their building requirements. As demand grows, your company sees a large growth spurt from this division. Infrastructure capex has a long gestation period compared to manufacturing capex, so order books will remain healthy and long-duration projects will give many years of sustained growth. Our order book on 31st March 2010 stood at Rs. 120 crores.

Steel forms 75% of cost of steel buildings. Volatility in global steel prices makes it a dynamic pricing product. We buy HR Steel plates, CR and Galvalume from renowned steel suppliers to ensure consistent quality. The company has instituted strong inventory controls to maintain input costs based on contracts undertaken with customers and to avoid the buildup of high cost inventory.

Foreign exchange volatility impacts the value of our steel imports. In the year, the Division booked losses of Rs. 2.66 crores on reduction in value of high-priced steel inventory on account of a sudden drop in steel prices, and delay in some project schedules.

Unexpected project delays from the customer can upset the scheduling of plant production and erection teams logistics. Some tough early experiences for the division have helped the team to focus on finding solutions. These disruptive events at the customers end are now identified as early as possible to avoid build-up of inventory at the plant or idling of erection teams on site. Everest is investing in IT solutions and better process control systems to forecast estimated delays. Timely corrective action can be taken accordingly.

The PEB Business in India is expanding rapidly. Everest is committed to working with only the best quality service providers for erection, logistics support and supplies. Finding contractors and erectors who share our high focus on quality and speed is a challenge. The team realizes that it will have to undertake deeper training and closer partnerships with its contractors to ensure high quality and safety standards to our customers.

Logistics and infrastructure development in India is still very slow and many hours are wasted in transportation of building components to the clients erection site. To keep timely delivery commitments is often an uphill task for the division. Everest is in the process of instituting efficient logistics to reduce delays in transit time.

Smart Steel Buildings

EVEREST PEB PROJECTS

A dominant player in logistics & distribution facilities at Indore, Panvel and Ponneri

A renowned pharmaceutical company at Guwahati

A highly recognised logistics solution provider at Mumbai

A high-end warehousing & industrial parks developer at Bhiwandi


A leading cable manufacturer and supplier at Coimbatore


World's largest retail chain at Amritsar

First ever complete township project at Pune

A significant agri-logistics company at Alwar, Rajkot, Jodhpur, Dessa and Ramganj Mandi


A leading manufacturer of auto components at Vadodara

Expansion and Growth Plans

This year, your Company will initiate more productivity and efficiency enhancement programs. With an improved ERP system and stronger process controls, we plan to further increase volumes and reduce costs. This year, capital expenditure of Rs. 8 crores on Quality and Productivity improvements have benefited the Company. Next year, your Company plans a Capital outlay of Rs. 20 crores at various plants. The management is also exploring further investments in our business segments.

The Platinum Jubilee was celebrated with great enthusiasm and a cultural program was organised, that witnessed participation from all the employees

Human Resources

Skill development through training has been the prime focus of our HR initiatives. Training hours were doubled during the current year compared to 2008-09. Programs for Development of Internal Leadership, a Buddy System for colleagues, Good Work Rewards for Graduate & Diploma Trainees were introduced. The Company also increased Roofer Training and Stockist Training activities to strengthen the Technical Services in the market.

A survey conducted by Great Places to Work has ranked Everest Industries high on various parameters and its results were a morale booster for the team. Everest Platinum Jubilee Celebrations were the highlight of this year's activities throughout the Company. Various events and cultural activities were organized to celebrate the Platinum Jubilee Celebration. The company's rich heritage and to thank the effort of all employees and channel partners in making your company a healthy, transparent and value-based organization. Today the team strength of Everest is 1609 employees.

Corporate Social Responsibility

The Company has donated Roofing Sheets through Mahila Vikas Mandal in Nasik district

Everest plants and Everest offices actively participate in the welfare and upliftment of their respective communities. Plantation drives, medical camps, cultural programs and assisting local NGOs are a part of their regular activities, supported by Everest clubs at each location. Our initiative of setting up a weaving training centre for under privileged women in Uttarakhand has produced 20 certified trainees who are now self-employed. The Everest Award of Excellence instituted in many leading architectural colleges in

Donations were made to children affected by "AILA", cyclone

India continues to recognize and reward outstanding performance by students.

Internal Control Systems and their Adequacy

Everest is committed to ensuring effective internal controls. The company strives towards providing assurance on the efficiency and efficacy of operations and the security of assets.

The internal control environment across various functions and the status of compliance with operating systems, internal policies, accounting procedures and regulatory requirements, is continuously monitored to maintain adequacy and effectiveness.

The Internal Audit Department functions independently and reports to the Audit Committee which periodically reviews and implements the suggestions.

Solid Wall Panels

Risk Mitigation

Everest has a formal system which periodically identifies risk areas, evaluates their consequences, initiates risk mitigation strategies and implements corrective actions where required.

Research and Development

Everest does research on improvement of product quality and new product development. Feedback from our sales teams in India and overseas enables them to understand changes in the market requirement and develop products to satisfy customer needs. The R&D Department undertakes vigorous tests as per international norms and standards to continually upgrade our offerings to the market. R&D initiatives in the last year have resulted in cost savings and product quality enhancement.

Walls

Health and Safety

Everest is committed to ensure the safety and health of all its people, customers and our community. All safety measures including provision of safety equipment, daily safety talk, safety training to all operators and safe work practices are followed at each of our plants and construction sites.

Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's expectations, objectives and industry outlook and opportunities reflect the management's assessment and perception and some of the figures are best estimates. Actual results may differ materially due to several factors, which may significantly impact the Company's operations. These include changes in government regulations and policies, economic developments within the country, taxation laws, input prices and availability, domestic and global demand and supply conditions, environmental regulations and other factors such as litigations and industrial relations.

Notice is hereby given that the Seventy Seventh Annual General Meeting of the Members of Everest Industries Limited will be held at the Registered Office of the Company at GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra) on Thursday, the 29th July, 2010 at 11.30 A.M., to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the financial year ended 31st March 2010, the Balance Sheet as at that date, the Auditors' Report and the Directors' Report thereon.
2. To declare a dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. Aditya Vikram Somani, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M.L. Narula, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at the remuneration to be determined by the Board of Directors of the Company."

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :-

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment of Mr. Manish Sanghi as Managing Director of the Company for a period of three years w.e.f. 1st October, 2010 to 30th September, 2013 at such remuneration and on such other terms and conditions as set out in the draft Agreement submitted to this Meeting and signed by a Director for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Remuneration Committee / Board of Directors to alter and vary the terms and conditions of the said appointment and/or the Agreement in such manner as may be agreed to between it and Mr. Sanghi.

   RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Manish Sanghi, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified in the draft agreement, as minimum remuneration for such financial year.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and to do such acts, deeds and things as may be necessary and desirable to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :-

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment of Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman of the Company for a period of three years , w.e.f 21st June, 2010 to 20th June, 2013 at such remuneration and on such other terms and conditions as set out in the draft Agreement submitted to this Meeting and signed by a Director for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Remuneration Committee / Board of Directors to alter and vary the terms and conditions of the said appointment and/or the Agreement in such manner as may be agreed to between it and Mr. Aditya Vikram Somani.

   RESOLVED FURTHER THAT Mr. Aditya Vikram Somani shall be liable to retire by rotation.

   RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Aditya Vikram Somani, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified in the draft agreement, as minimum remuneration for such financial year.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and to do such acts, deeds and things as may be necessary and desirable to give effect to this resolution."

8. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :-

   "RESOLVED THAT pursuant to Section 257 of the Companies Act, 1956, Mr. M.L. Gupta, Managing Director of the Company, whose present term as Managing Director is expiring on 30th September 2010 and in respect of whom notice under section 257 of the Companies Act, 1956, proposing him for appointment as Director has been received alongwith the requisite deposit be and is hereby appointed as Director of the Company with effect from October 1, 2010 and shall be liable to retire by rotation."

9. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :-

   "RESOLVED THAT Mr. Amitabh Das Mundhra, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 21st June, 2010, pursuant to Article 117(a) of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom a notice in writing, alongwith the requisite deposit, pursuant to Section 257 of the Companies Act, 1956 has been received, from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

10. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

    "RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 [including any statutory modification(s) or re-enactment thereof] and other Regulations/Guidelines prescribed by the Securities and Exchange Board of India or any other relevant authority, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and in accordance with the provisions of the Articles of Association of the Company and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter to be referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to grant to such employees as are in the permanent employment of the Company in the management staff, at the time the grant is made including to the Managing /Whole-time Directors of the Company, as may be decided solely by the Board, not exceeding 180,000 (One Lac Eighty Thousand) Options under the Employees' Stock Option Scheme (ESOS-2010) during the financial year 2010-2011, each such Option being convertible into one Equity Share of face value of Rs.10/- each on payment of such exercise price as may be decided by the Board and therefore to issue or allot such number of Equity Shares of the Company, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions, as the Board may decide, provided that the Shares so allotted shall not exceed 180,000 (One Lac Eighty Thousand) Equity Shares in the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required in pursuance of the above issue, and that the Equity Shares so issued or allotted shall rank in all aspects pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form and terms of the Issue, the Issue price and all other terms and matters connected therewith, and to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary or desirable for such purpose, and to make and accept any modifications in the proposal, including to withdraw, suspend or revive the Scheme from time to time, as may be required by the authorities entrusted with the power to regulate such issues and to settle any questions or difficulties that may arise in regard to the Issue."

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

Mumbai, 21st June, 2010

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business set out under the notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 24.07.2010 to 29.07.2010 (both days inclusive), in connection with the Annual General Meeting and payment of Dividend.
4. The dividend as recommended by the Board of Directors, if approved by the Shareholders at their 77th Annual General Meeting, shall be paid to those members whose names appear on the Register of Members of the Company on 23.07.2010. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on 23.07.2010 as per the details furnished by the respective Depositories for this purpose.
5. In accordance with the Circular issued by SEBI that the ECS facility should mandatorily be used by Companies for distribution of dividend to its members, your Company has sent the required forms and details to all the members on various occasions. Those members, who have not yet sent the duly filled in ECS form to avail of the benefits of this facility are once again requested to send the same at the earliest.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unpaid/unclaimed for a period of 7 years would be transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government and Member(s) would not be able to claim any amount of dividend so transferred to the Fund. As such, Member(s) who have not yet encashed his/their dividend warrant(s) is/are requested in his/their own interest to write to the Company immediately for claiming the outstanding dividend declared by the Company for the year ended 31.03.2004 and onwards.
7. As per the provisions of the Companies Act, 1956, the facility for making nominations is now available to the Shareholders in respect of the equity shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents, viz. M/s. MCS Ltd., F-65, Okhla Industrial Area, Phase-I, New Delhi-110020.
8. A brief resume, expertise, shareholding in the Company and other disclosures pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting, are given in the annexure to this Notice.
9. Members wishing to seek further information or clarification on the Annual Accounts or operations of the Company at the Meeting are requested to send their queries at least a week in advance of the date of the Meeting addressed to the Company Secretary & Head-Legal at the following address:

   Everest Industries Limited,
   'Genesis', G-1, A-32, Mohan Co-operative Industrial Area, Mathura Road, New Delhi - 110 044.

EXPLANATORY STATEMENT

The following Explanatory Statement in terms of Section 173(2) of the Companies Act, 1956 is annexed to and forms part of the Notice convening the Seventy Seventh Annual General Meeting:

Item No. 6

The tenure of present Managing Director, Mr. M.L. Gupta is expiring on 30th September 2010, the Board recommends the appointment of Mr. Manish Sanghi, Chief Operating Officer and Director of the Company as Managing Director of the Company with effect from 1st October, 2010 pursuant to resolution passed at the Remuneration Committee Meeting and Board meeting held on 24th April, 2010 for a period of 3 years on the basic salary of Rs.2,00,000/- p.m. in the salary grade of Rs.2,00,000 - 30,000 - Rs.3,50,000, subject to the approval of the Members of the Company.

Mr. Manish Sanghi is a Mechanical Engineer and a Post Graduate from Indian Institute of Management, Ahmedabad. Mr. Sanghi joined the company in 2001 as Marketing Director. Mr. Sanghi has 24 years experience in various reputed organizations.

The terms of appointment and remuneration of Mr. Sanghi inter alia contain the following principal terms and conditions :

(i) Basic Salary : Rs. 2,00,000 per month
(in the grade Rs.2,00,000 - 30,000 - 3,50,000).

The annual increments will be effective 1st April each year and will be decided by the Remuneration Committee and the Board of Directors of the Company and will be on the basis of merit and performance of the Company.

(ii) Perquisites & Allowances :

In addition to the salary, the Mr. Sanghi shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, personal accident insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Managing Director; such perquisites and allowances will be subject to a maximum of 125% of the basic salary per month.

Perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

(iii) Provident Fund, Superannuation/Annuity Fund

Further, Mr. Manish Sanghi shall be entitled to the Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

(iv) Performance Incentive

Such remuneration by way of performance incentive payment, in addition to the salary, perquisites and allowances payable, in a particular financial year as may be determined by the Board of Directors of the Company or the Remuneration Committee at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. The specific amount payable to Mr. Manish Sanghi will be decided by the Board and the Remuneration Committee of the Board entirely at its discretion.

(v) Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Manish Sanghi, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified above, subject to the provisions of Schedule XIII of the Companies Act, 1956.

(vi) Annual Leave

Thirty (30) days for every completed year of service. Unavailed leave may be accumulated upto 300 days. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

The terms and conditions of Mr.Sanghi's appointment as Managing Director may be varied, altered, increased, enhanced or widened from time to time by the Remuneration Committee/ Board as it may in its discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Companies Act, 1956 or any amendments made hereafter in this regard.

In compliance with the provisions of the Companies Act, 1956, the appointment and terms of remuneration specified above are now being placed before the Members in General Meeting for their approval. The Board commends the appointment of Mr. Sanghi as Managing Director set out at Item No. 6 as Ordinary Resolution.

As regards the tenure of appointment and remuneration of Mr. Sanghi with effect from 1st October 2010 is concerned this shall be considered as abstract under section 302 of the Companies Act, 1956.

The connected documents with the above mentioned resolution are open for inspection at the registered office of the Company between 11.00 A.M. to 1.00 P.M. on any working day upto the date of the Meeting.

None of the Director is interested in the aforesaid resolution except Mr. Manish Sanghi.

Item No. 7

Mr. Aditya Vikram Somani, Director of the Company has been appointed as Whole Time Director designated as Chairman of the Company w.e.f. 21st June, 2010 pursuant to resolution passed at the Remuneration Committee and Board meeting held on 24th April, 2010 for a period of 3 years, subject to the approval of the Shareholders.

Mr. Aditya Vikram Somani has done MBA from University of Pittsburgh, USA, PG Diploma in Business Management from S P Jain Institute of Management and Research, Mumbai and Masters of Commerce (Banking & Finance) from Sydenham College of Commerce and Economics, Mumbai. Mr. Aditya Vikram Somani has fourteen years of varied experience in the business of real estate, construction, textile manufacturing and information management. Mr. Aditya Vikram Somani is also involved in various social services, philanthropic and educational activities in Rajasthan and Mumbai.

The terms of appointment and remuneration of Mr. Aditya Vikram Somani inter alia contain the following principal terms and conditions:

(i) Salary : Rs.5,00,000/- per month in the grade
(Rs.5,00,000-50,000-7,50,000)

The annual increments will be effective 1st April each year and will be decided by the Remuneration Committee and the Board of Directors of the Company and will be on the basis of merit and the performance of the Company.

(ii) Perquisites :

In addition to the salary, Mr. Aditya Vikram Somani shall also be entitled to perquisites like fully furnished accommodation in New Delhi maintained by the Company with the provision of all utilities, medical reimbursement for treatment of self and family in India and/or abroad, club membership and fees, personal accident insurance for self and medical insurance for self and family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Aditya Vikram Somani.

Further, over and above, Mr. Aditya Vikram Somani will be entitled to the following benefits in course of discharge of his duties and responsibilities.

1. Reimbursement of entertainment expenses incurred for Company's work on submission of supporting documents/ declaration.
2. Reimbursement of actual expenses incurred for Company's business including travel, hotel and other related expenses incurred in India and abroad.
3. Car with driver and communication facilities.

Perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

(iii) Commission

In addition to the salary and perquisites, Mr. Aditya Vikram Somani shall be entitled to a Commission of 2% of the Net Profit of the company which shall be payable at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956 and as decided by the Board and the Remuneration Committee.

(iv) Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Chairman, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified above, subject to the provisions of Schedule XIII of the Companies Act, 1956.

The terms and conditions of the appointment may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its discretion deem fit, within the maximum amount payable in accordance with the provisions of the Companies Act, 1956 or any amendments made hereafter in this regard.

In compliance with the provisions of the Companies Act, 1956, the appointment and terms of remuneration specified above are now being placed before the Members in General Meeting for their approval. The Board commends the appointment of Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman set out at item No. 7 as Ordinary Resolution.

As regards the tenure of appointment and remuneration of Mr. Aditya Vikram Somani w.e.f. 21st June, 2010 is concerned this may be considered as abstract under section 302 of the Companies Act, 1956.

The connected documents with the above mentioned resolution are open for inspection at the registered office of the Company between 11.00 A.M. to 1.00 P.M. on any working day upto the date of the Meeting.

None of the Director is interested in the aforesaid resolution except Mr. Aditya Vikram Somani.

Item No. 8

Mr. M.L. Gupta is currently the Managing Director of the Company and his tenure of office is expiring on 30th September, 2010. Mr. Gupta, an Engineer from Indian Institute of Technology, Kharagpur, was with the Associated Cement Companies Limited (ACC) since 1968 and has held many important positions of Management, before retiring as President-Corporate Affairs, from ACC. He has been Managing Director of the Company since the year 2002. The Company has received a notice under section 257 of the Companies Act 1956 proposing his appointment as Director w.e.f 1st October, 2010.

The Board, therefore, recommends the appointment of Mr. M.L. Gupta as Director set out in the Item No. 8 as Ordinary Resolution.

None of the Directors is interested in the aforesaid resolution except Mr. M L Gupta.

Item No. 9

Mr. Amitabh Das Mundhra was appointed as Additional Director by the Board of Directors w.e.f. 21st June, 2010, pursuant to Section 260 of the Companies Act, 1956 read with Article 117 (a) of the Articles of Association of the Company. Mr. Amitabh Das Mundhra holds office upto the date of this Seventy Seventh Annual General Meeting. The Company has received a Notice in writing from a member of the Company under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. Amitabh Das Mundhra as Director of the Company liable to retire by rotation.

Mr. Amitabh Das Mundhra is B.Com and is Whole Time Director of M/s. Simplex Infrastructures Limited and has been associated with the Company since 1990. He has several years of experience in commercial, administrative and project monitoring. He is a Director on the Board of various Companies. The Board of Directors feels that his knowledge and experience would be of benefit and value to the Company.

The Board, therefore, commends the appointment of Mr. Amitabh Das Mundhra as Director liable to retire by rotation as set out in the Item No. 9 of the accompanying Notice.

None of the Directors is interested in the aforesaid resolution except Mr. Amitabh Das Mundhra.

Item No. 10

The Board of Directors of your Company has decided to introduce an Employees' Stock Option Scheme for the Financial Year 2010-2011 (ESOS-2010) in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereafter referred to as "SEBI Guidelines") with the objective of strengthening employee bonds with the Company and creating a sense of ownership. Your Board felt it appropriate to extend ESOS to management staff, including Managing Director and Whole-time Directors in order to motivate and retain the best talents.

Clause 6.1 of SEBI Guidelines requires the approval of the Company's Shareholders by means of a Special Resolution for allotment of shares to employees of the Company under ESOS. The Special Resolution is set out at Item No.10 of the Notice.

The information required as per Clause 6.2 of SEBI Guidelines for ESOS-2010, is given below :

(a) Total number of Options to be granted -

The aggregate number of Options to be granted under the said Scheme is 180,000 (One Lac Eighty Thousand). Each Option shall entitle the holder thereof to apply for and be allotted one fully paid Equity Share of Rs.10/- at a price determined in accordance with the formula stated in para (e) below.

(b) Class of employees eligible for ESOS - 2010

Such employees as are in the permanent employment of the Company in the management staff including the Managing/Whole-time Directors at the time the grant is made and as may be decided by the Remuneration Committee, are eligible to participate in the said Scheme.

(c) Vesting of Options -

The vesting period is one year from the date of grant of Options to the concerned employees. The requirements of vesting and period of vesting shall be mentioned in the Grant Letter. No employee can exercise his/her right during this vesting period. The basic condition for vesting is continued employment.

(d) Exercise period and process of exercise -

The exercise period shall commence from the date of expiry of vesting period and will expire after four years from the date of expiry of vesting period. Special provisions shall apply in case of resignation, death, disability, retirement or misconduct of any employee. Any eligible employee may exercise the Options vested in him/her during the exercise period by submitting an acceptance in writing.

(e) Exercise Price -

The exercise price for the Options will be decided by the Remuneration Committee, but such a price shall not be less than the previous two weeks' average closing price or closing price of the Company's shares on the Stock Exchange on the date prior to the date of grant of the Options, whichever is less. The Remuneration Committee shall be authorized to grant a further discount not exceeding 15% on the above price.

(f) Appraisal process for determining the number of Options to be granted -

The appraisal process to be followed for grant of Options would inter alia take into consideration the performance rating, individual contribution towards the Company's business performance and potential for growth.

(g) Maximum number of Options to be granted per employee and in the aggregate -

An employee may be granted Options not exceeding 20,000 (Twenty Thousand) Options and the aggregate of all such Options to the employees shall not exceed 180,000 (One Lac Eighty Thousand) Options.

(h) Adjustments in case of Corporate Actions -

A fair and reasonable adjustment shall be made by the Remuneration Committee to the number of Options and to the exercise price in case of Corporate Actions such as Rights Issue, Bonus Issue, Merger, Sale of Divisions and others between the date of grant of Options and the exercise of the Options.

(i) The Company shall conform to the accounting policies specified in the said SEBI Guidelines, as may be applicable.

(j) The Company will value its Options on the basis of intrinsic value.

(k) The difference between the employee compensation cost computed on the basis of the intrinsic value method and the employee compensation cost calculated on the basis of the fair value method for the Options and also the impact of this difference on the Profits and on Earnings Per Share (EPS) of the Company, shall be disclosed in the Directors' Report.

Monitoring and Administration:

The Board has already in place Compensation Committee referred to as 'Remuneration Committee' which shall be responsible for formulation of Policy and Rules. However, certain members of Senior Management will be empowered to administer and monitor the Scheme as per the approved Policy and Rules.

The decision of the Remuneration Committee of Directors on all matters/issues pertaining to said ESOS-2010 scheme shall be final and binding on the concerned employees of the Company.

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the Subscribed Capital of a Company by the allotment of further shares, such further shares shall be offered to the persons who on the date of offer are holders of the Equity Shares of the Company in proportion to the paid-up capital unless the Members in General Meeting decide otherwise. The consent of the Members is, therefore, sought to authorize the Board of Directors to issue the Equity Shares in the manner set out in the Resolution at Item No.10. The Special Resolution proposed to be passed is as per and in accordance with the said Guidelines.

The Board, therefore, commends the resolution set out in the Item No. 10 as Special Resolution.

The Managing Director and Whole-time Directors of the Company may be deemed to be concerned or interested in the Resolution at Item No.10 to the extent of the Equity Shares that may be offered to them under the said Scheme. None of the other Directors are concerned or interested in the said item of business.

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

Mumbai, 21st June, 2010

ANNEXURE TO NOTICE DATED 21ST JUNE, 2010 - ITEM NOS.3,4,6,7,8 & 9
DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE
FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of Director	Mr.Aditya Vikram Somani	Mr. Madan Lal Narula	Mr. Manish Sanghi	Mr. M.L. Gupta	Mr. Amitabh Das Mundhra *
Date of Birth	04.11.1973	25.10.1940	04.02.1963	03.02.1941	22.12.1967
Date of appointment	07.11.2005	30.01.2008	08.07.2002	08.07.2002	21.06.2010
Expertise in specific functional areas	Business Management	General Management	Marketing	Technical/ General Management	Commercial, Administrative and Project Monitoring
Qualifications	M.Com., MBA	B.Sc. Engineering (Electrical)	B.E. (Mech.), PGDM (IIM)	B.Tech. (Hons)	B.Com
List of Directorship held in other Companies as on 31st March, 2010	1. Bajaj Corp. Ltd. 2. Everest Finvest (India) Pvt. Ltd. 3. Falak Investments Pvt. Ltd. 4. Salaam Bombay Foundation 5. White Knight Constructions (I) Pvt. Ltd.	1. ACC Limited 2. Ambuja Cement India Pvt. Ltd. 3. Axis Holdings Pvt. Ltd. 4. Holcim (Lanka) Limited, Colombo 5. PT Holcim Indonesia Tbk, Jakarta, (Commissioner)	Everest Building Solutions Ltd.	Axis Holdings Pvt. Ltd.	1. Simplex Infrastructures Ltd. 2. Tips Industries Limited 3. Kalindi Agro Biotech Ltd. 4. Simplex Almoyyed WLL 5. Simplex Mining Ltd. 6. Simplex Energy Ltd. 7. Simplex Management Consultants Ltd. 8. Simplex Urban Infrastructures Construction & Development Ltd. 9. Simplex Water Treatment Ltd. 10. Simplex Concrete Piles (India) Ltd. 11. Anupriya Consultants Pvt. Ltd. 12. RBS Credit & Financial Developments Pvt. Ltd. 13. Shree Farms Pvt. Ltd. 14. Asnew Finance & Investment Pvt. Ltd. 15. Citrop India Pvt. Ltd. 16. Pahal Investment Pvt. Ltd. 17. Simplex Technologies Pvt. Ltd. 18. Sri Mohamaya Investments Pvt. Ltd. 19. Nimco Steel Crapt Pvt. Ltd. 20. Shree Narayana Guru Developments Pvt. Ltd. 21. Baba Basuki Distributors Pvt. Ltd.
Chairman/Member of the Committees of the Board of Public Companies on which he is a Director as on 31st March, 2010 (Mandatory only)	Bajaj Corp Ltd. - Audit Committee (Member)	ACC Limited - Shareholders'/ Investors' Grievance Committee (Member)	None	None	Tips Industries Limited - Audit Committee (Chairman)
Shareholding in the Company as on 31.3.2010.	500 Equity Shares	NIL	NIL	75000	NIL
Relationship with other Directors	None	None	None	None	None

* List of Directorship held in other companies and other information of Mr. Amitabh Das Mundhra is as on 13.5.2010

To The Members of
Everest Industries Limited

Your Directors have pleasure in presenting their Seventy Seventh Annual Report together with the Audited Statement of Accounts for the financial year ended March 31, 2010.

FINANCIAL RESULTS (Rs. in lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
Net Sales Turnover	65,253.42	52,945.16
Other Income	962.73	479.25
Profit before Depreciation & Interest	7,003.17	5,373.34
Less:		
– Depreciation	1,836.54	1,713.80
– Interest	995.20	1,648.06
Profit before Tax	4,171.43	2,011.48
Less:		
– Current Tax	708.94	219.83
– Deferred Tax	676.75	479.29
– Fringe Benefit Tax	–	85.47
– MAT	(215.53)	(218.21)
Profit after Tax	3,001.27	1,445.10
Add: Surplus of earlier years brought forward	6,239.05	5,376.83
Profit available for Appropriation	9,240.32	6,821.93
Appropriations:		
General Reserve	310.00	150.00
Dividend	666.70	370.00
Tax on Distributed Profits	113.31	62.88
Surplus carried to Balance Sheet	8,150.31	6,239.05

DIVIDEND

Your Directors are pleased to recommend a dividend of 45% i.e. Rs.4.50 per equity share of Rs.10/- each. The total quantum of dividend, if approved by members, will be Rs.666.70 Lacs, while Rs.113.31 Lacs will be paid by the Company towards dividend tax and surcharge on the same on the equity shares of the Company as at 31st March, 2010. Further, employees who have been allotted equity shares of the Company under ESOS Schemes after 31st March, 2010 shall also be entitled to the dividend. The dividend on this account shall be Rs.7.85 Lacs and Rs. Rs.1.33 Lacs will be paid by the Company towards dividend tax and surcharge on the same. Dividend will be tax free in the hands of the shareholders.

OPERATIONS REVIEW

Net Sales Turnover was Rs.652.53 crores as compared to Rs.529.45 crores during the previous year. The profit after tax for during the year at Rs.30.01 crores was higher as compared to the previous year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement and to the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors confirm:

i) that in the preparation of the annual accounts for the year ended 31st March 2010, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;

ii) that appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the profit of the Company for the year ended on that date;

iii) that the Directors have taken proper and sufficient care for the maintenance of 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;

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

DIRECTORS

Mr. Aditya Vikram Somani and Mr. M.L. Narula, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

The Board appointed Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman of the Company, liable to retire by rotation, for a period of three years w.e.f. 21st June, 2010. The Board recommends his appointment for your approval.

The office of current Managing Director of the Company expires on 30th September 2010 and the Board appointed Mr. Manish Sanghi, COO & Director as Managing Director for a period of three years w.e.f. 1st October, 2010. The Board recommends his appointment for your approval.

The Board of Directors at its meeting held on 21st June, 2010 appointed Mr. Amitabh Das Mundhra as Additional Director, who holds the office upto the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature for appointment as the Director of the Company. Your Directors feel that his presence as Director on the Board would be of immense benefit to the Company and hence recommend his appointment as Director of the Company liable to retire by rotation.

The Company has also received a notice from a member under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. M L Gupta, the present Managing Director, whose office as such expires on 30th September 2010, for appointment as Director of the Company liable to retire by rotation w.e.f. 1st October, 2010. The Board recommends his appointment for your approval.

SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956, the audited annual accounts of Everest Building Solutions Limited alongwith the statement under Section 212 of the Companies Act, 1956, is attached.

Everest Building Solutions Limited has ceased to be subsidiary company w.e.f. 14th April, 2010. The Company is presently holding 49% of the total share capital of the Everest Building Solutions Limited.

FIXED DEPOSITS

Your Company has not invited or accepted any fixed deposits from the public and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

AUDITORS

The Statutory Auditors of the Company, M/s Deloitte Haskins & Sells, Gurgaon, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have confirmed that their re-appointment, if made, would be within the limits in accordance with Section 224(1B) of the Companies Act, 1956. The Audit Committee and the Board recommend the re-appointment of M/s.Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company.

CORPORATE GOVERNANCE

Your Company continues to be committed to good corporate governance and ethical corporate practices. A separate Report on Corporate Governance along with Auditors' Certificate on compliance with the conditions of Corporate Governance as per Clause 49 of the Listing Agreement with Stock Exchanges is provided as part of this Annual Report, besides Management Discussion and Analysis, Risk Management and Shareholders Information.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The required particulars under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure-A and forms an integral part of this Report.

PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other required particulars of the employees are set out in the Annexure - B forming an integral part of this Report.

EMPLOYEES' STOCK OPTION SCHEMES

Your Company has already implemented the ESOS-2006, ESOS-2007, ESOS-2008 & ESOS-2009. Details of these Employees' Stock Option Schemes, as required under the SEBI Guidelines, are set out in Annexure - C to the Directors' Report and forms an integral part of this Report.

INDUSTRIAL RELATIONS

The industrial relations at all the works of the Company, during the year were cordial.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to the Company's business associates, trade partners, dealers, customers, shareholders, vendors, bankers, technology providers and other stakeholders all over India and overseas for the continuous support and co-operation extended by them to the Company. Your Board also thanks the Government of India, State Governments and other Government Authorities for their continuous support and encouragement to the Company and look forward to their support in future as well.

Your Directors especially wish to place on record their appreciation of the efficient services rendered by the Company's motivated team members from all Zones, Works and Offices.

For and on behalf of the Board

M.L. GUPTA Managing Director	MANISH SANGHI COO & Director

Mumbai, 21st June, 2010

Annexure - A to Directors' Report

STATEMENT PURSUANT TO SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A) Conservation of Energy

a) Energy Conservation Measures taken:

- Biomass Briquette based Boiler installed at Lakhmapur Works, Nashik.
- Energy efficient Drives for Compressors, Pumps, Vacuum Pumps, Hydro-Pulper and Refiners installed.
- Installed Energy efficient lightings.

(b) Additional Investments and Proposals, if any, being implemented for reduction of consumption of energy:

- Installation of energy efficient lighting and devices.
- Installation of Automatic Power Factor Correction Panels & Capacitors.

(c) Impact of the Measures at (a) and (b) above for reduction of consumption of energy:

- Reduction in specific power consumption for production.
- Cost reduction.

(d) Total energy consumption and energy consumption per unit of Production as per Form A of the Rules in respect of specified Industries:

Form - A

A Power and fuel consumption		
	2009-10	2008-09
1 Electricity		
(a) Purchased (Units in Lakhs)	306.11	316.73
Total amount (Rs. In Lakhs)	1440.72	1451.14
Rate/unit	4.71	4.58
(b) Own generation		
(i) Through diesel generators (Units in Lakhs)	40.11	23.91
Total amount (Rs. In Lakhs)	463.33	374.66
Rate/unit	11.55	15.67
2 Furnance oil		
Quantity (In Lakh k.Liters)	1833.51	1818.94
Total amount (Rs. In Lakhs)	431.76	444.46
Average rate (Rs/Liter)	23.55	24.43
3 Solid Fuel (Briquettes) :		
Quantity (In Tonnes)	624.82	NA
Total amount (Rs. In Lakhs)	24.43	NA
Average rate (Rs/Kg)	3.91	NA
B Consumption per unit of production		
(a) CBS UT Roofing sheets		
Electricity (kWh/000'm2n)*	363	403
(b) Non-Asbestos Hitech Roofing sheets		
Electricity (kWh/000'm2n)*	517	614
(c) Flat Boards		
Electricity (kWh/000'm2n)*	824	950
Furnance oil (k Liters/000'm2n)*	0.166	0.17
Solid Fuel [Briquettes] (MT / '000m2n)	0.475	NA

*Note : 1m2n = 1 Sq.m. of 5mm thick sheet/board

B) TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per "Form B" of the Annexure to the Rules:

FORM - B

RESEARCH AND DEVELOPMENT (R&D)

a) Specific areas in which R & D carried out by the Company:
   i) Development of High Strength Boards
   ii) Development Coatings
   iii) Development of Primer for Steel Building Structures.
   iv) Cost reduction of the products.

b) Benefits derived as a result of the above R & D:
   – New product launched in Domestic & International markets.
   – Cost reduction and import substitution.

c) Future Plan of Action:
   – Development of wall systems
   – Development of alternate raw materials, additives to enhance characteristics of Roofing Sheets and Boards

d) Expenditure on R & D: (Rs. In Lacs)

	Current Year	Previous Year
(i) Capital	4.26	8.43
(ii) Recurring	91.53	90.95
(iii) Total	95.79	99.38
(iv) Total R & D expenditure as a percentage of total turnover.	0.14%	0.19%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1) Efforts, in brief, made towards technology absorption, adaptation and innovation:
   – Improved the productivity of Roofing Lines and the product quality.
   – Improved product quality of Flat Boards.

2) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.:
   – Improvement in productivity and quality of products.

3) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished
   – None

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans:

   We were able to maintain our exports despite the severe slowdown in all export markets. The sale should pickup with the growth returning to the markets across the world.

b) Total foreign exchange used and earned: (Rs. In Lacs)

	Current Year	Previous Year
Foreign Exchange Earnings	3,875.45	3,561.05
Foreign Exchange Used	14,579.53	14,883.87

For and on behalf of the Board

M.L. GUPTA
Managing Director

MANISH SANGHI
COO & Director

Mumbai, 21st June, 2010

Annexure - B to Directors' Report

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2010.

1) Employed for full year and in receipt of remuneration of not less than Rs.24,00,000/- per year

SL. No.	NAME	Designation & Nature of duties	Qualifications	Age in Years	Experience in years	Remuneration Gross (Rs.)	Date of commencement of Employment	Last Employment / Designation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Gupta M.L.	Managing Director	B.Tech. (Hons)	69	47	1,73,98,000.00	08.07.2002	ACC Ltd. (President)
2	Sanghi Manish	COO & Director	B.E. (Mech), PGDM (IIM)	47	24	74,32,211.00	16.01.2001	Delphi Automotive Systems Ltd. (General Manager-Marketing & Planning)
3	Rao Y. Srinivasa	Executive Director (Operations)	B.Sc. Engg. (Mech)	46	24	59,33,600.00	20.08.1997	Samcor Glass Ltd. (Manager)
4	Garg Manish Kumar	President (SBS)	Diploma in Engineering, AMIE	37	19	72,34,100.00	20.04.2007	Interarch Building Products P. Ltd. (General Manager-Marketing)
5	Gupta Rakesh Kumar	Sr. Vice President (Finance)	B.Com (Hon), CA, ICWA	50	26	32,70,048.00	01.10.2007	G4S Corporate Services (India) P. Ltd. (CFO)
6	Chopra Rahul	Vice President (Marketing)	B.A.(H), Comp. Prog (Basic)	45	22	29,75,316.00	01.01.1988	None

2) Employed for part year and in receipt of remuneration of not less than Rs.2,00,000/- per month.

SL. No.	NAME	Designation & Nature of duties	Qualifications	Age in Years	Experience in years	Remuneration Gross (Rs.) Employment	Date of commencement	Last Employment / Designation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Hattangadi Narendra Vasant	General Manager (Engineering & Design)	B.E(Civil), M.E(Structural)	45	21	4,56,214.00	25.01.2010	Mammut Building Systems (Estimation Manager)
2	Jhawar Kishan Gopal	Head (Finance)	B.COM; FCA	47	20	14,67,556.00	06.11.2008 (Left on 12.10.2009)	Dainik Bhaskar, Mumbai (G. M Finance & Accounts)
3	Bandyopadhya Syam Sunder	Chief (Engineering & Design)	B.E (CIVIL); B.Sc (HONS.- PHYSICS)	49	26	23,30,084.00	01.09.2008 (Left on 19.01.2010)	Eigen Technical Services (VP Engineering)

Notes : (i) Gross Remuneration shown above is subject to tax and comprises of salary, allowances, incentives, monetary value of perquisites, company's contribution to provident fund, officer's superannuation fund, performance incentives/commission.

(ii) In addition to above remuneration, employees are entitled to gratuity, medical benefits etc. in accordance with the Company's rules.

(iii) All the above employments are contractual in nature.

(iv) None of the above employees are related to any Director of the Company.

For and on behalf of the Board

M.L. GUPTA
Managing Director

MANISH SANGHI
COO & Director

Mumbai, 21st June, 2010

Annexure - C to Directors' Report

STATEMENT PURSUANT TO CLAUSE 12 (DISCLOSURE IN THE DIRECTORS' REPORT) OF SEBI (EMPLOYEES' STOCK OPTION SCHEME AND EMPLOYEES' STOCK PURCHASE SCHEME) GUIDELINES, 1999.

Pursuant to the Special Resolutions passed by the shareholders through Postal Ballot result of which was declared on 8th September, 2006, in the Annual General Meetings of the Company held on 27.07.2007, 25.07.2008 and 29.07.2009, the Remuneration Committee of the Directors have granted Stock Options to eligible employees and Wholetime Directors for the financial years 2006-2007, 2007-2008, 2008-2009 and 2009-2010 respectively. The employees are entitled to get one equity share per option. The details of the Stock Options are given here below :

Sr. No.	Description	Particulars of ESOS - 2006	Particulars of ESOS - 2007	Particulars of ESOS - 2008	Particulars of ESOS - 2009
A	Options granted	1,47,420 options were granted to the employees and Directors of the Company as on 22.03.2007.	1,48,000 options were granted to the employees and Directors of the Company as on 30.01.2008.	1,44,850 options were granted to the employees and Directors of the Company as on 29.01.2009.	1,40,000 options were granted to the employees and Directors of the Company as on 27.01.2010.
B	Pricing formula	@ Rs.90/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.90/- per share, the closing price on BSE on March 21, 2007 was Rs. 89.75)	@ Rs.98/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.98/- per share, the closing price on BSE on January 29, 2008 was Rs. 98.00)	@ Rs.52/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.52/- per share, the closing price on BSE on January 28, 2009 was Rs. 51.95)	@ Rs.169/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.169/- per share, the closing price on BSE on January 25, 2010 was Rs. 168.55).
C.	Options vested	1,08,300	1,18,002	1,33,890	NIL
D.	Options exercised	3,910	11,718	NIL	NIL
E.	The total number of shares arising as a result of exercise of options.	3,910	11,718	NIL	NIL
F.	Options Lapsed	35,210	18,280	10,960	NIL
G.	Variation of terms of options	NIL	NIL	NIL	NIL
H.	Money realized by exercise of options.	Rs. 3,51,900	Rs. 11,48,364	NIL	NIL
I.	Total number of options in force.	1,08,300	1,18,002	1,33,890	1,40,000
J.	Details of options granted to :				
	(i) Senior Managerial Personnel :				
	(a) Mr. M. L. Gupta, Managing Director	16,000	16,000	15,000	15,000
	(b) Mr. Manish Sanghi, COO & Director	16,000	16,000	15,000	15,000
	(c) Mr. Y. Srinivasa Rao, Executive Director (Operations)	10,000	16,000	15,000	15,000
	(d) Mr. Manish Garg, President (ESBS)	–	10,000	10,000	7,000
	(e) Mr. Rakesh Kumar Gupta, Sr. Vice President (Finance)	–	–	5,000	5,000
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	None	None	None	None

<table>
<tr><th>Sr. No.</th><th>Description</th><th>Particulars of ESOS - 2006</th><th>Particulars of ESOS - 2007</th><th>Particulars of ESOS - 2008</th><th>Particulars of ESOS - 2009</th></tr>
<tr><td></td><td>(iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issue capital (excluding outstanding warrants and conversions) of the company at the time of grant.</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>K.</td><td>Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.</td><td colspan="4">Rs. 20.28</td></tr>
<tr><td>L</td><td>i) Method of calculation of employee compensation cost.</td><td colspan="4">The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost as per the intrinsic value method for the financial year 2009-10.</td></tr>
<tr><td></td><td>ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.</td><td colspan="4">The employee compensation cost would have increased by Rs. 35.56 lakhs.</td></tr>
<tr><td></td><td>iii) The impact of this difference on Profits and on EPS of the Company.</td><td colspan="4">The effect of adopting the fair value method on the net income and earnings per share is presented below:
<table>
<tr><td></td><td></td><td>(Rs.in lakhs)</td></tr>
<tr><td>Net Income reported</td><td></td><td>3,001.27</td></tr>
<tr><td>Add: Intrinsic Value Compensation Cost
– Employees Stock Option Scheme 2008
– Employees Stock Option Scheme 2009
Less: Fair value Compensation Cost (Black Scholes Model)
– Employees Stock Option Scheme 2008
– Employees Stock Option Scheme 2009</td><td></td><td>
–
–

18.86
16.70</td></tr>
<tr><td>Adjusted Net Income</td><td></td><td>2,965.71</td></tr>
<tr><td>Earning Per share</td><td>Basic (Rs)</td><td>Diluted (Rs)</td></tr>
<tr><td>As reported</td><td>20.28</td><td>20.28</td></tr>
<tr><td>As adjusted</td><td>20.03</td><td>20.03</td></tr>
</table></td></tr>
<tr><td>M</td><td>Weighted average exercise price and weighted average fair value of Options for options whose exercise price either equals or exceeds or is less than the market price of the stock.</td><td>Options whose exercise price is equal to the market price:
Weighted average exercise price: Rs.90.00
Weighted average fair value: Rs.25.83</td><td>Options whose exercise price is equal to the market price:
Weighted average exercise price: Rs.98.00
Weighted average fair value: Rs.38.16</td><td>Options whose exercise price is equal to the market price:
Weighted average exercise price: Rs.52.00
Weighted average fair value: Rs. 16.17</td><td>Options whose exercise price is equal to the market price:
Weighted average exercise price: Rs.169.00
Weighted average fair value: Rs. 68.04</td></tr>
</table>

Sr. No.	Description	Particulars of ESOS - 2006	Particulars of ESOS - 2007	Particulars of ESOS - 2008	Particulars of ESOS - 2009
N	A description of the method and significant assumptions used during the year to estimate the fair values of options :	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions
	(i) risk free interest rate:	7.97%	7.59%	6.15%	7.42%
	(ii) expected life:	5 years	5 years	5 years	5 years
	(iii) expected volatility:	49.93%	54.83%	63.24%	53.30%
	(iv) expected dividends:	7.80%	4.22%	7.87%	2.84%
	(v) the price of the underlying share in market at the time of option grant.	Rs.89.75	Rs.94.85	Rs. 50.85	Rs. 158.60

For and on behalf of the Board

M.L. GUPTA
Managing Director

MANISH SANGHI
COO & Director

Mumbai, 21st June, 2010

Company's Philosophy on Corporate Governance

Good Corporate Governance is the adoption of best business practices which ensures that the Company operates within the regulatory framework. The adoption of such corporate practices ensures accountability of the person in charge of the Company on one hand and brings benefits to investors, customers, creditors, employees and the society at large on the other. The Company firmly believes in practicing good Corporate Governance and endeavours to improve on these aspects on an ongoing basis.

BOARD OF DIRECTORS (COMPOSITION, STATUS, ATTENDANCE AT BOARD MEETINGS & LAST ANNUAL GENERAL MEETING)

1. The Board consists of 7 Directors out of whom three are Executive Directors and others being Non-Executive Directors. The day to day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors of the Company. None of the Directors is related with each other.
2. In the Financial Year ended 31.03.2010, the Board met 5 times [on 04.05.2009, 29.07.2009, 27.8.2009, 28.10.2009 and 27.01.2010] with clearly defined agenda, circulated well in advance before each meeting.
3. Attendance record of the Directors for the year ended 31.03.2010 and the number of Directorship and Committee Chairmanship/Membership held by them in other companies is as follows :

Name of Director	No. of Board Meetings attended	Attendance at previous AGM on 29.07.2009	No. of other Directorships held	No. of Membership/ Chairmanship in other Board/ Committees (Mandatory only)	Executive/ Non-Executive/ Independent
Mr.M.L.Gupta	5	Present	1	Nil	Executive
Mr.Mohanlal Bhandari	5	Present	2	Nil	Independent Non Executive
Mr.Manish Sanghi	5	Present	1	Nil	Executive
Mr.A.V.Somani	5	Present	5	1	Non Executive
Mr.Sandeep Junnarkar	5	Present	10	6 (1 as Chairman)	Independent Non Executive
Mr.M.L.Narula	4	Present	5	1	Independent Non Executive
Mr.Y.Srinivasa Rao	5	Present	1	Nil	Executive

4. Code of Business Conduct and Ethics

   The Board w.e.f. January 12, 2006, has adopted and laid down the Code of Business Conduct and Ethics for all Directors and Senior Management Personnel, which comprises of all members of Management one level below the Executive Director, including all Functional, Works and Zonal Heads.

   The Code of Conduct has been designed to put values into practice. This Code isn't merely a set of rules for specific circumstances but an intentionally expansive statement of principles meant to inform all the actions of the Board of Directors and Senior Management.

   The Code is posted and available at the website of the Company (www.everestind.com). The declaration signed by the Managing Director to this effect that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2009-10 is appended to this Corporate Governance Report and forms part of the Annual Report.

5. The Company has the following Committees of the Board :

   (a) INVESTOR GRIEVANCE / SHARE TRANSFER COMMITTEE

   Investor Grievance/Share Transfer Committee of the Board consists of Mr. Mohanlal Bhandari, Chairman, Mr.Aditya Vikram Somani, Non Executive Director and Mr.M.L.Gupta, Managing Director. The Committee is responsible for approving the transfer, transmission of shares, issuance of duplicate share certificates etc. The dates on which the Investor Grievance/Share Transfer Committee Meetings were held and the attendance of the Members at the said Meetings are as under :

Sr. No.	Dates on which Investor Grievance / Share Transfer Committee Meetings were held	Attendance Record of the Members		
		Mr. Mohanlal Bhandari	Mr. Aditya Vikram Somani	Mr. M. L. Gupta
1.	29th July, 2009	Attended	Attended	Attended
2.	27th January, 2010	Attended	Attended	Attended

   The Committee approved through Resolution by Circulation transfers etc. 21 times in the financial year ended March 31, 2010 and there are no pending shares to be transferred. During the year April 01, 2009 to March 31, 2010, the Company received 21 complaints from shareholders & investors. All the complaints have been resolved to the satisfaction of the complainants except for disputed cases and sub-judice matters, which would be solved on final disposal by the courts. Mr.Neeraj Kohli, Company Secretary & Head-Legal is the Compliance Officer of the Company.

(b) AUDIT COMMITTEE

As at April 01, 2009, the Audit Committee of the Board comprised of Mr.Mohanlal Bhandari (Chairman), Mr.Sandeep Junnarkar (Member), Mr.Aditya Vikram Somani (Member) and Mr.M.L.Narula (Member) and all are financially literate, with Mr.Bhandari and Mr.Somani having accounting or related financial management expertise. Mr. Neeraj Kohli, Company Secretary & Head-Legal is the Secretary to the Committee. The head of internal audit and the representative of the statutory auditors, attend the meetings as invitees. The Audit Committee is responsible for the areas specified by Clause 49 of the Listing Agreement and Section 292-A of the Companies Act, 1956, besides other roles as may be referred by the Board of Directors. The dates on which the Audit Committee Meetings were held and the attendance of the Members at the said Meetings are as under :

Sr. No.	Dates on which Audit Committee Meetings were held	Attendance Record of the Members			
		Mr. Mohanlal Bhandari	Mr. Sandeep Junnarkar	Mr. Aditya Vikram Somani	Mr. M. L. Narula
1.	4th May, 2009	Attended	Attended	Attended	Attended
2.	29th July, 2009	Attended	Attended	Attended	Attended
3.	28th October, 2009	Attended	Attended	Attended	Absent
4.	27th January, 2010	Attended	Attended	Attended	Attended

c) REMUNERATION COMMITTEE

As at April 01, 2009, the Remuneration Committee of the Board comprised of Mr.Mohanlal Bhandari (Chairman), Mr.Sandeep Junnarkar (Member), Mr.Aditya Vikram Somani (Member) and Mr.M.L.Narula (Member). The dates on which the Remuneration Committee Meetings were held and the attendance of the Members at the said Meetings are as under :

Sr. No.	Dates on which Remuneration Committee Meetings were held	Attendance Record of the Members			
		Mr. Mohanlal Bhandari	Mr. Sandeep Junnarkar	Mr. Aditya Vikram Somani	Mr. M. L. Narula
1.	4th May, 2009	Attended	Attended	Attended	Attended
2.	27th January, 2010	Attended	Attended	Attended	Attended

The Remuneration Committee has been constituted to recommend / review the remuneration package including Employees Stock Options of Managing Director / Wholetime Director(s) in line with the Company's remuneration policy and the requirement of the Companies Act, 1956.

d) BANKING FACILITY COMMITTEE

As at April 01, 2009, the Banking Facility Committee of the Board comprised of Mr.Aditya Vikram Somani (Chairman), Mr.M.L.Gupta (Member) and Mr.Manish Sanghi (Member). The dates on which the Banking Facility Committee Meetings were held and the attendance of the Members at the said Meetings are as under :

Sr. No.	Dates on which Banking Facility Committee Meetings were held	Attendance Record of the Members		
		Mr. Aditya Vikram Somani	Mr. M. L. Gupta	Mr. Manish Sanghi
1.	8th January, 2010	Attended	Attended	Attended
2.	12th March, 2010	Attended	Attended	Attended

REMUNERATION OF WHOLE-TIME DIRECTORS

Name and Designation	Mr. M. L. Gupta, Managing Director	Mr. Manish Sanghi, COO & Director	Mr. Y. Srinivasa Rao, Executive Director (Operations)
Tenure of Appointment	Current tenure is upto 30th September, 2010	Current tenure is upto 7th July, 2011	Current tenure is upto 22nd April, 2012
Salary (Rs.)	24,00,000	21,00,000	16,80,000
Perquisites/Allowances (Rs.)	30,00,000	26,25,000	21,00,000
Performance Incentive/ Commission (Rs.)	34,00,000	30,00,000	26,00,000
Contributions to Provident Fund / Superannuation Fund (Rs.)	6,48,000	5,67,000	4,53,600
Perquisites value of ESOS (Rs.)	89,50,000	–	–
Other (Rs.)	–	40,211	–
Employee Stock Options Granted (ESOS-2009)	15,000	15,000	15,000

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Name	Mr. Mohanlal Bhandari	Mr. Aditya Vikram Somani	Mr. Sandeep Junnarkar	Mr. M.L. Narula
Commission	6,50,000	–	5,00,000	5,00,000
Sitting fees (Rs.)	1,70,000	1,70,000	1,60,000	1,30,000
Total (Rs.)	8,20,000	1,70,000	6,60,000	6,30,000

Remuneration Policy

The Remuneration Committee determines the Company's policy on all elements of remuneration of Managing / Wholetime Directors, subject to the approval of the Board and of the Company in General Meeting and such other approvals as may be necessary. The Managing / Wholetime Directors are paid remuneration as per the Agreements entered into between them and the Company. The remuneration structure of the Managing / Wholetime Directors comprises of salary, perquisites and allowances, performance incentive, contributions to Provident Fund, Superannuation / Annuity Fund and Gratuity.

The Remuneration Committee of the Board, at its meeting held on 27th January, 2010, have granted 1,40,000 Stock Options under the ESOS-2009, to the eligible employees of the Company, at a price of Rs.169/- per option, which includes granting of 15,000 Stock Options each to Mr.M.L.Gupta, Managing Director, Mr. Manish Sanghi, COO & Director and Mr.Y.Srinivasa Rao, Executive Director (Operations).

Notice period for termination of appointment of Managing Director / Wholetime Director is three months on either side.

The Non-Executive Directors do not draw any remuneration from the Company. However, the Non-Executive Directors are paid Sitting Fees at the rate of Rs.20,000/- for each Board Meeting; Rs.10,000/- for each Audit Committee Meeting / Remuneration Committee Meeting; and Rs.5,000/- for each Investor Grievance / Share Transfer Committee Meeting. The Non Executive Independent Directors are also entitled to commission which is decided by the Board of Directors.

Shareholding of Non-Executive Directors

Mr.Aditya Vikram Somani, Non Executive Director holds 500 equity shares in the Company.

6. GENERAL BODY MEETINGS (HELD IN LAST 3 YEARS)

Year	AGM / EGM	Venue	Date	Time
2009	AGM	GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422 202 (Maharashtra)	29.07.2009	11.30 a.m.
2008	AGM	GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422 202 (Maharashtra)	25.07.2008	11.30 a.m.
2007	AGM	GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422 202 (Maharashtra)	27.07.2007	11.30 a.m.

There was no other General Body Meeting in the last three years.

Details of Special Resolution(s) passed at General Meetings during the last three years

(i) At the 74th Annual General Meeting held on July 27, 2007, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2007 to the specified employees during the financial year 2007-2008.

(ii) At the 75th Annual General Meeting held on July 25, 2008, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2008 to the specified employees during the financial year 2008-2009.

(iii) At the 76th Annual General Meeting held on July 29, 2009, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2009 to the specified employees during the financial year 2009-2010.

Postal Ballot

No resolutions were passed by Postal Ballot in the year under review.

7. DISCLOSURES

During the financial year ended March 31, 2010, there has been no materially significant transaction entered by the Company with any party, which is considered to have potential conflict with the interests of the Company at large.

No employee has been denied access to Audit Committee. The particulars of transactions between the Company and its related parties are as per the Accounting Standard 18 "Related Party Disclosure" Prescribed by the Companies (Accounting Standards) Rules 2006 are disclosed in the Annual Accounts (Note No. 9 of "Notes to Accounts" - Schedule 19). However, these are not likely to have any conflict with the Company's interest.

There have not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

There is no deviation in following the treatments prescribed in any Accounting Standards in the preparation of financial statements.

Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

8. MEANS OF COMMUNICATION

Full and complete disclosure of information regarding the Company's financial situation and performance is an important part of the Company's Corporate Governance. The Company has demonstrated this commitment by sending its shareholders a full version of its Annual Report.

The Board of Directors of the Company approves and takes on record the Unaudited Financial Results in the proforma prescribed by the Stock Exchange within one month of the close of the quarter/half year and announces forthwith the results to all the Stock Exchanges where the shares of the Company are listed. The quarterly/half yearly results are published within 48 hours after the Board meeting in Newspapers as prescribed (Business Standard & Sakal, Mumbai). The Company publishes the Annual Audited Results within the stipulated period of three months as required by the listing agreement with the Stock Exchanges. These results are also uploaded on the Company's website (*www.everestind.com*). The Report on Management Discussion and Analysis (MDA) forms part of the Annual Report.

9. In compliance with the amended SEBI Regulations on prevention of insider trading, the Company has already in place a comprehensive Code of Conduct for its Directors, Management and the designated employees as described under the regulations. The code advises them on procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautioning them on consequences of non-compliances.

10. CEO / CFO CERTIFICATION

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification on Financial Statements is issued pursuant to the provisions of Clause 49 of the Listing Agreement and is annexed to the Corporate Governance Report and forms part of the Annual Report.

SHAREHOLDERS INFORMATION

1. Annual General Meeting Day, Date, Time and Venue	Thursday, the 29th July, 2010 at 11.30 a.m. at GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)
2. Financial Year	1st April, 2009 to 31st March, 2010
3. Date of Book Closure	24.07.2010 to 29.07.2010 (both days inclusive)
4. Posting of Annual Report	On or before 03.07.2010
5. Dividend Payment date	Dividend, if any, declared in the forthcoming 77th Annual General Meeting will be paid within 30 days of the date of declaration.
6. Last date for receipt of proxy forms	27.07.2010 before 11.30 AM.
7. Unclaimed/Unpaid Dividend for the previous years.	All unclaimed/unpaid dividends upto the year ended March 31, 2003 have been either transferred to the General Revenue Account of the Central Government pursuant to Section 205A of the Companies Act, 1956 or transferred to the Investor Education & Protection Fund established and notified by the Central Government, in view of the amendments in Section 205A by the Companies (Amendment) Act, 1999. Members who have not encashed their dividend warrants for the year 2004 & onwards may approach the Company for obtaining demand drafts in lieu of unpaid dividend warrant.
8. Financial Calendar (Tentative)	
a) Financial reporting for the quarter ending June 30, 2010, Quarter and half year ending September 30, 2010, Quarter and nine months period ending December 31, 2010.	Within 45 days from the end of each quarter as stipulated under the Listing Agreement
b) Financial reporting for the financial year ending March 31, 2011 (Audited).	Within 60 days from the end of the last quarter as stipulated under the Listing Agreement.
9. Listing of Equity Shares	Bombay Stock Exchange Limited & The National Stock Exchange of India Ltd. at Mumbai. The Listing fees for the Financial Year 2010-11 has been paid to the Exchanges.

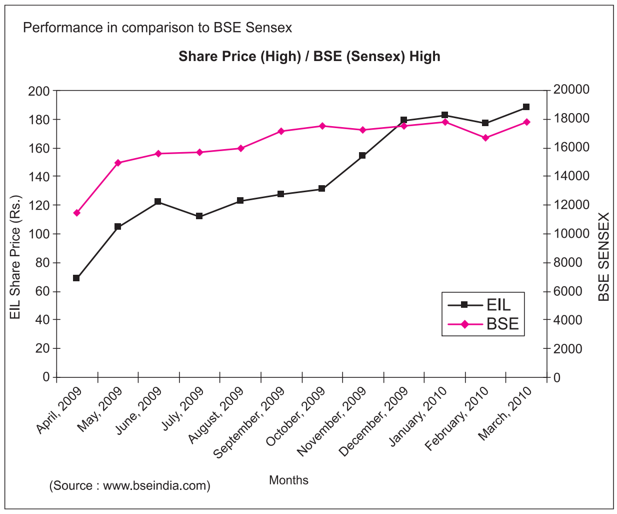
10. Stock Code

- 508906 on the Bombay Stock Exchange Ltd.
- EVERESTIND on the National Stock Exchange of India Ltd.
- ISIN No.INE295A01018 for Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialized shares.

11. Stock Market Data

MONTHLY HIGH/LOW SHARE PRICE* (01.04.2009 TO 31.03.2010)

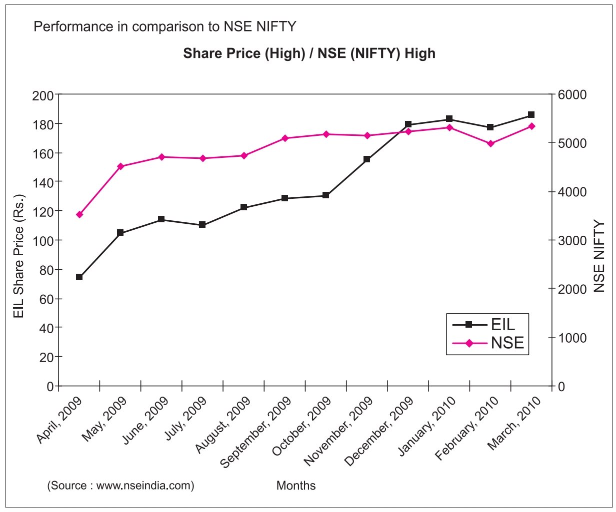
Month	Bombay Stock Exchange Ltd., Mumbai (BSE)		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2009	68.85	50.00	11,492.10	9,546.29
May, 2009	105.00	66.20	14,930.54	11,621.30
June, 2009	122.00	89.50	15,600.30	14,016.95
July, 2009	112.00	82.55	15,732.81	13,219.99
August, 2009	123.30	100.00	16,002.46	14,684.45
September, 2009	127.75	110.00	17,142.52	15,356.72
October, 2009	131.00	112.00	17,493.17	15,805.20
November, 2009	154.00	105.05	17,290.48	15,330.56
December, 2009	179.00	146.30	17,530.94	16,577.78
January, 2010	183.00	141.10	17,790.33	15,982.08
February, 2010	176.80	145.10	16,669.25	15,651.99
March, 2010	187.80	160.10	17,793.01	16,438.45



* Based on Stock Exchange website.

MONTHLY HIGH/LOW SHARE PRICE* (01.04.2009 TO 31.03.2010)

Month	The National Stock Exchange of India Ltd. (NSE)		S&P CNX NIFTY Index	
	High (Rs.)	Low (Rs.)	High	Low
April, 2009	74.00	50.15	3517.25	2965.70
May, 2009	105.00	65.20	4509.40	3478.70
June, 2009	113.50	89.05	4693.20	4143.25
July, 2009	110.00	81.00	4669.75	3918.75
August, 2009	122.30	98.50	4743.75	4353.45
September, 2009	128.00	110.00	5087.60	4576.60
October, 2009	130.50	113.00	5181.95	4687.50
November, 2009	155.00	105.00	5138.00	4538.50
December, 2009	179.00	146.00	5221.85	4943.95
January, 2010	182.50	140.10	5310.85	4766.00
February, 2010	176.80	145.20	4992.00	4675.40
March, 2010	185.00	160.10	5329.55	4935.35



* Based on Stock Exchange website.

12. Share Transfer Agent

M/s. MCS Limited,
F-65, Okhla Industrial Area, Phase - I, New Delhi 110 020.
Ph. No. 011-41406149, 41406151, 41406152
Fax No.011-41709881

13. Share Transfer System

Meetings of the Investor Grievance/Share Transfer Committee of the Board are generally held twice a month. All the requests received from Shareholders for transfer, transmission etc. are processed by the Share Transfer Agent of the Company within the time limit (one month) as stipulated in the Listing Agreement with the Stock Exchanges.

14. Distribution of Shareholding as on March 31, 2010

The Company had a shareholders base of 9728 including members holding their shares in demat form.

No. of Shares Held	No. of Shareholders	% of Shareholders	Aggregate Shares held	% of Shareholding
1 to 500	8304	85.36	1267797	8.56
501 to 1000	938	9.64	676243	4.56
1001 to 2000	244	2.51	367341	2.48
2001 to 3000	71	.73	176495	1.19
3001 to 4000	24	.25	85731	.58
4001 to 5000	34	.35	158097	1.07
5001 to 10000	45	.46	344953	2.33
10001 to 50000	56	.58	1412318	9.53
50001 to 100000	5	.05	351163	2.37
100001 and above	7	.07	9975510	67.33
Total	9728	100.00	14815648	100.00

(1)(a) The shareholding pattern of the Company as on March 31, 2010 is as follows :

Name of the Company : EVEREST INDUSTRIES LIMITED	
SCRIP CODE : 508906 (BSE) / EVERESTIND (NSE)	Quarter ended: 31-March-2010

Category code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals / Hindu Undivided Family	–	–	–	–	–	–	–
(b)	Central Government/ State Government(s)	–	–	–	–	–	–	–
(c)	Bodies Corporate	3	7520470	7520470	50.76	50.76	–	–
(d)	Financial Institutions/ Banks	–	–	–	–	–	–	–
(e)	Any Other (specify)	–	–	–	–	–	–	–
	Sub-Total (A)(1)	3	7520470	7520470	50.76	50.76	–	–
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	–	–	–	–	–	–	–
(b)	Bodies Corporate	–	–	–	–	–	–	–
(c)	Institutions	–	–	–	–	–	–	–
(d)	Any Other (specify)	–	–	–	–	–	–	–
	Sub–Total (A)(2)	–	–	–	–	–	–	–
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	3	7520470	7520470	50.76	50.76	–	–
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	8	1181823	1180723	7.98	7.98	–	–
(b)	Financial Institutions/ Banks	3	325	275	0.00	0.00	–	–
(c)	Central Government/ State Government(s)	1	200	–	0.00	0.00	–	–
(d)	Venture Capital Funds	–	–	–	–	–	–	–
(e)	Insurance Companies	3	742	555	0.00	0.00	–	–
(f)	Foreign Institutional Investors	10	52387	51112	0.36	0.36	–	–
(g)	Foreign Venture Capital Investors	–	–	–	–	–	–	–
(h)	Any Other (specify)	–	–	–	–	–	–	–
	Sub–Total (B)(1)	25	1235477	1232665	8.34	8.34	–	–
(2)	Non–institutions							
(a)	Bodies Corporate	399	1473027	1467100	9.94	9.94	–	–
(b)	i. Individuals - Individual shareholders holding nominal share capital up to Rs. 1 lakh.	9167	2670953	2277419	18.03	18.03	–	–
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	40	1256350	1256350	8.48	8.48	–	–
(c)	Any Other-Trusts & Foundations	4	601285	601235	4.06	4.06	–	–

Category code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C))	Number of shares	As a percentage
	Non Resident Individuals	90	58086	57486	0.39	0.39	–	–
	Sub-Total (B)(2)	9700	6059701	5659590	40.90	40.90	–	–
	Total Public Shareholding (B)= (B)(1)+(B)(2)	9725	7295178	6892255	49.24	49.24	–	–
	TOTAL (A)+(B)	9728	14815648	14412725	100.00	100.00	–	–
(C)	Shares held by Custodians and against which Depository Receipts have been issued	–	–	–	–	–	–	–
	GRAND TOTAL (A)+(B)+(C)	9728	14815648	14412725	100.00	100.00	–	–

(I)(b) Statement showing Shareholding of persons belonging to the category "Promoter and Promoter Group"

Sr. No.	Name of the shareholder	Total shares held		Shares pledged or otherwise encumbered		
		Number	As a % of grand total (A)+(B)+(C)	Number	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (1)(a)
1.	Everest Finvest (India) Pvt. Ltd.	7373470	49.77	0	0	0
2.	Trapu Cans Pvt. Ltd.	137000	.92	0	0	0
3.	Falak Investment Pvt. Ltd.	10000	.07	0	0	0
	TOTAL	7520470	50.76	0	0	0

(I)(c) Statement showing Shareholding of persons belonging to the category "Public" and holding more than 1% of the total number of shares

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	Reliance Capital Trustee Co. Ltd. - Reliance Longterm Equity Fund.	1176648	7.94
2.	Everest Staff Welfare Trust	600803	4.06
3.	IL AND FS Securities Services Limited	350000	2.36
4.	Hitesh Ramji Javeri	191000	1.29
	TOTAL	2318451	15.65

(I)(d) Statement showing details of locked-in shares

Sr. No.	Name of the shareholder	Category	Number of locked-in shares	Locked-in shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL		NIL	NIL
	TOTAL		NIL	NIL

(II)(a) Statement showing details of Depository Receipts (DRs)

Sr. No.	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of outstanding DRs	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL

(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares

Sr. No.	Name of the DR Holder	Type of outstanding DR (ADRs, GDRs, SDRs, etc.)	Number of shares underlying outstanding DRs	Shares underlying outstanding DRs as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	NIL	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL

15. Dematerilization of Shares

The Equity Shares of the Company are available for dematerialization under the Depository System operated by Central Depository Services (India) Limited as well as National Securities Depository Limited. The percentage of shares in demat form as on 31.03.2010 is 97.28 % to total shareholding of the Company.

16. Nomination facility for Shareholders

In accordance with the provisions of the Companies (Amendment) Act, 1999, facility for making nomination is now available for shareholders in respect of the shares held by them. Nomination forms can be obtained from the Company Secretary at 'Genesis', G-1, A-32, Mohan Cooperative Industrial Area, Mathura Road, New Delhi-110044.

17. Payment of Dividend through Electronic Clearing Service

The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to the Investors wherever ECS and bank details are available. A blank mandate form for payment of dividend through Electronic Clearing Service (ECS) for Shareholders holding shares in physical form is enclosed in this Annual Report.

18. Location of the Plants of the Company

Kymore Works
Everest Nagar, P.O. Kymore
Distt. Katni - 438 880 (Madhya Pradesh)

Lakhmapur Works
GAT No. 152,
Lakhmapur, Taluka Dindori, Nashik - 422 202 (Maharashtra)

Bhagwanpur Works
Khasra Nos.158 & 159, Village Lakesari, Pargana Bhagwanpur,
Tehsil Roorkee, Distt.Haridwar - 247 661 (Uttarakhand)

Kolkata Works
'Everest House'
1, Taratola Road, Garden Reach, Kolkata – 700 024

Podanur Works
Podanur
P.O. Coimbatore – 641 023 (Tamil Nadu)

19. Address for Correspondence - Investor Services

a) For any complaints relating to non-receipt of shares after transfer, transmission, change of address, mandate etc., dematerialization of shares or any other query relating to shares shall be forwarded to the Share Transfer Agents directly at the address given hereunder. Members are requested to provide complete details regarding their queries quoting folio number/DP ID no., number of shares held etc.

M/s. MCS Limited, (Unit: Everest Industries Limited)
F-65, Okhla Industrial Area, Phase I, New Delhi 110 020.
Ph. No.: 011-41406149, 41406151 Fax No.: 011-41709881
Email: admin@mcsdel.com

b) For any query on any point in Annual Report, non-receipt of Annual Report, non-receipt of dividend etc., the complaint should be forwarded to the kind attention of Mr. Neeraj Kohli, Company Secretary & Head-Legal at the following address :

Everest Industries Limited,
'Genesis', G-1, A-32, Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi-110044.

Members can also register their complaints at compofficer@everestind.com; an exclusive email ID, designated by the Company for the purpose of registering complaints by investors, in compliance of clause 47(f) of the Listing Agreement.

20. The Company has not adopted any of the non-mandatory requirements except the Remuneration Committee as mentioned in clause 2 of Annexure 1D of clause 49 of the Listing Agreement.

This is to certify that the information given above is true & correct.

For Everest Industries Limited

Place : Mumbai
Date : April 24, 2010

M. L. Gupta
Managing Director

Declaration of Compliance with code of conduct

(As required under Clause 49 of the Listing Agreement, the CEO declaration for Code of Conduct)

The Members of
Everest Industries Limited

This is to certify that as provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have affirmed to the compliance with the Code of Conduct and Ethics for the twelve months period ended March 31, 2010.

For Everest Industries Limited

Place : Mumbai
Date : April 24, 2010

M. L. Gupta
Managing Director

CEO / CFO Certification

We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee :

i. significant changes in internal control over financial reporting during the year;

ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

For Everest Industries Limited

Mumbai, April 24, 2010

RAKESH KUMAR GUPTA
Sr. Vice President (Finance)

M. L. Gupta
Managing Director

Compliance Certificate

TO THE MEMBERS OF EVEREST INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Everest Industries Limited ('the Company'), for the year ended 31 March, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the abovementioned Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 015125N)

ALKA CHADHA
Partner
(Membership No. 93474)

Place : Mumbai
Date : 24th April 2010

TO THE MEMBERS OF EVEREST INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **Everest Industries Limited** ("the Company") as at 31 March, 2010, 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.

2. We conducted our audit in accordance with the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 4 above, we report that:

   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those;

   (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2010;

      (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

5. On the basis of the written representations received from the Directors as on 31 March, 2010 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 015125N)

ALKA CHADHA
Partner
(Membership No. 93474)

Mumbai
24 April, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/ activities/ result, clauses 4(x), 4(xiii), 4(xiv), 4(xv) and 4(xix) of CARO are not applicable.

(ii) In respect of its fixed assets:

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

   (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed 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 a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventory:

   (a) As explained to us, the inventories except goods-in-transit, were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) Based on the examination of the books of account and related records and according to the information and explanations provided to us, there are no contracts or arrangements with companies, firms or other parties which need to be listed in the register maintained under Section 301 of the Companies Act, 1956.

(vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.

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

(ix) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the Company.

(x) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2010 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Excise Duty and Service Tax as on 31 March, 2010 which have not been deposited on account of various disputes are given below:

Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (Rs./Lakhs)
Central Sales Tax Act and Local Sales Tax Acts	Demand on account of non collection of statutory forms etc.	Commissioner Appeals	1979-2003	398.63
		Appellate Tribunal	1997-2003	325.78
	Demand on account of stock transfers being considered as local sales	High Court	1988-1999	526.77
	Demand on account of stock transfers being considered as inter-state sales	Appellate Tribunal	1994 -1998 1979-1980	2,827.78
				4,078.96
Income-Tax Act, 1961	Demand on account of disallowances of certain claims	Commissioner Appeals	2006-2007 2007-2008	316.89
		Appellate Tribunal	2004-2005	337.47
				654.36
The Central Excise Act, 1944	Demand of duty under Section 11D of the Central Excise Act, 1944	Commissioner Appeals	1995-1997	1.94
		Appellate Tribunal	1992-1996	2,462.40
	Demand on account of wrong availment of Cenvat credit	Commissioner Appeals	April, 2005 to September, 2006	134.02
				2,598.36

We are informed that there are no dues in respect of Customs Duty, Wealth Tax and Cess which have not been deposited on account of any dispute.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loans from financial institutions nor has it issued any debentures.

(xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.

(xv) According to the information and explanations given to us, 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.

(xvi) The Company has not raised any money by way of public issues during the year.

(xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 015125N)

ALKA CHADHA
Partner
(Membership No. 93474)

Mumbai
24 April, 2010

As at 31 March 2010

	Schedule Reference	Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
a. Share capital	1	1,481.56		1,480.00
b. Reserves and surplus	2	15,887.85		13,653.15
			17,369.41	15,133.15
2. LOAN FUNDS				
a. Secured loans	3	11,988.67		16,463.40
b. Unsecured loans	4	–		2,000.00
			11,988.67	18,463.40
3. STOCKISTS' DEPOSITS (UNSECURED)			829.74	457.28
4. DEFERRED TAX LIABILITY (Net) (see note 7)			2,479.40	1,802.65
			32,667.22	35,856.48
APPLICATION OF FUNDS				
1. FIXED ASSETS	5			
a. Gross block		33,529.40		33,356.67
b. Less: Depreciation		11,501.93		9,898.40
c. Net block		22,027.47		23,458.27
d. Capital work in progress (see note 10)		632.85		694.18
			22,660.32	24,152.45
2. INVESTMENTS	6		5.00	5.00
3. CURRENT ASSETS, LOANS AND ADVANCES				
a. Inventories	7	12,332.32		12,956.52
b. Sundry debtors	8	2,318.58		2,384.35
c. Cash and bank balances	9	1,920.69		2,258.11
d. Interest accrued but not due		2.73		2.59
e. Loans and advances	10	4,475.78		3,286.67
		21,050.10		20,888.24
4. LESS - CURRENT LIABILITIES AND PROVISIONS				
a. Current liabilities	11	9,636.65		8,239.06
b. Provisions	12	1,445.68		1,018.42
		11,082.33		9,257.48
5. NET CURRENT ASSETS			9,967.77	11,630.76
6. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT	13		34.13	68.27
			32,667.22	35,856.48
Notes forming part of the accounts	19			

The schedules referred to above are integral part of the balance sheet.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner
(Membership No. 93474)

Mumbai
24 April, 2010

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

Mumbai
24 April, 2010

For the year ended 31 March 2010

	Schedule Reference	Rs./Lakhs	Year ended 31.03.2010 Rs./Lakhs	Year ended 31.03.2009 Rs./Lakhs
INCOME				
1. Sale of products	14	68,090.20		55,201.06
Less: Excise duty				
(including education cess) recovered		2,836.78		2,255.90
			65,253.42	52,945.16
2. Other income	15		962.73	479.25
			66,216.15	53,424.41
EXPENDITURE				
3. Manufacturing, operating and selling expenses	16	60,003.74		48,917.49
4. (Increase)/ decrease in inventory	17	(790.76)		(866.42)
5. Depreciation	5	1,836.54		1,713.80
6. Interest	18	995.20		1,648.06
			62,044.72	51,412.93
PROFIT BEFORE TAX			4,171.43	2,011.48
7. Provision for taxation				
a. Current tax		708.94		219.83
b. Minimum alternative tax credit entitlement		(215.53)		(218.21)
		493.41		1.62
c. Fringe benefit tax		–		85.47
d. Deferred tax (see note 7)		676.75		479.29
			1,170.16	566.38
PROFIT AFTER TAX			3,001.27	1,445.10
8. Balance brought forward from previous year			6,239.05	5,376.83
9. Amount available for appropriation			9,240.32	6,821.93
APPROPRIATIONS				
10. General reserve		310.00		150.00
11. Proposed dividend		666.70		370.00
12. Tax on distributed profits		113.31		62.88
			1,090.01	582.88
BALANCE CARRIED TO RESERVES AND SURPLUS			8,150.31	6,239.05
Earnings Per Equity Share				
[Face value - Rs. 10 per share (see note 14)]				
Basic and diluted earnings per share (Rupees)			20.28	9.76
Notes forming part of the accounts	19			

The schedules referred to above are integral part of the profit and loss account.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner
(Membership No. 93474)

Mumbai
24 April, 2010

For and on behalf of
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M.L. GUPTA
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NEERAJ KOHLI
Company Secretary and Head-Legal

Mumbai
24 April, 2010

Cash Flow Statement

For the year ended 31 March 2010

		Year ended 31.03.2010 Rs./Lakhs	Year ended 31.03.2009 Rs./Lakhs
A.	Cash flow from operating activities		
	Net profit/ (loss) before tax	4,171.43	2,011.48
	Depreciation	1,836.54	1,713.80
	(Profit)/ loss on sale of other fixed assets (net)	1.70	(140.13)
	Interest income	(148.77)	(185.33)
	Interest expense	995.20	1,648.06
	Excess provisions made in previous years written back	(57.35)	(28.53)
	Unrealised foreign exchange gain/(loss) on ECB	614.15	(1,262.30)
	Provision for compensated absences and gratuity	80.13	256.24
	Operating profit before working capital changes	7,493.03	4,013.29
	Adjustments for:		
	Trade receivables	65.77	(1,695.41)
	Inventories	624.20	(5,056.70)
	Other receivables	(175.01)	(651.26)
	Trade payables	1,682.72	2,758.82
	Miscellaneous expenditure	34.13	(68.27)
	Cash generated from operations	9,724.84	(699.53)
	Transferred to foreign currency monetary item translation difference account	–	(3.17)
	Direct taxes (paid)	(1,507.51)	(710.69)
	Net cashflow from operating activities	8,217.33	(1,413.39)
B.	Cash flow from investing activities-		
	Purchase of fixed assets	(855.15)	(2,883.55)
	Sale of fixed assets	7.77	267.48
	Investment	–	0.97
	Interest received	148.63	201.80
	Net cash used in investing activities	(698.75)	(2,413.30)
C.	Cash flow from financing activities-		
	Interest paid	(969.34)	(1,658.15)
	Increase in share capital	1.56	–
	Share premium received	13.44	–
	Proceeds from/ (repayment of) short term borrowings	(2,647.22)	3,336.24
	Proceeds from/ (repayment of) long term borrowings	(3,827.50)	1,944.00
	Dividend paid	(364.06)	(589.63)
	Dividend tax paid	(62.88)	(100.61)
	Net cash used in financing activities	(7,856.00)	2,931.85
	Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(337.42)	(894.84)
	– Opening balance	2,258.11	3,152.95
	– Closing balance	1,920.69	2,258.11

Notes : Cash and cash equivalents as at the year end include restricted cash of Rs. 76.47 lakhs (Previous year Rs. 354.38 lakhs)

As per our report of even date attached.

For and on behalf of
EVEREST INDUSTRIES LIMITED

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner
(Membership No. 93474)

Mumbai
24 April, 2010

M.L. GUPTA
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Sr. Vice President (Finance)

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Company Secretary and Head-Legal

Mumbai
24 April, 2010

SCHEDULE 1

SHARE CAPITAL

		Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
1. Authorised				
17,000,000	Equity shares of Rs. 10 each (previous year 17,000,000 equity shares of Rs. 10 each)		1,700.00	1,700.00
2. Issued				
14,815,648	Equity shares of Rs. 10 each (previous year 14,800,020 equity shares of Rs. 10 each)		1,481.56	1,480.00
3. Subscribed and paid up				
14,815,648	Equity shares of Rs. 10 each fully paid up (previous year 14,800,020 equity shares of Rs. 10 each fully paid up)		1,481.56	1,480.00

Of the above:

a. 15,000 (previous year -15,000) equity shares are alloted as fully paid up pursuant to a contract without payment being received in cash

b. 13,350,020 (previous year - 13,350,020) equity shares are alloted as fully paid up by way of bonus shares by capitalisation of general reserve

c. 7,373,470 (previous year - 7,413,470) equity shares are held by M/s Everest Finvest (India) Private Limited, the holding company upto 25 March, 2010

SCHEDULE 2

RESERVES AND SURPLUS

	Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
1. Share premium account			
Opening balance	–		–
Add: Received during the year	13.44	13.44	–
2. General reserve			
Opening balance	7,414.10		7,277.29
Add: Amount transferred from the Profit and loss account	310.00		150.00
	7,724.10		7,427.29
Less: Adjustment as per revised AS 11 [see note 13]			
Exchange gain transferred to foreign currency monetary item translation difference account	–		3.17
Exchange gain capitalised	–		10.02
		7,724.10	7,414.10
3. Profit and loss account		8,150.31	6,239.05
		15,887.85	13,653.15

SCHEDULE 3

SECURED LOANS

	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
1. Loans from banks:		
– On cash credit account	2,511.43	5,361.46
– Term loans	1,693.75	3,968.75
– External commercial borrowing	4,090.50	5,643.00
– Others	3,692.99	1,490.19
	11,988.67	16,463.40

Notes :

a. Loans from banks on cash credit account of Rs. 2,511.44 lakhs (previous year Rs. 5,361.46 lakhs) are secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables and second pari-passu charge on all fixed assets, land and buildings both present and future, except land and building situated at Podanur plant (on which State Bank of India has an exclusive charge) and at Kolkata plant.

b. Term loans include:

(i) Corporate loan of Rs. 1,000.00 lakhs (previous year Rs. 2,000.00 lakhs) from a bank is secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables and exclusive first charge over land and building at Podanur and second pari-passu charge on all fixed assets, land and building both present and future, except land and building situated at Podanur plant (on which State Bank of India has an exclusive charge) and Kolkata plant (Due within one year Rs. 1,000.00 lakhs, previous year Rs 250.00 lakhs).

(ii) Loan of Rs. 693.75 lakhs (previous year Rs. 1,968.75 lakhs) from a bank secured by way of creation of a first pari-passu charge on all fixed assets of the Company excluding fixed assets situated at Podanur and Kolkata plants and second pari-passu charge on all current assets of the Company (Due within one year Rs. 693.75 lakhs, previous year Rs. 875.00 lakhs).

c. External commercial borrowing (ECB) of Rs. 4,090.50 lakhs (previous year Rs. 5,643.00 lakhs) is secured by a first pari-passu charge to be created over all the immoveable and moveable fixed assets other than the immoveable fixed assets situated at Podanur plant and second pari-passu charge on all current assets of the Company.

d. Others include short term loans from bank aggregating to Rs. 3,692.99 lakhs (previous year Rs. 1,490.19 lakhs) by way of buyer's credit are secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables and second pari-passu charge on all fixed assets, land and buildings both present and future, except land and building situated at Podanur plant (on which State Bank of India has an exclusive charge) and at Kolkata plant.

	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SCHEDULE 4		
UNSECURED LOANS		
Commercial paper [Maximum amount outstanding during the year - Rs. 2,000.00 lakhs (previous year - Rs. 4,000.00 lakhs)]	–	2,000.00
	–	2,000.00

SCHEDULE 5

FIXED ASSETS

Rs./Lakhs

Particulars	Gross block				Depreciation				Net block	
	As at 1.04.2009	Additions	Deletions/ Adjustments	As at 31.03.2010	As at 1.04.2009	For the Year	Deletions/ Adjustments	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
TANGIBLE ASSETS										
LAND										
Land–Freehold	1,410.27	–	–	1,410.27	31.54	–	–	31.54	1,378.73	1,378.73
BUILDING										
Building– On freehold land	6,825.74	6.66	98.58	6,733.82	1,603.42	333.39	42.04	1,894.77	4,839.05	5,222.32
Building– On leased land	111.22	–	–	111.22	97.18	1.91	–	99.09	12.13	14.04
Leasehold improvement	131.42	12.11	–	143.53	35.02	13.74	–	48.76	94.77	96.40
Railway siding	1.39	–	–	1.39	1.39	–	–	1.39	–	–
Roads	220.06	–	–	220.06	52.16	7.31	–	59.47	160.59	167.90
PLANT AND MACHINERY	22,857.57	793.05	693.36	22,957.26	7,052.26	1,253.84	139.47	8,166.63	14,790.63	15,805.31
FURNITURE FIXTURES & OFFICE EQUIPMENT	1,256.15	124.87	61.28	1,319.74	743.97	110.13	51.50	802.60	517.14	512.18
VEHICLES	140.73	5.53	–	146.26	86.34	18.44	–	104.78	41.48	54.39
INTANGIBLE ASSETS										
Computer software	152.37	87.14	3.41	236.10	43.52	52.95	–	96.47	139.63	108.85
Technical knowhow	249.75	–	–	249.75	151.60	44.83	–	196.43	53.32	98.15
Total	33,356.67	1,029.36	856.63	33,529.40	9,898.40	1,836.54	233.01	11,501.93	22,027.47	23,458.27
Previous year	19,891.07	13,722.03	256.43	33,356.67	8,313.68	1,713.80	129.08	9,898.40	23,458.27	11,577.39

Notes : 1. Cost of land-freehold as at 31 March, 2010 includes Rs. 166.54 lakhs (previous year Rs. 166.54 lakhs) representing land -freehold held for sale. This freehold land costing Rs. 166.54 lakhs was revalued at Rs.135.00 lakhs based on an independent valuation and accordingly Rs. 31.54 lakhs was provided for "Loss on impairment of fixed assets" in earlier years.

2. Deletion during the year of Rs. 856.63 lakhs includes Rs. 614.15 lakhs due to decapitalisation on account of exchange fluctuation on long term foreign exchange borrowing (see note 13).

	Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SCHEDULE 6			
INVESTMENTS (AT COST)			
Other investments, long term, unquoted			
1. Investment in subsidary company [50,000 (previous year 50,000) equity shares of Rs. 10 each fully paid up of M/s Everest Building Solutions Limited]		5.00	5.00
		5.00	5.00
SCHEDULE 7			
INVENTORIES			
1. Raw materials			
a. On hand	4,772.74		6,501.86
b. In transit	474.08		180.31
		5,246.82	6,682.17
2. Stores and spare parts			
a. Packing materials	28.79		8.12
b. Stores and spares	775.62		775.90
		804.41	784.02
3. Work-in-progress		3,912.74	3,990.79
4. Finished goods			
a. Manufactured products	2,086.10		1,280.45
b. Traded products	282.25		219.09
		2,368.35	1,499.54
		12,332.32	12,956.52

		Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SCHEDULE 8				
SUNDRY DEBTORS				
1.	Debts exceeding six months (unsecured)			
	– Considered good	329.39		–
	– Considered doubtful	–		91.63
	Less: Provision for doubtful debts	–		91.63
			329.39	–
2.	Other debts			
	– Secured considered good		1,192.61	1,218.82
	– Unsecured considered good		796.58	1,165.53
			2,318.58	2,384.35
SCHEDULE 9				
CASH AND BANK BALANCES				
1.	Cash on hand		7.10	4.84
2.	Cheques on hand		804.14	522.61
3.	Balances with scheduled banks			
	– Current accounts [includes Rs. 46.29 lakhs (previous year Rs. 40.35 lakhs) as balance in unpaid dividend account]		1,079.27	1,410.40
	– Deposit accounts [includes Rs. 30.18 lakhs (previous year Rs. 314.03 lakhs) as margin for bank guarantees/ letters of credit]		30.18	320.26
			1,920.69	2,258.11
SCHEDULE 10				
LOANS AND ADVANCES - (Unsecured, considered good)				
1.	Balances with excise, customs and port trust authorities		554.43	633.32
2.	Advances recoverable in cash or kind or for value to be received		1,741.94	1,491.06
3.	Advances to suppliers		495.05	492.03
4.	Advance taxes [Net of provision for current tax and fringe benefit tax- Rs. 5,065.20 lakhs (previous year Rs. 4,356.26 lakhs)]		1,250.62	452.05
5.	Minimum alternative tax credit entitlement		433.74	218.21
			4,475.78	3,286.67

	Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SCHEDULE 11			
CURRENT LIABILITIES			
1. Sundry creditors			
a. Micro and small enterprises *			
– Due for more than 45 days	–		–
– Others	8.70		–
b. Others	6,124.80		5,359.89
		6,133.50	5,359.89
2. Advances from customers		1,898.50	1,517.42
3. Retention monies		185.69	92.21
4. Unpaid dividend **		46.29	40.35
5. Interest accrued but not due		57.11	31.24
6. Provision for MTM loss on derivative transactions		745.74	614.88
7. Other liabilities		569.82	583.07
		9,636.65	8,239.06

* No interest has been paid or is payable under the terms of the Micro, Small and Medium Enterprises Development Act, 2006.

** Unpaid dividend does not include any amount outstanding as on 31 March, 2010 required to be credited to the Investor Education and Protection Fund.

SCHEDULE 12

PROVISIONS

	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
1 . Gratuity	287.73	241.78
2 . Compensated absences	377.94	343.76
3 . Proposed dividend	666.70	370.00
4. Provision for dividend distribution tax	113.31	62.88
	1,445.68	1,018.42

SCHEDULE 13

FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT
(To the extent not written off or adjusted)

	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
1. Opening balance	68.27	–
2. Add : Provision in relation to current year	–	105.58
3. Less :Transferred from general reserve on account of foreign exchange fluctuation gain of previous year	–	3.17
4. Less: Amortised during the year	34.14	34.14
	34.13	68.27

SCHEDULE 14	Rs./Lakhs	Year Ended 31.03.2010 Rs./Lakhs	Year Ended 31.03.2009 Rs./Lakhs
SALE OF PRODUCTS			
a. Sale of building products		55,256.54	45,695.73
b. Sale of steel buildings		11,579.46	9,252.37
c. Revenue from erection of buildings		889.29	623.38
d. Others		364.91	383.54
		68,090.20	55,955.02
Less: Realisation from sale of trial run production transferred to capital work in progress (see note 10)		–	753.96
		68,090.20	55,201.06

SCHEDULE 15

OTHER INCOME			
a. Sale of scrap		131.16	74.75
b. Excess provisions made in earlier years written back		57.35	28.53
c. Profit on sale of fixed assets (net)		–	140.13
d. Interest from bank and others *		148.77	185.33
e. Foreign exchange gain (net)		437.98	–
f. Miscellaneous income		187.47	50.51
		962.73	479.25

* Income tax deducted at source Rs. 13.49 lakhs (previous year Rs. 3.60 lakhs)

SCHEDULE 16

MANUFACTURING, OPERATING AND SELLING EXPENSES			
1. Purchase of traded goods		327.74	407.83
2. Cost for erection of buildings		890.66	630.00
3. Consumption of raw materials		36,260.42	28,754.61
4. Payments to and provisions for employees			
a. Salaries, wages and bonus	5,460.77		4,731.97
b. Contributions to provident and other funds	493.23		518.62
c. Workmen and staff welfare expenses	348.11		379.49
		6,302.11	5,630.08
5. Operation and other expenses			
a. Consumption of stores, spares and consumables	2,238.61		2,438.06
b. Consumption of packing materials	489.36		378.96
c. Power and fuel	2,348.84		2,045.48
d. Repairs and maintenance			
– Building	269.12		205.97
– Machinery	763.16		666.44
– Others	148.90		128.86
e. Rent	484.44		488.30
f. Rates and taxes	155.46		90.26
g. Insurance	62.89		42.24
h. Depot handling expenses	238.33		233.93
i. Discount, rebates and allowances	6.86		14.71
j. Commission on sales	385.01		303.26
k. Travelling	656.10		661.91
l. Advertisement and sales promotion expenses	1,050.21		829.43
m. Bad debts written off	86.47		–
n. Provision for bad debts	–		58.35
o. Foreign exchange loss (net)	–		334.31
p. Loss from derivatives	362.93		121.37
q. Loss on sale of fixed assets	1.70		–
r. Other expenses	1,901.75		1,816.66
s. Outward freight charges on finished goods	4,537.21		3,850.17
t. Excise duties on stock transfer	68.59		75.63
		16,255.94	14,784.30
		60,036.87	50,206.82
Less: Stores and spares capitalised		23.62	28.90
Less: Pre-operative expenses transferred to capital work in progress (see note 10)		9.51	1,260.43
		60,003.74	48,917.49

		As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SCHEDULE 17			
(INCREASE)/ DECREASE IN INVENTORY			
1.	Closing stocks -		
	i. Stock - in - trade	2,368.35	1,499.54
	ii. Work in progress	3,912.74	3,990.79
		6,281.09	5,490.33
2.	Opening stocks -		
	i. Stock - in - trade	1,499.54	1,740.86
	ii. Work in progress	3,990.79	2,883.05
		5,490.33	4,623.91
		(790.76)	(866.42)
SCHEDULE 18			
INTEREST			
1.	Term loans	411.84	603.00
2.	Others	583.36	1,162.85
		995.20	1,765.85
	Less : Pre-operative expenses transferred to capital work in progress (see note 10)	–	117.79
		995.20	1,648.06

SCHEDULE 19

NOTES FORMING PART OF THE ACCOUNTS

1. Significant Accounting Policies

(i) Accounting Convention

These financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by the Company.

(ii) Use of Estimates

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Example of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income taxes, accounting for contract costs expected to be incurred to complete construction and the useful lives of fixed assets.

(iii) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

Depreciation on assets is charged proportionately from the month of acquisition/ installation on a straight line basis on rates prescribed by schedule XIV of the Companies Act,1956 other than for the following assets, where higher rates are used based on the useful life of the assets as determined by the Company:

Furniture, fixtures and office equipment (except data processing equipment)	10%
Buildings	5%
Factory roads	3.34%
Vehicles	20%
Pallets used for autoclaving	20%

Leasehold land and improvements are amortised over the term of the lease.

Technical know-how is amortised over the term of the agreement. Computer software is amortised over a period of 3 years.

Assets acquired under finance lease are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments and are depreciated over the lease term or useful life, whichever is shorter. Lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

(iv) Revenue Recognition

Revenue from sale of products is recognised on dispatch of goods to customers which coincides with the transfer of risk and rewards associated with the ownership of goods. Sales are net of rebates and sales taxes, wherever applicable.

Revenue from erection business on fixed price contracts is recognised in accordance with the percentage of completion method based on the work completed.

(v) Investments

Investments are stated at cost. Provision is made for other than temporary diminution in the value of investments.

(vi) Inventories

Inventories are valued at cost or net realisable value, whichever is lower and includes all applicable costs incurred in bringing goods to their present location and condition. The basis for determining cost for various categories of inventories is as follows:

Stores and spare parts	- Weighted average
Raw materials	- Weighted average
Materials in transit	- At cost
Work in process and Finished goods	- Material cost plus appropriate share of labour, manufacturing and other overheads.

(vii) Research and Development Costs

Research and development costs of revenue nature are charged to the profit and loss account when incurred. Expenditure of capital nature is capitalised and depreciated in accordance with the rates set out in paragraph 1 (iii) above.

(viii) Employee Benefits (See also Note 6)

a. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences and performance incentives.

b. Post-employment benefit plans

The Company has various schemes of retirement benefits namely provident fund, superannuation schemes and gratuity, which are administered by trustees of independently constituted trusts recognized by the Income-tax authorities.

The Company's superannuation scheme and the employee's provident fund scheme are defined contribution schemes. The Company's contribution paid/ payable under the schemes are recognised as expenses in the profit and loss account during the period in which the employee renders the related service.

The Company's gratuity scheme is a defined benefit scheme. For defined benefit schemes, the cost of providing benefits is determined using projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur. Past service cost is recognised to the extent the benefits are already vested, and otherwise is amortised on a straight-line method over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Benefits comprising compensated absences constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the profit and loss account.

(ix) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(x) Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date. Exchange differences arising on foreign currency transactions are recorded as income or expense in the period in which they arise.

In respect of forward contracts taken by the Company, the difference between the forward rate and the exchange rate at the date of the transaction is recognised as expense over the life of the forward contract.

The Company has opted for accounting the exchange rate differences arising on reporting of Long term foreign currency monetary items in line with the Companies (Accounting Standard) Amendments Rules, 2009 on Accounting Standard 'AS11 – The Effects of Change in Foreign Exchange Rates' (See also Note 13).

(xi) Taxation (See also Note 7)

Income tax comprises current tax and deferred tax. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted at the balance sheet date.

(xii) Earnings Per Share (See also Note 14)

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 'AS20 – Earning Per Share'. Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the result would be anti-dilutive.

(xiii) Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets net selling price and value in use. In assessing value in use the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised as income in the profit and loss account.

(xiv) Contingencies/ Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

(xv) Employee Stock Option Scheme (See also Note 20)

Stock options granted to the employees under the stock options schemes are accounted as per the accounting treatment prescribed by the Employee Stock Option and Employees Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly, the excess of average market value of the shares over the preceding 2 weeks of the date of grant of options over the exercise price of the options is recognised as deferred employee compensation and is charged to the profit and loss account on straight line basis over the vesting period of the options.

(xvi) Leases (See also Note 12)

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and 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 capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease liability and interest component is charged to profit and loss account.

2. Contingent Liabilities

a) Claims against the Company not acknowledged as liabilities in respect of:

Particulars	As at 31.03.2010 (Rs./Lakhs)	As at 31.03.2009 (Rs./Lakhs)
i. Sales tax matters	4,176.11	3,758.67
ii. Customs and excise matters	2,598.36	2,468.34
iii. Income Tax matters	2,149.02	1,026.63

b) Guarantees issued by bank have been secured by a first pari-passu charge on the entire current assets, present and future, including receivables of the Company and second pari-passu charge on all fixed assets, land and buildings present and future, except land and building situated at Podanur (on which State Bank of India has exclusive charge) and at Kolkata, to the extent of Rs. 2,606.56 lakhs (previous year Rs. 1,558.98 lakhs).

c) Estimated amount of contracts to be executed on capital account - Rs. 326.35 lakhs (net of advances - Rs. 136.58 lakhs), [previous year - Rs. 119.08 lakhs (net of advances Rs. 31.90 lakhs)].

3. Other expenses include statutory auditors remuneration (excluding service tax) as follows:

Particulars	Year ended 31.03.2010 (Rs. /Lakhs)	Year Ended 31.03.2009 (Rs. /Lakhs)
Audit fees (including fees for limited review)	25.00	19.75
Fees for other services	4.80	–
Reimbursement of expenses	5.11	3.04
	34.91	22.79

4. Construction Contracts

a. Sales of products - others include Rs. Nil (previous year Rs. 101.56 lakhs) recognised as contract revenue for the year ended 31 March, 2010.

b. As required by Accounting Standard 'AS7-Construction Contracts' (Revised), the break-up of the contracts in progress at the reporting dates are as under:

Particulars	Year ended 31.03.2010 (Rs./Lakhs)	Year ended 31.03.2009 (Rs./Lakhs)
Revenue recognised	–	101.56
Cost incurred	–	90.94
Advance received	–	–

5. Foreign Exchange Disclosure

The year end foreign currency exposures that have not been hedged by derivative instruments or otherwise are as under:

Particulars	Amount in Indian Rupees		Currency	Amount in Foreign Currency	
	As at 31.03.2010 (Rs./Lakhs)	As at 31.03.2009 (Rs./Lakhs)		As at 31.03.2010 (Rs./Lakhs)	As at 31.03.2009 (Rs./Lakhs)
Receivables	336.30	432.41	USD	7.40	8.43
Payables	4,403.96	2,007.18	USD	96.89	39.13
	75.33	Nil	EURO	1.23	Nil
ECB Loan	4,090.50	5,643.00	USD	90.00	110.00

6. Disclosure of Retirement Benefits under Accounting standard 'AS15-Employee Benefits'

a. Defined contribution plan

The Company's contributions towards provident fund for qualifying employees and towards superannuation fund for specific employees are defined contribution retirement plans. The Company's contributions towards provident fund are deposited in trusts formed by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. Contributions to superannuation fund are deposited in a separate trust. These trusts are recognised by the Income Tax authorities. The contributions to the trusts are managed by the trustees of the respective trusts.

The Company's contributions of Rs. 266.98 lakhs (previous year Rs. 205.95 lakhs) towards provident fund and Rs. 98.64 lakhs (previous year Rs. 106.68 lakhs) towards superannuation fund are charged to the Profit and Loss account. The contributions payable to the plan by the Company are at a rate specified in rules to the schemes.

b. Defined Benefit plan

The Company's contribution towards its gratuity liability is a defined benefit retirement plan. The Company makes contributions to the trust from time to time which in turn makes contributions to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

c. The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2010:

(i) Movement in net liability

Particulars		As at 31.03.2010 (Rs. /Lakhs)	As at 31.03.2009 (Rs. /Lakhs)
Present value of obligations as on 01.04.2009	(A)	936.43	744.64
Adjustment for increase in opening provision for retirement benefits	(B)	–	–
Liabilities assumed on transfer of employees from holding Company	(C)	–	–
Interest cost	(D)	72.52	59.58
Current service cost	(E)	91.18	78.31
Benefits paid	(F)	(59.76)	(18.09)
Actuarial (gain)/loss on obligations	(G)	(1.34)	71.99
Present value of obligations as on 31.03.2010 (H=A+B+C+D+E+F+G)	(H)	1,039.03	936.43

(ii) The amounts recognised in the Balance Sheet and the Profit and Loss account are as follows:

Particulars		As at 31.03.2010 (Rs. /Lakhs)	As at 31.03.2009 (Rs. /Lakhs)
Present value of funded defined benefit obligations as on 31.03.2010	(A)	1,039.03	936.43
Present value of unfunded obligation	(B)	–	–
Estimated fair value of plan assets	(C)	751.30	694.65
Net liability/ (asset) (D=A+B-C)	(D)	287.73	241.78
Amounts in the Balance Sheet			
a. Liabilities		287.73	241.78
b. Assets		–	–
c. Net liability/ (asset)		287.73	241.78
Amount charged to Profit and Loss Account			
Service cost	(E)	91.18	78.31
Interest cost	(F)	72.52	59.58
Expected return on plan assets	(G)	63.91	56.15
Net Actuarial (gain)/ loss	(H)	(1.60)	71.99
Expense Recognised in the Profit and Loss account (I=E+F-G+H)	(I)	98.19	153.73

(iii) Principal actuarial assumptions

Assumptions	Year ended 31.03.2010 Rate (%)	Year ended 31.03.2009 Rate (%)
Discount rate	8.10%	8.00%
Rate of return on plan assets	9.25%	9.25%
Salary escalation	8.00%	8.00%

(iv) Fair value of plan assets

Particulars	As at 31.03.2010 (Rs. /Lakhs)	As at 31.03.2009 (Rs. /Lakhs)
Fair value of plan assets at the beginning of the year	694.65	638.50
Expected return on plan assets	63.91	56.15
Contributions	52.24	–
Benefits paid	(59.76)	–
Actuarial gain/ (loss) on plan assets	0.26	–
Fair value of plan assets at the end of the year	751.30	694.65

(v) Actual return on plan assets

Particulars	As at 31.03.2010 (Rs. /Lakhs)	As at 31.03.2009 (Rs. /Lakhs)
Expected return on plan assets	63.91	56.15
Actuarial gain/ (loss) on plan assets	0.26	–
Actual return on plan assets	64.17	56.15

(vi) The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets as at 31 March, 2009 has not been provided by the Life Insurance Corporation of India.

7. Deferred Taxation

Particulars	As at 01.04.2009 (Rs./Lakhs)	Charged/ (Credited) to P&L (Rs./Lakhs)	As at 31.03.2010 (Rs./Lakhs)
a. Deferred tax assets			
Tax impact of:			
i. Expenditure covered by Section 43B of Income-tax Act, 1961	227.31	21.76	249.07
ii. Excess of voluntary retirement expenses (VRS) provided in accounts over expenses allowable in Income-tax Act, 1961	1.35	(0.67)	0.68
iii. Unabsorbed carried forward business loss	803.79	(803.79)	–
Total deferred tax assets	1,032.45	(782.70)	249.75
b. Deferred tax liabilities			
Tax impact of:			
i. Excess of depreciation allowable under Income-tax Act, 1961 over depreciation provided in accounts	2,811.90	(94.28)	2,717.62
ii. Foreign Exchange Monetary Translation Reserve.	23.20	(11.67)	11.53
Total deferred tax liability	2,835.10	(105.95)	2,729.15
Net deferred tax liability	1,802.65	676.75	2,479.40

8. Managerial remuneration

a. Remuneration paid to directors:

Particulars	Year ended 31.03.2010 (Rs./Lakhs)	Year ended 31.03.2009 (Rs./Lakhs)
Whole time directors		
1. Salaries and perquisites	139.45	120.57
2. Contributions to provident and superannuation fund	16.69	14.42
3. Performance incentive to whole time directors	90.00	62.00
	246.14	196.99
Non-executive directors		
4. Commission/ performance incentive to non executive directors	16.50	7.50
5. Sitting fees	6.30	5.60

Note: Excludes provision for compensated absences and gratuity since the provision is based on an actuarial valuation for the Company as a whole.

b. Computation of net profits as per Section 349 of the Companies Act, 1956:

Particulars	Year ended 31.03.2010 (Rs./Lakhs)	Year ended 31.03.2009 (Rs./Lakhs)
Profit before tax as per Profit and loss account	4,171.43	2,011.48
Add:		
Managerial remuneration	246.14	196.99
Commission/performance incentive to non executive directors	16.50	7.50
Directors sitting fees	6.30	5.60
Provision for doubtful debts	–	58.35
Depreciation as per books of account	1,836.54	1,713.80
Loss on sale of fixed assets	1.70	–
Total	6,278.61	3,993.72

Particulars	Year ended 31.03.2010 (Rs./Lakhs)	Year ended 31.03.2009 (Rs./Lakhs)
Less:		
Depreciation as envisaged under Section 350 of the Companies Act, 1956 *	1,836.54	1,713.80
Profit on sale of fixed assets	–	140.13
Total	1,836.54	1,853.93
Net profit for calculation on which remuneration payable	4,442.07	2,139.79
Maximum remuneration payable to whole time directors under Section 309 of the Companies Act, 1956 @ 10% of net profit	444.21	213.98
Actual remuneration paid to whole time directors	246.14	196.99
Maximum commission payable to non-executive directors under Section 309 of the Companies Act, 1956 @ 1% of net profit	44.42	21.40
*Actual commission/ performance incentive paid to non-executive directors	16.50	7.50

The Company depreciates fixed assets based on estimated useful lives that are equal to or higher than those implicit in Schedule XIV of the Companies Act, 1956. Accordingly the rates of depreciation used by the Company are higher than the minimum rates prescribed by Schedule XIV.

9. Related Party Disclosures

a. List of related parties

i. Holding company
- M/s Everest Finvest (India) Private Limited (till 25 March, 2010)

ii. Subsidiary company
- M/s Everest Building Solutions Limited

iii. Key management personnel
- Mr. M. L. Gupta, Managing Director
- Mr. Manish Sanghi, COO and Director
- Mr. Y. Srinivasa Rao, Executive Director

b. Transactions with related parties during the year:

S. No.	Particulars	Year ended 31.03.2010 (Rs. /Lakhs)	Year ended 31.03.2009 (Rs. /Lakhs)
i.	Dividend paid to holding company M/s Everest Finvest (India) Private Limited (See note below)	185.34	296.54
ii.	Remuneration to key management personnel		
	Mr. M. L. Gupta	94.48	76.92
	Mr. Manish Sanghi	83.32	66.78
	Mr. Y. Srinivasa Rao	68.34	53.29

c. Balances outstanding with related parties at the year end:

S. No.	Particulars	As at 31.03.2010 (Rs. /Lakhs)	As at 31.03.2009 (Rs. /Lakhs)
i.	Share capital from holding company M/s Everest Finvest (India) Private Limited	(See note below)	741.35
ii.	Investment in equity of subsidiary company M/s Everest Building Solutions Limited	5.00	5.00
iii.	Performance incentive due to key management personnel		
	a. Mr. M. L. Gupta	34.00	24.00
	b. Mr. Manish Sanghi	30.00	21.00
	c. Mr. Y. Srinivasa Rao	26.00	17.00

Note:

M/s Everest Finvest (India) Private Limited was the holding company upto 25 March, 2010 (Also see Schedule 1)

10. Capital Work in Progress and Preoperative Expenditure

Capital work in progress and pre-operative expenditure comprise the following:

a. Capital work in progress

Particulars	As at 31.03.2010 (Rs./Lakhs)	As at 31.03.2009 (Rs./Lakhs)
i. Project assets	456.93	634.65
ii. Capital advances	166.41	20.23
iii. Unallocated project pre-operative expenditure (see b below)	9.51	39.30
	632.85	694.18

b. Preoperative expenditure

Particulars	As at 1.04.2009 (Rs./Lakhs)	01.04.2009 to 31.03.2010 (Rs./Lakhs)	As at 31.03.2010 (Rs./Lakhs)
Consumption of raw materials	2,780.42	–	2,780.42
Consumption of stores, spares and consumables	484.10	–	484.10
Salaries, wages and bonus	532.20	–	532.20
Contribution to provident and other funds	31.21	–	31.21
Workmen and staff welfare expenses	76.91	–	76.91
Rent	47.19	–	47.19
Repairs and maintenance – Others	113.35	8.26	121.61
Travelling	189.66	1.25	190.91
Power and fuel	397.11	–	397.11
Rates and taxes	3.46	–	3.46
Freight	197.95	–	197.95
Advertisement and sales promotion expenses	11.33	–	11.33
Excise duty	124.00	–	124.00
Insurance	55.34	–	55.34
Others	474.74	–	474.74
Less: Charged to closing inventory resulting from trial production on account of loading of overheads	(1,165.02)	–	(1,165.02)
	4,353.95	9.51	4,363.46
Interest	725.06	–	725.06
Less :Stores and spares capitalised to fixed assets during the year	(11.79)	–	(11.79)
Less :CWIP capitalised to fixed assets during the year	(2,896.01)	–	(2,896.01)
Less :Realisation from sale of trial run production	(2,131.91)	–	(2,131.91)
Less :Transferred to expenses	–	(39.30)	(39.30)
Unallocated preoperative expenditure	39.30	(29.79)	9.51

11. Segment Information

Consequent to commencement of Steel buildings business during the previous year Accounting Standard 'AS17 - Segment Reporting' has become applicable.

a. Business segments:

The Company's business segments include 'Building products' and 'Steel buildings'.

Building products include roofing, ceiling, wall, floor solutions etc.

Steel buildings consists of manufacture and supply of pre engineered and smart steel buildings.

b. Geographical segments:

Since the Company's activities/operations are primarily within the country and considering the nature of products/services it deals in, the risks and returns are same and as such there is only one geographical segment.

c. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

i. Segment revenue and expenses:

Segment revenue and expenses include the respective amounts identifiable to each of the segments. Unallocable items in segment results include income from bank deposits and corporate level expenses.

ii. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segments assets and liabilities do not include deferred income taxes.

Information about business segments:

Particulars	Building products (Rs. /Lakhs)	Steel buildings (Rs./Lakhs)	Total (Rs. /Lakhs)
1. Segment Revenue			
External sales (Net of excise duty)	52,784.67	12,468.75	65,253.42
	43,823.37	*9,121.79*	*52,945.16*
2. Segment Results	9,023.01	(816.12)	8,206.89
	5,868.31	*193.65*	*6,061.96*
Unallocated expenses (net of income)			3,040.26
			2,402.42
Operating Profit			5,166.63
			3,659.54
Interest expense			995.20
			1,648.06
Profit before tax			4,171.43
			2,011.48
Provision for taxation			1,170.16
			566.38
Net Profit			3,001.27
			1,445.10
3. Other Information			
A. Assets			
Segment assets	32,975.24	7,990.76	40,966.00
	35,039.14	*7,783.00*	*42,822.14*
Unallocated assets			2,783.55
			2,291.82
Total Assets	32,975.24	7,990.76	43,749.55
	35,039.14	*7,783.00*	*45,113.96*
B. Liabilities			
Segment liabilities	5,408.70	3,717.36	9,126.06
	5,109.65	*2,793.42*	*7,903.07*
Share capital and reserves			17,369.41
			15,133.15
Secured and unsecured loans			11,988.67
			18,463.40
Unallocated liabilities			5,265.41
			3,614.34
Total Liabilities	5,408.70	3,717.36	43,749.55
	5,109.65	*2,793.42*	*45,113.96*
C. Others			
Capital Expenditure	696.14	150.25	
	1,992.17	*2,496.43*	
Depreciation	1,489.82	240.85	
	1,451.55	*165.19*	
Non cash expenses other than depreciation	30.00	86.47	116.47
	74.08	*13.76*	*87.84*
Unallocable non cash expenses other than depreciation			34.14
			34.14

Previous year figures are in italics.

12. Lease Commitments

Operating Lease

The Company has taken property on cancellable and non-cancellable operating leases and has recognised rent of Rs. 484.44 lakhs (previous year Rs. 488.30 lakhs). The totals of future minimum lease payments under non-cancellable operating lease are set out as below:

Particulars		Year ended 31.03.2010 (Rs. /Lakhs)	Year ended 31.03.2009 (Rs. /Lakhs)
a)	Not later than one year	163.15	199.05
b)	Later than one year but not later than five years	719.58	890.66
c)	Later than five years	1,201.68	1,058.46

13. Changes in Foreign Exchange Rates

During the previous year, the Company had changed its policy on accounting for fluctuation on foreign exchange based on notification F.No.17/33/2008/CL-V dated March 31, 2009, issued by the Ministry of Corporate Affairs, which was effective 7 December 2006, allowing capitalisation of exchange differences arising on revaluation of long term foreign currency monetary items (like ECB) pertaining to depreciable capital assets to the cost of fixed assets and deferment of similar exchange fluctuation in "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) where it does not relate to acquisition of fixed assets. Further the balance transferred to the FCMITDA will need to be amortised over the period that is shorter of the maturity period of the monetary items or 31 March, 2011. Unamortised amount in FCMITDA is carried forward as deferred cost in the financial statements.

In accordance with the said notification, the Company during the current year has de-capitalized Rs. 614.15 lakhs (previous year capitalised an amount of Rs. 1,262.30 lakhs) from the cost of fixed assets and transferred Rs. Nil (previous year Rs. 105.58 lakhs) to FCMITDA. The amount so capitalised is being depreciated over the remaining useful life of the fixed assets and the balance in the FCMITDA account is being amortised over the period 1 April 2008 to 31 March 2011 which is shorter of the maturity period of the monetary items or 31 March, 2011. The unamortized amount of Rs. 34.13 lakhs (previous year Rs. 68.27 lakhs) has been carried forward in the financial statements as a deferred cost as at 31 March, 2010.

Further, the Company during the previous year ended 31 March, 2009 had also recognized a reversal of the exchange gain on such foreign currency monetary items aggregating to Rs. 13.19 lakhs which was credited to the Profit and loss account during the previous year ended 31 March, 2008 by debiting the opening balance of the General Reserve by Rs. 13.19 lakhs and crediting the FCMITDA by Rs 3.17 lakhs and crediting the cost of the opening balance of the fixed assets by Rs. 10.02 lakhs.

14. Earning Per Share

Particulars		Year ended 31.03.2010	Year ended 31.03.2009
a.	Number of equity shares of Rs. 10 each fully paid up at the year beginning	14,800,020	14,800,020
b.	Number of equity shares of Rs. 10 each fully paid up at the year end	14,815,648	14,800,020
c.	Weighted average number of equity shares used in computing earning per share	14,802,760	14,800,020
d.	Weighted average number of options granted under options	500,192	3,95,458
e.	Adjustment for number of options granted at fair value	500,192	3,95,458
f.	Net Profit for the year - (Rs. / lakhs)	3,001.27	1,445.10
g.	Basic earnings per share (Rupees)	20.28	9.76
h.	Diluted earnings per share (Rupees)	20.28	9.76
i.	Nominal value of equity shares (Rupees)	10.00	10.00

15. Capacity, Production and Sales

Particulars		Year ended 31.03.2010 (Tonnes)	Year ended 31.03.2009 (Tonnes)
(a)	Licensed capacity	Not applicable	Not applicable
(b)	Installed capacity		
	– Building products	710,000	710,000
	– Steel buildings (certified by the management, being a technical matter)	30,000	30,000
(c)	Production		
	– Building products	584,015	514,545
	– Steel buildings *	18,087	12,291
(d)	Sales		
	– Building products **	563,603	508,836
	– Steel buildings **	18,024	12,190

* Includes production of Nil (previous year 1,879 tonnes) during trial runs.

** Includes 12,239 tonnes (previous year 10,007 tonnes) on account of net breakages/ salvages and materials used for internal consumption/ capitalised, sale of Nil (previous year 1,315 tonnes) from goods produced during trial runs and 657 tonnes (previous year 768 tonnes) of steel scrap sold.

16. Inventories

Particulars	Year ended 31.03.2010 Quantity (Tonnes)	Year ended 31.03.2010 Amount (Rs./Lakhs)	Year ended 31.03.2009 Quantity (Tonnes)	Year ended 31.03.2009 Amount (Rs./Lakhs)
a. Closing stock				
i. Own products	25,763	2,086.10	17,410	1,280.45
ii. Resale materials		282.25		219.09
		2,368.35		1,499.54
iii. Work-in-progress		3,912.74		3,990.79
		6,281.09		5,490.33
b. Opening stock				
i. Own products	17,410	1,280.45	21,607	1,477.09
ii. Resale materials		219.09		263.77
		1,499.54		1,740.86
iii. Work-in-progress		3,990.79		2,883.05
		5,490.33		4,623.91

17. Raw Materials Consumed

Particulars	Year ended 31.03.2010 Quantity (Tonnes)	Year ended 31.03.2010 Amount (Rs./Lakhs)	Year ended 31.03.2009 Quantity (Tonnes)	Year ended 31.03.2009 Amount (Rs./Lakhs)
Raw fibre	42,622	13,689.81	35,555	9,636.11
Cement	231,209	8,728.56	207,679	7,764.30
Steel	18,841	8,051.29	12,678	6,568.64
Other materials		5,790.76		4,785.56
		36,260.42		28,754.61

18. Consumption of Imported/ Indigenous Raw Materials Stores, Spare Parts and Consumables

Particulars	Year ended 31.03.2010 Rs. /Lakhs	Year ended 31.03.2010 %	Year ended 31.03.2009 Rs./Lakhs	Year ended 31.03.2009 %
a. Raw materials				
(i) Imported	16,294.97	44.94	12,310.01	42.81
(ii) Indigenous	19,965.45	55.06	16,444.60	57.19
	36,260.42	100.00	28,754.61	100.00
b. Stores, spare parts and consumables (including packing materials)				
(i) Imported	24.10	0.88	3.96	0.14
(ii) Indigenous	2,703.87	99.12	2,813.06	99.86
	2,727.97	100.00	2,817.02	100.00

19. Other Additional Information

Particualrs	Year ended 31.03.2010 Rs./Lakhs	Year ended 31.03.2009 Rs./Lakhs
a. Imports (CIF) value		
(i) Raw materials	12,892.48	13,010.13
(ii) Traded items	237.36	131.71
(iii) Capital goods (including capital work-in-progress)	218.54	995.41
(iv) Stores and spares	16.38	9.47
b. Expenditure in foreign currency (on cash basis)		
(i) Travelling expenses	47.14	53.88
(ii) Professional fee	–	4.61
(iii) Interest	117.34	127.48
(iv) Repayment of external commercial borrowing	938.35	489.40
(v) Others	111.94	61.78
c. Earnings in foreign exchange		
FOB value of goods exported	3,875.45	3,561.05

20. Employee Stock Option Scheme

The Company has granted 140,000 options (previous year 144,850 options) during the year ended 31 March, 2010. The exercise price per option shall be the average of the two weeks high and low price of the share preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that stock exchange on the date prior to the date of grant of options, whichever is less. Options granted shall vest with the grantee after a period of one year from the date of grant. The exercise period of the options is a period of four years after the vesting of the options.

Particulars	ESOS (2006)	ESOS (2007)	ESOS (2008)	ESOS (2009)
Year in which scheme was established	2006 - 07	2007 - 08	2008 - 09	2009 - 10
Number of options authorised and granted	147,420	148,000	144,850	140,000
Exercise price	Rs. 90	Rs. 98	Rs. 52	Rs. 169
Vesting date	After one year from the date of grant of option			
Vesting requirement	One year service from the date of grant of option			
Exercise period	During four years after vesting date			

Option activity during the year under the plans is set out below:

Particulars	ESOS (2006)	ESOS (2007)	ESOS (2008)	ESOS (2009)
i. Opening balance	117,370 *132,350*	133,238 *148,000*	144,850 –	– –
ii. Granted during the year	– –	– –	– –	140,000 –
iii. Exercised during the year	3,910 –	11,718 –	– –	– –
iv. Forfeited during the year	– –	– –	– –	– –
v. Expired during the year	(5,160) *(14,980)*	(3,518) *(14,762)*	(10,960) –	– –
vi. Outstanding at the year end	108,300 *117,370*	118,002 *133,238*	133,890 *144,850*	140,000 –
vii. Options exercisable at the year end	108,300 *117,370*	118,002 *133,238*	133,890 –	140,000 –
viii. Weighted average remaining contractual life (years) at the year end	1.98 *2.98*	2.84 *2.84*	3.83 *4.83*	4.82 –

Previous year figures are in italics.

The Company has accounted the above options using the intrinsic value method. As noted by the Compensation Committee, the exercise price has been determined at the Rs. 169.00 and thus there is no stock compensation expenses under the intrinsic value method for the options granted.

The Guidance Note issued by the Institute of Chartered Accountants of India requires the disclosure of pro-forma net results and EPS both basic and diluted, had the Company adopted the fair value method. Had the Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the year ended March 31, 2010 would have been lower by Rs. 35.56 lakhs (previous year Rs. 46.41 lakhs) and the basic and diluted EPS would have been revised to Rs. 20.03 (previous year Rs. 9.45) and Rs. 20.03 (previous year Rs. 9.45) respectively. The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 5 years, an expected dividend yield of 2.84% (previous year 7.87%) on the underlying equity shares, volatility in the share price of 53.30% (previous year 63.24%) and a risk free rate of 7.42% (previous year 6.15%). The Company's calculations are based on a single option valuation approach, and forfeitures are recognised as they occur. The expected volatility is based on historical volatility of the share price during the year after eliminating the abnormal price fluctuations.

21. Previous year figures have been recast/ regrouped wherever necessary to conform to the current years' presentation.

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

Mumbai
24 April, 2010

Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's Gene ral Business Profile

I. Registration Details

Registration No. 2093 — State Code 11

Balance Sheet Date 31-03-10 (Date Month Year)

II. Capital raised during the year (Amount in Rs. '000)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
		Others	156

III. Position of mobilisation and deployment of funds (Amount in Rs. '000)

Total Liabilities	4374955	Total Assets	4374955

Sources of Funds

Paid-Up Capital	148156	Reserves & Surplus	1588785
Secured Loans	1198867	Unsecured Loans*	82974
Deferred Tax Liability (Net)	247940		

* *(Stockist's Deposits)*

Application of funds

Net Fixed Assets	2266032	Investments	500
Net Current Assets	996777	Miscellaneous Expenditure	3413

IV. Performance of the Company (Amount in Rs. '000)

Turnover (Including other income)	6621615	Total Expenditure	6204472
Profit/(Loss) Before Tax	417143	Profit/(Loss) After Tax	300127
Earning Per Share in Rs.	20.28	Dividend Rate (%)	45%

V. Generic Names of three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	6811 10 00
Product Description	ASBESTOS CEMENT CORRUGATED SHEETS
Item Code No. (ITC code)	6811 20 90
Product Description	FIBRE CEMENT SHEETS OTHER THAN CORRUGATED
Item Code No. (ITC code)	9406 00 19
Product Description	PREFABRICATED STEEL BUILDING

For and on behalf of EVEREST INDUSTRIES LIMITED

M.L. GUPTA Managing Director	MANISH SANGHI COO and Director
RAKESH K. GUPTA Sr. Vice President (Finance)	NEERAJ KOHLI Company Secretary and Head-Legal

Mumbai
24 April, 2010

Statement Pursuant To Section 212 Of The Companies Act, 1956, Relating To Subsidiary Company

1.	Name of the Company				EVEREST BUILDING SOLUTIONS LIMITED
2.	Financial year of the subsidiary Company				31.03.2010
3.	(a)	Number of equity shares held in the subsidiary Company by holding Company at the above date.		(Nos.)	50,000 of Rs. 10/- each
		% Holding (equity)			100%
	(b)	Number of preference shares Held in the Company by holding Company by holding Company at the above date.		(Nos.)	Nil
		% Holding (preference)			
4.	The net aggregate of profits less losses of the subsidiary Company so far as it concerns the members of hold Company.				
	(i)	Dealt with in the accounts of the holding Company amounted to:			
		(a)	for the subsidiary's financial year ended on 31.03.2010	(Rs.)	Nil
		(b)	for the previous financial years of the subsidiary since it became subsidiary	(Rs.)	Nil
	(ii)	Not dealt with in the accounts of the holding Company amounted to:			
		(a)	for the subsidiary's financial year ended 31.03.2010	(Rs./lacs)	Nil
		(b)	for the previous financial years of the subsidiary since it became subsidiary	(Rs./lacs)	Nil

5. As the financial year of subsidiary Company coincides with the financial year of the holding Company, section 212(5) of the Companies Act, 1956, is not applicable.

To The Members of

Everest Building Solutions Ltd

Your Directors have pleasure in presenting their third Annual Report of the Company together with the Audited Accounts for the financial year ended March 31, 2010.

During the year the company incurred expenses of Rs. 15,770/-. The Company has not yet started its business of operations.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of sub section 2AA of Section 217 of the Companies Act, 1956, your Directors state and confirm :

1. That in the preparation of Annual accounts for the year ended 31st March, 2010, the applicable accounting standards have been followed.
2. That Directors have selected such accounting policies, applied them consistently and made judgment and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company for the financial year ended 31st March, 2010.
3. That proper and sufficient care for the maintenance of 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 frauds and irregularity have been ensured.
4. That the Accounts for the year ended 31st March, 2010, have been prepared on a going concern basis.

The company did not invite or accept any deposit from the public during the year under review.

Mr. Y. Srinivasa Rao, Director, retires by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting of the company. The Board commends his appointment as Director of the Company.

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 there were no employees who were in receipt of remuneration of not less than Rs. 2,00,000/- per month.

The Directors have nothing to report on conservation of energy etc. in pursuance of sub section (1)(e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 as the Company is yet to commence the business.

The Auditors of the company, M/s. S.L. Agrawal & Co., Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. It is proposed to appoint the present auditors to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

For and on Behalf of the Board of Directors

Manish Sanghi
Director

Y. Srinivasa Rao
Director

New Delhi
April 14, 2010

To

The Members,

EVEREST BUILDING SOLUTIONS LIMITED

1. We have audited the attached Balance Sheet of M/S EVEREST BUILDING SOLUTIONS LIMITED as at 31st March, 2010. These financial statements are responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with accounting standards generally accepted in India. Those standards require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatement. An audit includes (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statements, (b) assessing the accounting principles in the preparation of financial statements, (c) assessing significant estimates made by the management in the preparation of the financial statements and (d) evaluating over all financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. The Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 is not applicable to the company.

Further we report that:

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

b) In our opinion, proper books of account as required by law, have been kept by the Company, so far as appears from our examination of the books of the Company;

c) The Balance Sheet referred to in this report is in agreement with the books of account of the Company;

d) In our opinion the accounts complies with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as a director under section 274(1)(g) of the Companies Act, 1956.

   In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet read together with other notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view of the state of affairs of the Company in conformity with the accounting principles generally accepted in India.

For S L AGRAWAL & CO.
Chartered Accountants

New Delhi
14 April, 2010

S L AGRAWAL
Partner

As at 31 March 2010

	Schedule Reference	Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
(a) Share Capital	1	5.00		5.00
			5.00	5.00
APPLICATION OF FUNDS				
2. CURRENT ASSETS, LOANS AND ADVANCES				
(a) Cash and Bank Balances	2	4.15		4.30
(b) Other Current Assets	3	0.25		–
		4.40		4.30
3. LESS - CURRENT LIABILITIES AND PROVISIONS				
(a) Current Liabilities	4	0.10		0.10
(b) Provisions	5	0.08		–
		0.18		0.10
4. NET CURRENT ASSETS			4.22	4.20
5. MISCELLANEOUS EXPENDITURE	6		0.78	0.80
			5.00	5.00
Notes forming part of the accounts	7			

For and on behalf of
EVEREST BUILDING SOLUTIONS LIMITED

For S.L. AGRAWAL & CO
Chartered Accountants

S.L. AGRAWAL
Partner

MANISH SANGHI
Director

Y.SRINIVASA RAO
Director

New Delhi
14 April, 2010

For the year ended 31 March 2010

	Year ended 31.03.2010 Rs./Lakhs	Year ended 31.03.2009 Rs./Lakhs
A. Cash flow from operating activities		
Net Profit / (Loss) before Tax	–	–
Operating profit before working capital changes	–	–
Adjustments for :		
Pre–operative Expensess		
Other receivables	(0.25)	–
Trade payables	0.08	–
Miscellaneous expenditure development expenses	0.02	(0.30)
Cash generated from operations	(0.15)	(0.30)
Direct Taxes – Refund / (Paid)	–	–
Net Cashflow from Operating activities	(0.15)	(0.30)
Net increase/(decrease) in cash and cash equivalents	(0.15)	(0.30)
– Opening balance	4.30	4.60
– Closing balance	4.15	4.30

Notes:

1. All figures in brackets are outflow
2. Cash and Cash Equivalent is Cash and Bank Balances as per Balance Sheet.

As per separate report of attached

For and on behalf of
EVEREST BUILDING SOLUTIONS LIMITED

For S.L. AGRAWAL & CO
Chartered Accountants

S.L. AGRAWAL
Partner

MANISH SANGHI
Director

Y.SRINIVASA RAO
Director

New Delhi
14 April, 2010

	Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SCHEDULE 1			
SHARE CAPITAL			
1. Authorised			
50,000 Equity shares of Rs. 10 each (previous year 50,000 equity shares of Rs. 10 each)		5.00	5.00
2. Issued, Subscribed and paid up			
50,000 Equity shares of Rs. 10 each (previous year 50,000 equity shares of Rs. 10 each)		5.00	5.00
50,000 (previous year - 50,000) equity shares are held by M/ s.Everest Industries Limited, the holding company			
SCHEDULE 2			
CASH AND BANK BALANCES			
1. Balance with Scheduled Banks			
– Current Accounts		0.05	4.30
– Deposit Accounts		4.10	–
		4.15	4.30
SCHEDULE 3			
OTHER CURRENT ASSET			
1. Interest Accrued on Bank Deposit		0.25	–
		0.25	–
SCHEDULE 4			
CURRENT LIABILITIES			
1. SUNDRY CREDITORS			
(a) Others		0.10	0.10
		0.10	0.10
SCHEDULE 5			
PROVISIONS			
(a) Provision for tax		0.08	–
		0.08	–
SCHEDULE 6			
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
Preliminary Expenses			
Opening Balance	0.23		–
Add: Addition during the year	–		0.23
Less: Amortised during the Year	–		–
		0.23	0.23
Preoperative Expenses			
Opening Balance	0.57		–
Add: Addition during the year	(0.02)		0.27
Less: Amortised during the Year	–		0.30
		0.55	0.57
		0.78	0.80

SCHEDULE 7

ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

[A]. Significant Accounting Policies

General:

1. The accounts of the Company are prepared under the historical cost convention using the accrual method of the accounting and are in accordance with requirement of the Companies Act, 1956.

2. No profit and loss account is prepared as the Company has not started business activities.

[B]. NOTES ON ACCOUNTS

1. In the opinion of the Board of Directors, the current assets, loans & advance have a value on realisation in the ordinary course of business at least equal to the amount at which they have been stated in the Balance Sheet.

	Current Year 31.03.2010 (Rs./Lakhs)	Previous year 31.03.2009 (Rs./Lakhs)
2. A. Earning in the foreign Currency	Nil	Nil
B. Expenditure in the foreign Currency	Nil	Nil

3. Payment to directors :

	Current Year 31.03.2010 (Rs./Lakhs)	Previous year 31.03.2009 (Rs./Lakhs)
Salary and allowance	Nil	Nil

4. Payment to Auditors

	Current Year 31.03.2010 (Rs./Lakhs)	Previous year 31.03.2009 (Rs./Lakhs)
Audit Fees	0.10	0.10

5. Preoperative Expenses

	As at 31.03.2009 (Rs./Lakhs)	01.04.2009 to 31.03.2010 (Rs./Lakhs)	As at 31.03.2010 (Rs./Lakhs)
Legal and Professional Charges	0.36	0.02	0.38
Audit Fees	0.20	0.10	0.30
Rates and Taxes	0.01	0.00	0.01
Bank Charges	0.00	0.03	0.03
Tax on Interest income	0.00	0.08	0.08
Interest income on FDR	0.00	(0.25)	(0.25)
	0.57	(0.02)	0.55

6. Additional information pursuant to the provisions of Paragraphs 3 and 4 the part II of the Schedule VI of the Companies Act, 1956.

a. Licensed & Installed Capacity N.A.

		Current Year 31.03.2010		Previous year 31.03.2009	
		Qty	Value	Qty	Value
b.	Particulars of Goods manufactured	Nil	Nil	Nil	Nil
c.	Stock of Finished Goods	Nil	Nil	Nil	Nil
d.	Turnover of Finished Goods	Nil	Nil	Nil	Nil

e. Value of all imported/indigenous materials stores, spares and components consumed

		Current Year 31.03.2010	Previous year 31.03.2009
	Raw Material		
	Indigenous As % of Total	Nil	Nil
	Imported As % of Total	Nil	Nil
f.	Value of Imports on CIF Basis	Nil	Nil

For and on behalf of
EVEREST BUILDING SOLUTIONS LIMITED

For S.L. AGRAWAL & CO
Chartered Accountants

S.L. AGRAWAL
Partner

MANISH SANGHI
Director

Y.SRINIVASA RAO
Director

New Delhi
14 April, 2010

ADDITIONAL INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	U45201MH2007PLC171720	State Code	11
Balance Sheet Date	31-03-10 (Date Month Year)		

II. Capital raised during the year (Amount in Rs. '000)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of mobilisation and deployment of funds (Amount in Rs. '000)

Total Liabilities	500	Total Assets	500
Sources of funds			
Paid-Up Capital	500	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL
Deferred Tax Liability (Net)	NIL		
Application of funds			
Net Fixed Assets	NIL	Investments	NIL
Net Current Assets	422	Miscellaneous Expenditure	78

IV. Performance of the Company (Amount in Rs.)

Turnover (Including other income)	NIL	Total Expenditure	NIL
Profit/(Loss) Before Tax	NIL	Profit/(Loss) After Tax	NIL
Earning Per Share in Rs.	NIL	Dividend Rate (%)	NIL

V. Generic Names of three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	
Product Description	
Item Code No. (ITC code)	
Product Description	
Item Code No. (ITC code)	
Product Description	

For and on behalf of
EVEREST BUILDING SOLUTIONS LIMITED

New Delhi	MANISH SANGHI	Y.SRINIVASA RAO
14 April, 2010	Director	Director

TO THE BOARD OF DIRECTORS OF EVEREST INDUSTRIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of EVEREST INDUSTRIES LIMITED ("the Company") and its subsidiary (the Company and its subsidiary constitute "the Group") as at 31 March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of the Company's subsidiary, whose financial statements reflect total assets of Rs. 5.00 lakhs, as at 31 March, 2010, total revenues of Rs. Nil and net cash inflows amounting to Rs. 0.15 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of the Company's subsidiary, is based solely on the reports of the other auditors.

4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules, 2006.

5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiary, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2010;

   (ii) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 015125N)

ALKA CHADHA
Partner
(Membership No. 93474)

Mumbai
24 April, 2010

As at 31 March 2010

	Schedule Reference	Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
a. Share capital	1	1,481.56		1,480.00
b. Reserves and surplus	2	15,887.85		13,653.15
			17,369.41	15,133.15
2. LOAN FUNDS				
a. Secured loans	3	11,988.67		16,463.40
b. Unsecured loans	4	–		2,000.00
			11,988.67	18,463.40
3. STOCKISTS' DEPOSITS (UNSECURED)			829.74	457.28
4. DEFERRED TAX LIABILITY (Net) (see note 7)			2,479.40	1,802.65
			32,667.22	35,856.48
APPLICATION OF FUNDS				
1. FIXED ASSETS	5			
a. Gross block		33,529.40		33,356.67
b. Less: Depreciation		11,501.93		9,898.40
c. Net block		22,027.47		23,458.27
d. Capital work in progress (see note 10)		632.85		694.18
			22,660.32	24,152.45
2. CURRENT ASSETS, LOANS AND ADVANCES				
a. Inventories	6	12,332.32		12,956.52
b. Sundry debtors	7	2,318.58		2,384.35
c. Cash and bank balances	8	1,924.84		2,262.41
d. Interest accrued but not due		2.98		2.59
e. Loans and advances	9	4,475.70		3,286.67
		21,054.42		20,892.54
3. LESS - CURRENT LIABILITIES AND PROVISIONS				
a. Current liabilities	10	9,636.75		8,239.16
b. Provisions	11	1,445.68		1,018.42
		11,082.43		9,257.58
4. NET CURRENT ASSETS			9,971.99	11,634.96
5. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT	12		34.13	68.27
6. MISCELLANEOUS EXPENDITURE	13		0.78	0.80
			32,667.22	35,856.48
Notes forming part of the accounts	19			

The schedules referred to above are integral part of the balance sheet.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner
(Membership No. 93474)

Mumbai
24 April, 2010

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

Mumbai
24 April, 2010

For the year ended 31 March 2010

	Schedule Reference	Rs./Lakhs	Year ended 31.03.2010 Rs./Lakhs	Year ended 31.03.2009 Rs./Lakhs
INCOME				
1. Sale of products	14	68,090.20		55,201.06
Less: Excise duty				
(including education cess) recovered		2,836.78		2,255.90
			65,253.42	52,945.16
2. Other income	15		962.73	479.25
			66,216.15	53,424.41
EXPENDITURE				
3. Manufacturing, operating and selling expenses	16	60,003.74		48,917.49
4. (Increase)/ decrease in inventory	17	(790.76)		(866.42)
5. Depreciation	5	1,836.54		1,713.80
6. Interest	18	995.20		1,648.06
			62,044.72	51,412.93
PROFIT BEFORE TAX			4,171.43	2,011.48
7. Provision for taxation				
a. Current tax		708.94		219.83
b. Minimum alternative tax credit entitlement		(215.53)		(218.21)
		493.41		1.62
c. Fringe benefit tax		–		85.47
d. Deferred tax (see note 7)		676.75		479.29
			1,170.16	566.38
PROFIT AFTER TAX			3,001.27	1,445.10
8. Balance brought forward from previous year			6,239.05	5,376.83
9. Amount available for appropriation			9,240.32	6,821.93
APPROPRIATIONS				
10. General reserve		310.00		150.00
11. Proposed dividend		666.70		370.00
12. Tax on distributed profits		113.31		62.88
			1,090.01	582.88
BALANCE CARRIED TO RESERVES AND SURPLUS			8,150.31	6,239.05
Earnings Per Equity Share [Face value - Rs. 10 per share (see note 14)]				
Basic and diluted earnings per share (Rupees)			20.28	9.76
Notes forming part of the accounts	19			

The schedules referred to above are integral part of the profit and loss account.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner
(Membership No. 93474)

Mumbai
24 April, 2010

For and on behalf of
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Company Secretary and Head-Legal

Mumbai
24 April, 2010

For the year ended 31 March 2010

		Year ended 31.03.2010 Rs./Lakhs	Year ended 31.03.2009 Rs./Lakhs
A.	Cash flow from operating activities		
	Net profit/ (loss) before tax	4,171.43	2,011.48
	Depreciation	1,836.54	1,713.80
	(Profit)/ loss on sale of other fixed assets (net)	1.70	(140.13)
	Interest income	(148.77)	(185.33)
	Interest expense	995.20	1,648.06
	Excess provisions made in previous years written back	(57.35)	(28.53)
	Unrealised foreign exchange gain/(loss) on ECB	614.15	(1,262.30)
	Provision for compensated absences and gratuity	80.13	256.24
	Operating profit before working capital changes	7,493.03	4,013.29
	Adjustments for:		
	Trade receivables	65.77	(1,695.41)
	Inventories	624.20	(5,056.70)
	Other receivables	(175.01)	(651.26)
	Trade payables	1,682.72	2,758.82
	Miscellaneous expenditure	34.15	(68.57)
	Cash generated from operations	9,724.86	(699.83)
	Transferred to foreign currency monetary item translation difference account	–	(3.17)
	Direct taxes (paid)	(1,507.43)	(710.69)
	Net cashflow from operating activities	8,217.43	(1,413.69)
B.	Cash flow from investing activities-		
	Purchase of fixed assets	(855.15)	(2,883.55)
	Sale of fixed assets	7.77	267.48
	Investment	–	0.97
	Interest received	148.38	201.80
	Net cash used in investing activities	(699.00)	(2,413.30)
C.	Cash flow from financing activities-		
	Interest paid	(969.34)	(1,658.15)
	Increase in share capital	1.56	–
	Share premium received	13.44	–
	Proceeds from/ (repayment of) short term borrowings	(2,647.22)	3,336.24
	Proceeds from/ (repayment of) long term borrowings	(3,827.50)	1,944.00
	Dividend paid	(364.06)	(589.63)
	Dividend tax paid	(62.88)	(100.61)
	Net cash used in financing activities	(7,856.00)	2,931.85
Net increase/ (decrease) in cash and cash equivalents (A + B + C)		(337.57)	(895.14)
	– Opening balance	2,262.41	3,157.55
	– Closing balance	1,924.84	2,262.41

Notes : Cash and cash equivalents as at the year end include restricted cash of Rs. 76.47 lakhs (Previous year Rs. 354.38 lakhs)

As per our report of even date attached.

For and on behalf of
EVEREST INDUSTRIES LIMITED

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner
(Membership No. 93474)

Mumbai
24 April, 2010

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Company Secretary and Head-Legal

Mumbai
24 April, 2010

SCHEDULE 1

SHARE CAPITAL

		Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
1. Authorised				
17,000,000	Equity shares of Rs. 10 each (previous year 17,000,000 equity shares of Rs. 10 each)		1,700.00	1,700.00
2. Issued				
14,815,648	Equity shares of Rs. 10 each (previous year 14,800,020 equity shares of Rs. 10 each)		1,481.56	1,480.00
3. Subscribed and paid up				
14,815,648	Equity shares of Rs. 10 each fully paid up (previous year 14,800,020 equity shares of Rs. 10 each fully paid up)		1,481.56	1,480.00

Of the above:

a. 15,000 (previous year -15,000) equity shares are alloted as fully paid up pursuant to a contract without payment being received in cash

b. 13,350,020 (previous year - 13,350,020) equity shares are alloted as fully paid up by way of bonus shares by capitalisation of general reserve

c. 7,373,470 (previous year - 7,413,470) equity shares are held by M/s Everest Finvest (India) Private Limited, the holding company upto 25 March, 2010

SCHEDULE 2

RESERVES AND SURPLUS

	Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
1. Share premium account			
Opening balance	–		–
Add: Received during the year	13.44	13.44	–
2. General reserve			
Opening balance	7,414.10		7,277.29
Add: Amount transferred from the Profit and loss account	310.00		150.00
	7,724.10		7,427.29
Less: Adjustment as per revised AS 11 [see note 13]			
Exchange gain transferred to foreign currency monetary item translation difference account	–		3.17
Exchange gain capitalised	–		10.02
		7,724.10	7,414.10
3. Profit and loss account		8,150.31	6,239.05
		15,887.85	13,653.15

SCHEDULE 3

SECURED LOANS

	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
1. Loans from banks:		
– On cash credit account	2,511.43	5,361.46
– Term loans	1,693.75	3,968.75
– External commercial borrowing	4,090.50	5,643.00
– Others	3,692.99	1,490.19
	11,988.67	16,463.40

Notes :

a. Loans from banks on cash credit account of Rs. 2,511.44 lakhs (previous year Rs. 5,361.46 lakhs) are secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables and second pari-passu charge on all fixed assets, land and buildings both present and future, except land and building situated at Podanur plant (on which State Bank of India has an exclusive charge) and at Kolkata plant.

b. Term loans include:

(i) Corporate loan of Rs. 1,000.00 lakhs (previous year Rs. 2,000.00 lakhs) from a bank is secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables and exclusive first charge over land and building at Podanur and second pari-passu charge on all fixed assets, land and building both present and future, except land and building situated at Podanur plant (on which State Bank of India has an exclusive charge) and Kolkata plant (Due within one year Rs. 1,000.00 lakhs, previous year Rs 250.00 lakhs).

(ii) Loan of Rs. 693.75 lakhs (previous year Rs. 1,968.75 lakhs) from a bank secured by way of creation of a first pari-passu charge on all fixed assets of the Company excluding fixed assets situated at Podanur and Kolkata plants and second pari-passu charge on all current assets of the Company (Due within one year Rs. 693.75 lakhs, previous year Rs. 875.00 lakhs).

c. External commercial borrowing (ECB) of Rs. 4,090.50 lakhs (previous year Rs. 5,643.00 lakhs) is secured by a first pari-passu charge to be created over all the immoveable and moveable fixed assets other than the immoveable fixed assets situated at Podanur plant and second pari-passu charge on all current assets of the Company.

d. Others include short term loans from bank aggregating to Rs. 3,692.99 lakhs (previous year Rs. 1,490.19 lakhs) by way of buyer's credit are secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables and second pari-passu charge on all fixed assets, land and buildings both present and future, except land and building situated at Podanur plant (on which State Bank of India has an exclusive charge) and at Kolkata plant.

	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SCHEDULE 4		
UNSECURED LOANS		
Commercial paper	–	2,000.00
[Maximum amount outstanding during the year - Rs. 2,000.00 lakhs (previous year - Rs. 4,000.00 lakhs)]		
	–	2,000.00

SCHEDULE 5

FIXED ASSETS Rs./Lakhs

Particulars	Gross block				Depreciation				Net block	
	As at 1.04.2009	Additions	Deletions/ Adjustments	As at 31.03.2010	As at 01.04.2009	For the Year	Deletions/ Adjustments	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
TANGIBLE ASSETS										
LAND										
Land–Freehold	1,410.27	–	–	1,410.27	31.54	–	–	31.54	1,378.73	1,378.73
BUILDING										
Building–On freehold land	6,825.74	6.66	98.58	6,733.82	1,603.42	333.39	42.04	1,894.77	4,839.05	5,222.32
Building–On leased land	111.22	–	–	111.22	97.18	1.91	–	99.09	12.13	14.04
Leasehold improvement	131.42	12.11	–	143.53	35.02	13.74	–	48.76	94.77	96.40
Railway siding	1.39	–	–	1.39	1.39	–	–	1.39	–	–
Roads	220.06	–	–	220.06	52.16	7.31	–	59.47	160.59	167.90
PLANT AND MACHINERY	22,857.57	793.05	693.36	22,957.26	7,052.26	1,253.84	139.47	8,166.63	14,790.63	15,805.31
FURNITURE FIXTURES AND OFFICE EQUIPMENT	1,256.15	124.87	61.28	1,319.74	743.97	110.13	51.50	802.60	517.14	512.18
VEHICLES	140.73	5.53	–	146.26	86.34	18.44	–	104.78	41.48	54.39
INTANGIBLE ASSETS										
Computer software	152.37	87.14	3.41	236.10	43.52	52.95	–	96.47	139.63	108.85
Technical knowhow	249.75	–	–	249.75	151.60	44.83	–	196.43	53.32	98.15
Total	33,356.67	1,029.36	856.63	33,529.40	9,898.40	1,836.54	233.01	11,501.93	22,027.47	23,458.27
Previous year	19,891.07	13,722.03	256.43	33,356.67	8,313.68	1,713.80	129.08	9,898.40	23,458.27	11,577.39

Notes :

1. Cost of land–freehold as at 31 March, 2010 includes Rs. 166.54 lakhs (previous year Rs. 166.54 lakhs) representing land –freehold held for sale. This freehold land costing Rs. 166.54 lakhs was revalued at Rs.135.00 lakhs based on an independent valuation and accordingly Rs. 31.54 lakhs was provided for "Loss on impairment of fixed assets" in earlier years.
2. Deletion during the year of Rs. 856.63 lakhs includes Rs. 614.15 lakhs due to decapitalisation on account of exchange fluctuation on long term foreign exchange borrowing (see note 13).

	Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SCHEDULE 6			
INVENTORIES			
1. Raw materials			
a. On hand	4,772.74		6,501.86
b. In transit	474.08		180.31
		5,246.82	6,682.17
2. Stores and spare parts			
a. Packing materials	28.79		8.12
b. Stores and spares	775.62		775.90
		804.41	784.02
3. Work-in-progress		3,912.74	3,990.79
4. Finished goods			
a. Manufactured products	2,086.10		1,280.45
b. Traded products	282.25		219.09
		2,368.35	1,499.54
		12,332.32	12,956.52

	Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
SCHEDULE 7			
SUNDRY DEBTORS			
1. Debts exceeding six months (unsecured)			
– Considered good	329.39		–
– Considered doubtful	–		91.63
Less: Provision for doubtful debts	–		91.63
		329.39	–
2. Other debts			
– Secured considered good		1,192.61	1,218.82
– Unsecured considered good		796.58	1,165.53
		2,318.58	2,384.35
SCHEDULE 8			
CASH AND BANK BALANCES			
1. Cash on hand		7.10	4.84
2 Cheques on hand		804.14	522.61
3. Balances with scheduled banks			
– Current accounts [includes Rs. 46.29 lakhs (previous year Rs. 40.35 lakhs) as balance in unpaid dividend account]		1,079.32	1,414.70
– Deposit accounts		34.28	320.26
[includes Rs. 30.18 lakhs (previous year Rs. 314.03 lakhs) as margin for bank guarantees/ letters of credit]			
		1,924.84	2,262.41
SCHEDULE 9			
LOANS AND ADVANCES - (unsecured, considered good)			
1. Balances with excise, customs and port trust authorities		554.43	633.32
2. Advances recoverable in cash or kind or for value to be received		1,741.94	1,491.06
3. Advances to suppliers		495.05	492.03
4. Advance taxes [Net of provision for current tax and fringe benefit tax-Rs. 5,065.20 lakhs (previous year Rs. 4,356.26 lakhs)]		1,250.54	452.05
5. Minimum alternative tax credit entitlement		433.74	218.21
		4,475.70	3,286.67

SCHEDULE 10

CURRENT LIABILITIES

		Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
1.	Sundry creditors			
	a. Micro and small enterprises *			
	– Due for more than 45 days	–		–
	– Others	8.70		–
	b. Others	6,124.90		5,359.99
			6,133.60	5,359.99
2.	Advances from customers		1,898.50	1,517.42
3.	Retention monies		185.69	92.21
4.	Unpaid dividend **		46.29	40.35
5.	Interest accrued but not due		57.11	31.24
6.	Provision for MTM loss on derivative transactions		745.74	614.88
7.	Other liabilities		569.82	583.07
			9,636.75	8,239.16

* No interest has been paid or is payable under the terms of the Micro, Small and Medium Enterprises Development Act, 2006.

** Unpaid dividend does not include any amount outstanding as on 31 March, 2010 required to be credited to the Investor Education and Protection Fund.

SCHEDULE 11

PROVISIONS

		As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
1 .	Gratuity	287.73	241.78
2 .	Compensated absences	377.94	343.76
3 .	Proposed dividend	666.70	370.00
4.	Provision for dividend distribution tax	113.31	62.88
		1,445.68	1,018.42

SCHEDULE 12

FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT
(To the extent not written off or adjusted)

		As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
1.	Opening balance	68.27	–
2.	Add : Provision in relation to current year	–	105.58
3.	Less :Transferred from general reserve on account of foreign exchange fluctuation gain of previous year	–	3.17
4.	Less: Amortised during the year	34.14	34.14
		34.13	68.27

SCHEDULE 13

MISCELLANEOUS EXPENDITURE
(To the extent not written off or adjusted)

	Rs./Lakhs	As at 31.03.2010 Rs./Lakhs	As at 31.03.2009 Rs./Lakhs
Preliminary Expenses			
Opening Balance	0.23		–
Add: Addition during the year	–		0.23
Less: Amortised during the year	–		–
		0.23	0.23
Preoperative Expenses			
Opening Balance	0.57		0.27
Add: Addition/(deletion) during the year	(0.02)		0.30
Less: Amortised during the year	–		–
		0.55	0.57
		0.78	0.80

		Rs./Lakhs	Year Ended 31.03.2010 Rs./Lakhs	Year Ended 31.03.2009 Rs./Lakhs
SCHEDULE 14				
SALE OF PRODUCTS				
a.	Sale of building products		55,256.54	45,695.73
b.	Sale of steel buildings		11,579.46	9,252.37
c.	Revenue from erection of buildings		889.29	623.38
d.	Others		364.91	383.54
			68,090.20	55,955.02
Less:	Realisation from sale of trial run production transferred to capital work in progress (see note 10)		–	753.96
			68,090.20	55,201.06
SCHEDULE 15				
OTHER INCOME				
a.	Sale of scrap		131.16	74.75
b.	Excess provisions made in earlier years written back		57.35	28.53
c.	Profit on sale of fixed assets (net)		–	140.13
d.	Interest from bank and others *		148.77	185.33
e.	Foreign exchange gain (net)		437.98	–
f.	Miscellaneous income		187.47	50.51
			962.73	479.25
	* Income tax deducted at source Rs. 13.49 lakhs (previous year Rs. 3.60 lakhs)			
SCHEDULE 16				
MANUFACTURING, OPERATING AND SELLING EXPENSES				
1.	Purchase of traded goods		327.74	407.83
2.	Cost for erection of buildings		890.66	630.00
3.	Consumption of raw materials		36,260.42	28,754.61
4.	Payments to and provisions for employees			
	a. Salaries, wages and bonus	5,460.77		4,731.97
	b. Contributions to provident and other funds	493.23		518.62
	c. Workmen and staff welfare expenses	348.11		379.49
			6,302.11	5,630.08
5.	Operation and other expenses			
	a. Consumption of stores, spares and consumables	2,238.61		2,438.06
	b. Consumption of packing materials	489.36		378.96
	c. Power and fuel	2,348.84		2,045.48
	d. Repairs and maintenance			
	– Building	269.12		205.97
	– Machinery	763.16		666.44
	– Others	148.90		128.86
	e. Rent	484.44		488.30
	f. Rates and taxes	155.46		90.26
	g. Insurance	62.89		42.24
	h. Depot handling expenses	238.33		233.93
	i. Discount, rebates and allowances	6.86		14.71
	j. Commission on sales	385.01		303.26
	k. Travelling	656.10		661.91
	l. Advertisement and sales promotion expenses	1,050.21		829.43
	m. Bad debts written off	86.47		–
	n. Provision for bad debts	–		58.35
	o. Foreign exchange loss (net)	–		334.31
	p. Loss from derivatives	362.93		121.37
	q. Loss on sale of fixed assets	1.70		–
	r. Other expenses	1,901.75		1,816.66
	s. Outward freight charges on finished goods	4,537.21		3,850.17
	t. Excise duties on stock transfer	68.59		75.63
			16,255.94	14,784.30
			60,036.87	50,206.82
	Less: Stores and spares capitalised		23.62	28.90
	Less: Pre-operative expenses transferred to capital work in progress (see note 10)		9.51	1,260.43
			60,003.74	48,917.49

	Year Ended 31.03.2010 Rs./Lakhs	Year Ended 31.03.2009 Rs./Lakhs
SCHEDULE 17		
(INCREASE)/ DECREASE IN INVENTORY		
1. Closing stocks -		
i. Stock - in - trade	2,368.35	1,499.54
ii. Work in progress	3,912.74	3,990.79
	6,281.09	5,490.33
2. Opening stocks -		
i. Stock - in - trade	1,499.54	1,740.86
ii. Work in progress	3,990.79	2,883.05
	5,490.33	4,623.91
	(790.76)	(866.42)
SCHEDULE 18		
INTEREST		
1. Term loans	411.84	603.00
2. Others	583.36	1,162.85
	995.20	1,765.85
Less : Pre-operative expenses transferred to capital work in progress (see note 10)	–	117.79
	995.20	1,648.06

SCHEDULE 19

NOTES FORMING PART OF THE ACCOUNTS

1. Significant Accounting Policies

(i) Accounting Convention

These financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and in accordance with the provisions of the Companies Act, 1956, as adopted consistently by Everest Industries Limited ("the Company").

(ii) Principles of Consolidation

The consolidated financial statements relate to the Company and its 100% Indian subsidiary Everest Building Solutions Limited (the Company and its subsidiary constitute "the Group"). The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary have been consolidated on a line by line basis by adding together the book values of like items of assets and liabilities after fully eliminating intra group balances.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions.

(iii) Use of Estimates

The preparation of financial statements requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Example of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income taxes, accounting for contract costs expected to be incurred to complete construction and the useful lives of fixed assets.

(iv) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

Depreciation on assets is charged proportionately from the month of acquisition/ installation on a straight line basis on rates prescribed by schedule XIV of the Companies Act,1956 other than for the following assets, where higher rates are used based on the useful life of the assets as determined by the Group:

Furniture, fixtures and office equipment (except data processing equipment)	10%
Buildings	5%
Factory roads	3.34%
Vehicles	20%
Pallets used for autoclaving	20%

Leasehold land and improvements are amortised over the term of the lease.

Technical know-how is amortised over the term of the agreement. Computer software is amortised over a period of 3 years.

Assets acquired under finance lease are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments and are depreciated over the lease term or useful life, whichever is shorter. Lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

(v) Revenue Recognition

Revenue from sale of products is recognised on dispatch of goods to customers which coincides with the transfer of risk and rewards associated with the ownership of goods. Sales are net of rebates and sales taxes, wherever applicable.

Revenue from erection business on fixed price contracts is recognised in accordance with the percentage of completion method based on the work completed.

(vi) Investments

Investments are stated at cost. Provision is made for other than temporary diminution in the value of investments.

(vii) Inventories

Inventories are valued at cost or net realisable value, whichever is lower and includes all applicable costs incurred in bringing goods to their present location and condition. The basis for determining cost for various categories of inventories is as follows:

Stores and spare parts	–	Weighted average
Raw materials	–	Weighted average
Materials in transit	–	At cost
Work in process and Finished goods	–	Material cost plus appropriate share of labour, manufacturing and other overheads.

(viii) Research and Development Costs

Research and development costs of revenue nature are charged to the profit and loss account when incurred. Expenditure of capital nature is capitalised and depreciated in accordance with the rates set out in paragraph 1 (iv) above.

(ix) Employee Benefits (See also Note 6)

a. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences and performance incentives.

b. Post-employment benefit plans

The Company has various schemes of retirement benefits namely provident fund, superannuation schemes and gratuity, which are administered by trustees of independently constituted trusts recognized by the Income-tax authorities.

The Company's superannuation scheme and the employee's provident fund scheme are defined contribution schemes. The Company's contribution paid/ payable under the schemes are recognised as expenses in the profit and loss account during the period in which the employee renders the related service.

The Company's gratuity scheme is a defined benefit scheme. For defined benefit schemes, the cost of providing benefits is determined using projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur. Past service cost is recognised to the extent the benefits are already vested, and otherwise is amortised on a straight-line method over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligations as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Benefits comprising compensated absences constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the profit and loss account.

(x) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

(xi) Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date. Exchange differences arising on foreign currency transactions are recorded as income or expense in the period in which they arise.

In respect of forward contracts taken by the Company, the difference between the forward rate and the exchange rate at the date of the transaction is recognised as expense over the life of the forward contract.

The Company has opted for accounting the exchange rate differences arising on reporting of Long term foreign currency monetary items in line with the Companies (Accounting Standard) Amendments Rules, 2009 on Accounting Standard 'AS11 - The Effects of Change in Foreign Exchange Rates' (See also Note 13).

(xii) Taxation (See also Note 7)

Income tax comprises current tax and deferred tax. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted at the balance sheet date.

(xiii) Earnings Per Share (See also Note 14)

Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 'AS20 - Earning Per Share'. Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the result would be anti-dilutive.

(xiv) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amount of its assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an assets net selling price and value in use. In assessing value in use the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised as income in the profit and loss account.

(xv) Contingencies/ Provisions

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

(xvi) Employee Stock Option Scheme (See also Note 15)

Stock options granted to the employees under the stock options schemes are accounted as per the accounting treatment prescribed by the Employee Stock Option and Employees Stock Purchase Scheme Guidelines, 1999 issued by Securities and Exchange Board of India. Accordingly, the excess of average market value of the shares over the preceding 2 weeks of the date of grant of options over the exercise price of the options is recognised as deferred employee compensation and is charged to the profit and loss account on straight line basis over the vesting period of the options.

(xvii) Leases (See also Note 12)

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and 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 capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease liability and interest component is charged to profit and loss account.

2. Contingent Liabilities

a) Claims against the Company not acknowledged as liabilities in respect of:

Particulars	As at 31.03.2010 (Rs. /Lakhs)	As at 31.03.2009 (Rs. /Lakhs)
i. Sales tax matters	4,176.11	3,758.67
ii. Customs and excise matters	2,598.36	2,468.34
iii. Income Tax matters	2,149.02	1,026.63

b) Guarantees issued by bank have been secured by a first pari-passu charge on the entire current assets, present and future, including receivables of the Company and second pari-passu charge on all fixed assets, land and buildings present and future, except land and building situated at Podanur (on which State Bank of India has exclusive charge) and at Kolkata, to the extent of Rs. 2,606.56 lakhs (previous year Rs. 1,558.98 lakhs).

c) Estimated amount of contracts to be executed on capital account - Rs. 326.35 lakhs (net of advances - Rs. 136.58 lakhs), [previous year - Rs. 119.08 lakhs (net of advances Rs. 31.90 lakhs)].

3. Other expenses include statutory auditors remuneration (excluding service tax) as follows:

Particulars	Year ended 31.03.2010 (Rs. /Lakhs)	Year Ended 31.03.2009 (Rs. /Lakhs)
Audit fees (including fees for limited review)	25.10	19.85
Fees for other services	4.80	–
Reimbursement of expenses	5.11	3.04
	35.01	22.89

4. Construction Contracts

a. Sales of products - others include Rs. Nil (previous year Rs. 101.56 lakhs) recognised as contract revenue for the year ended 31 March, 2010.

b. As required by Accounting Standard 'AS7-Construction Contracts' (Revised), the break-up of the contracts in progress at the reporting dates are as under:

Particulars	Year ended 31.03.2010 (Rs. /Lakhs)	Year ended 31.03.2009 (Rs. /Lakhs)
Revenue recognised	–	101.56
Cost incurred	–	90.94
Advance received	–	–

5. Foreign Exchange Disclosure

The year end foreign currency exposures that have not been hedged by derivative instruments or otherwise are as under:

Particulars	Amount in Indian Rupees		Currency	Amount in Foreign Currency	
	As at 31.03.2010 (Rs./Lakhs)	As at 31.03.2009 (Rs./Lakhs)		As at 31.03.2010 (Rs./Lakhs)	As at 31.03.2009 (Rs./Lakhs)
Receivables	336.30	432.41	USD	7.40	8.43
Payables	4,403.96	2,007.18	USD	96.89	39.13
	75.33	Nil	EURO	1.23	Nil
ECB Loan	4,090.50	5,643.00	USD	90.00	110.00

6. Disclosure of Retirement Benefits under Accounting standard 'AS15-Employee Benefits'

a. Defined contribution plan

The Company's contributions towards provident fund for qualifying employees and towards superannuation fund for specific employees are defined contribution retirement plans. The Company's contributions towards provident fund are deposited in trusts formed by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. Contributions to superannuation fund are deposited in a separate trust. These trusts are recognised by the Income Tax authorities. The contributions to the trusts are managed by the trustees of the respective trusts.

The Company's contributions of Rs. 266.98 lakhs (previous year Rs. 205.95 lakhs) towards provident fund and Rs. 98.64 lakhs (previous year Rs. 106.68 lakhs) towards superannuation fund are charged to the Profit and Loss account. The contributions payable to the plan by the Company are at a rate specified in rules to the schemes.

b. Defined Benefit plan

The Company's contribution towards its gratuity liability is a defined benefit retirement plan. The Company makes contributions to the trust from time to time which in turn makes contributions to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

c. The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2010:

(i) Movement in net liability

Particulars		As at 31.03.2010 (Rs./Lakhs)	As at 31.03.2009 (Rs./Lakhs)
Present value of obligations as on 01.04.2009	(A)	936.43	744.64
Adjustment for increase in opening provision for retirement benefits	(B)	–	–
Liabilities assumed on transfer of employees from holding Company	(C)	–	–
Interest cost	(D)	72.52	59.58
Current service cost	(E)	91.18	78.31
Benefits paid	(F)	(59.76)	(18.09)
Actuarial (gain)/loss on obligations	(G)	(1.34)	71.99
Present value of obligations as on 31.03.2010 (H=A+B+C+D+E+F+G)	(H)	1,039.03	936.43

(ii) The amounts recognised in the Balance Sheet and the Profit and Loss account are as follows:

Particulars		As at 31.03.2010 (Rs./Lakhs)	As at 31.03.2009 (Rs./Lakhs)
Present value of funded defined benefit obligations as on 31.03.10	(A)	1,039.03	936.43
Present value of unfunded obligation	(B)	–	–
Estimated fair value of plan assets	(C)	751.30	694.65
Net liability/ (asset) (D=A+B-C)	(D)	287.73	241.78
Amounts in the Balance Sheet			
a. Liabilities		287.73	241.78
b. Assets		–	–
c. Net liability/ (asset)		287.73	241.78
Amount charged to Profit and Loss Account			
Service cost	(E)	91.18	78.31
Interest cost	(F)	72.52	59.58
Expected return on plan assets	(G)	63.91	56.15
Net Actuarial (gain)/ loss	(H)	(1.60)	71.99
Expense Recognised in the Profit and Loss account (I=E+F-G+H)	(I)	98.19	153.73

(iii) Principal actuarial assumptions

Assumptions	Year ended 31.03.2010 Rate (%)	Year ended 31.03.2009 Rate (%)
Discount rate	8.10%	8.00%
Rate of return on plan assets	9.25%	9.25%
Salary escalation	8.00%	8.00%

(iv) Fair value of plan assets

Particulars	As at 31.03.2010 (Rs./Lakhs)	As at 31.03.2009 (Rs./Lakhs)
Fair value of plan assets at the beginning of the year	694.65	638.50
Expected return on plan assets	63.91	56.15
Contributions	52.24	–
Benefits paid	(59.76)	–
Actuarial gain/ (loss) on plan assets	0.26	–
Fair value of plan assets at the end of the year	751.30	694.65

(v) Actual return on plan assets

Particulars	As at 31.03.2010 (Rs./Lakhs)	As at 31.03.2009 (Rs./Lakhs)
Expected return on plan assets	63.91	56.15
Actuarial gain/ (loss) on plan assets	0.26	–
Actual return on plan assets	64.17	56.15

(vi) The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets as at 31 March, 2009 has not been provided by the Life Insurance Corporation of India.

7. Deferred Taxation

Particulars	As at 1.04.2009 (Rs. /Lakhs)	Charged/ (Credited) to P&L (Rs. /Lakhs)	As at 31.03.2010 (Rs. /Lakhs)
a. Deferred tax assets			
Tax impact of:			
i. Expenditure covered by Section 43B of Income-tax Act, 1961	227.31	21.76	249.07
ii. Excess of voluntary retirement expenses (VRS) provided in accounts over expenses allowable in Income-tax Act, 1961	1.35	(0.67)	0.68
iii. Unabsorbed carried forward business loss	803.79	(803.79)	–
Total deferred tax assets	1,032.45	(782.70)	249.75
b. Deferred tax liabilities			
Tax impact of:			
i. Excess of depreciation allowable under Income-tax Act, 1961 over depreciation provided in accounts	2,811.90	(94.28)	2,717.62
ii. Foreign Exchange Monetary Translation Reserve	23.20	(11.67)	11.53
Total deferred tax liability	2,835.10	(105.95)	2,729.15
Net deferred tax liability	1,802.65	676.75	2,479.40

8. Managerial remuneration

a. Remuneration paid to Directors:

Particulars	Year ended 31.03.2010 (Rs. /Lakhs)	Year ended 31.03.2009 (Rs. /Lakhs)
Whole time directors		
1. Salaries and perquisites	139.45	120.57
2. Contributions to provident and superannuation fund	16.69	14.42
3. Performance incentive to whole time directors	90.00	62.00
	246.14	196.99
Non-executive directors		
4. Commission/ performance incentive to non executive directors	16.50	7.50
5. Sitting fees	6.30	5.60

Note: Excludes provision for compensated absences and gratuity since the provision is based on an actuarial valuation for the Company as a whole.

b. Computation of net profits as per Section 349 of the Companies Act, 1956:

Particulars	Year ended 31.03.2010 (Rs. /Lakhs)	Year ended 31.03.2009 (Rs. /Lakhs)
Profit before tax as per Profit and loss account	4,171.43	2,011.48
Add:		
Managerial remuneration	246.14	196.99
Commission/performance incentive to non executive directors	16.50	7.50
Directors sitting fees	6.30	5.60
Provision for doubtful debts	–	58.35
Depreciation as per books of account	1,836.54	1,713.80
Loss on sale of fixed assets	1.70	–
Total	6,278.61	3,993.72
Less:		
Depreciation as envisaged under Section 350 of the Companies Act, 1956 *	1,836.54	1,713.80
Profit on sale of fixed assets	–	140.13
Total	1,836.54	1,853.93
Net profit for calculation on which remuneration payable	4,442.07	2,139.79
Maximum remuneration payable to whole time directors under Section 309 of the Companies Act, 1956 @ 10% of net profit	444.21	213.98
Actual remuneration paid to whole time directors	246.14	196.99
Maximum commission payable to non-executive directors under Section 309 of the Companies Act, 1956 @ 1% of net profit	44.42	21.40
Actual commission/ performance incentive paid to non-executive directors	16.50	7.50

* The Company depreciates fixed assets based on estimated useful lives that are equal to or higher than those implicit in Schedule XIV of the Companies Act, 1956. Accordingly the rates of depreciation used by the Company are higher than the minimum rates prescribed by Schedule XIV.

9. Related Party Disclosures

a. List of related parties

i. Holding company
- M/s Everest Finvest (India) Private Limited (till 25 March, 2010)

ii. Key management personnel
- Mr. M. L. Gupta, Managing Director
- Mr. Manish Sanghi, COO and Director
- Mr. Y. Srinivasa Rao, Executive Director

b. Transactions with related parties during the year:

S. No.	Particulars	Year ended 31.03.2010 (Rs. /Lakhs)	Year ended 31.03.2009 (Rs. /Lakhs)
i.	Dividend paid to holding company		
	M/s Everest Finvest (India) Private Limited (See note below)	185.34	296.54
ii.	Remuneration to key management personnel		
	Mr. M. L. Gupta	94.48	76.92
	Mr. Manish Sanghi	83.32	66.78
	Mr. Y. Srinivasa Rao	68.34	53.29

c. Balances outstanding with related parties at the year end:

S. No.	Particulars	As at 31.03.2010 (Rs. /Lakhs)	As at 31.03.2009 (Rs. /Lakhs)
i.	Share capital from holding company		
	M/s Everest Finvest (India) Private Limited	(See note below)	741.35
ii.	Performance incentive due to key management personnel		
	a Mr. M. L. Gupta	34.00	24.00
	b Mr. Manish Sanghi	30.00	21.00
	c Mr. Y. Srinivasa Rao	26.00	17.00

Note: M/s Everest Finvest (India) Private Limited was the holding company upto 25 March, 2010 (Also see Schedule 1)

10. Capital Work in Progress and Preoperative Expenditure

Capital work in progress and pre-operative expenditure comprise the following:

a. Capital work in progress

Particulars		As at 31.03.2010 (Rs. /Lakhs)	As at 31.03.2009 (Rs. /Lakhs)
i.	Project assets	456.93	634.65
ii.	Capital advances	166.41	20.23
iii.	Unallocated project pre-operative expenditure (see b below)	9.51	39.30
		632.85	694.18

b. Preoperative expenditure

Particulars	As at 1.04.2009 (Rs. /Lakhs)	01.04.2009 to 31.03.2010 (Rs. /Lakhs)	As at 31.03.2010 (Rs. /Lakhs)
Consumption of raw materials	2,780.42	–	2,780.42
Consumption of stores, spares and consumables	484.10	–	484.10
Salaries, wages and bonus	532.20	–	532.20
Contribution to provident and other funds	31.21	–	31.21
Workmen and staff welfare expenses	76.91	–	76.91
Rent	47.19	–	47.19
Repairs and maintenance – Others	113.35	8.26	121.61
Travelling	189.66	1.25	190.91
Power and fuel	397.11	–	397.11
Rates and taxes	3.46	–	3.46
Freight	197.95	–	197.95
Advertisement and sales promotion expenses	11.33	–	11.33
Excise duty	124.00	–	124.00
Insurance	55.34	–	55.34
Others	474.74	–	474.74
Less: Charged to closing inventory resulting from trial production on account of loading of overheads	(1,165.02)	–	(1,165.02)
	4,353.95	9.51	4,363.46
Interest	725.06	–	725.06
Less : Stores and spares capitalised to fixed assets during the year	(11.79)	–	(11.79)
Less : CWIP capitalised to fixed assets during the year	(2,896.01)	–	(2,896.01)
Less : Realisation from sale of trial run production	(2,131.91)	–	(2,131.91)
Less : Transferred to expenses	–	(39.30)	(39.30)
Unallocated preoperative expenditure	39.30	(29.79)	9.51

11. Segment Information

Consequent to commencement of Steel buildings business during the previous year Accounting Standard 'AS17 - Segment Reporting' has become applicable.

a. Business segments:

The Group's business segments include 'Building products' and 'Steel buildings'.

Building products include roofing, ceiling, wall, floor solutions etc.

Steel buildings consists of manufacture and supply of pre engineered and smart steel buildings.

b. Geographical segments:

Since the Group's activities/operations are primarily within the country and considering the nature of products/services it deals in, the risks and returns are same and as such there is only one geographical segment.

c. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

i. Segment revenue and expenses:

Segment revenue and expenses include the respective amounts identifiable to each of the segments. Unallocable items in segment results include income from bank deposits and corporate level expenses.

ii. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segments assets and liabilities do not include deferred income taxes.

Information about business segments:

	Particulars	Building products (Rs. /Lakhs)	Steel buildings (Rs. /Lakhs)	Total (Rs./Lakhs)
1.	Segment Revenue			
	External sales (Net of excise duty)	52,784.67	12,468.75	65,253.42
		43,823.37	*9,121.79*	*52,945.16*
2.	Segment Results	9,023.01	(816.12)	8,206.89
		5,868.31	*193.65*	*6,061.96*
	Unallocated expenses (net of income)			3,040.26
				2,402.42
	Operating Profit			5,166.63
				3,659.54
	Interest expense			995.20
				1,648.06
	Profit before tax			4,171.43
				2,011.48
	Provision for taxation			1,170.16
				566.38
	Net Profit			3,001.27
				1,445.10
3.	Other Information			
A.	Assets			
	Segment assets	32,975.24	7,990.76	40,966.00
		35,039.14	*7,783.00*	*42,822.14*
	Unallocated assets			2,783.65
				2,291.92
	Total Assets	32,975.24	7,990.76	43,749.65
		35,039.14	*7,783.00*	*45,114.06*
B.	Liabilities			
	Segment liabilities	5,408.70	3,717.36	9,126.06
		5,109.65	*2,793.42*	*7,903.07*
	Share capital and reserves			17,369.41
				15,133.15
	Secured and unsecured loans			11,988.67
				18,463.40
	Unallocated liabilities			5,265.51
				3,614.44
	Total Liabilities	5,408.70	3,717.36	43,749.65
		5,109.65	*2,793.42*	*45,114.06*
C.	Others			
	Capital Expenditure	696.14	150.25	
		1,992.17	*2,496.43*	
	Depreciation	1,489.82	240.85	
		1,451.55	*165.19*	
	Non cash expenses other than depreciation	30.00	86.47	116.47
		74.08	*13.76*	*87.84*
	Unallocable non cash expenses other than depreciation			34.14
				34.14

Previous year figures are in italics.

12. Lease Commitments

Operating Lease

The Company has taken property on cancellable and non-cancellable operating leases and has recognised rent of Rs. 484.44 lakhs (previous year Rs. 488.30 lakhs). The totals of future minimum lease payments under non-cancellable operating lease are set out as below:

	Particulars	Year ended 31.03.2010 (Rs. /Lakhs)	Year ended 31.03.2009 (Rs. /Lakhs)
a)	Not later than one year	163.15	199.05
b)	Later than one year but not later than five years	719.58	890.66
c)	Later than five years	1,201.68	1,058.46

13. Changes in Foreign Exchange Rates

During the previous year, the Company had changed its policy on accounting for fluctuation on foreign exchange based on notification F.No.17/33/2008/CL-V dated March 31, 2009, issued by the Ministry of Corporate Affairs, which was effective 7 December 2006, allowing capitalisation of exchange differences arising on revaluation of long term foreign currency monetary items (like ECB) pertaining to depreciable capital assets to the cost of fixed assets and deferment of similar exchange fluctuation in "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) where it does not relate to acquisition of fixed assets. Further the balance transferred to the FCMITDA will need to be amortised over the period that is shorter of the maturity period of the monetary items or 31 March, 2011. Unamortised amount in FCMITDA is carried forward as deferred cost in the financial statements.

In accordance with the said notification, the Company during the current year has de-capitalized Rs. 614.15 lakhs (previous year capitalised an amount of Rs. 1,262.30 lakhs) from the cost of fixed assets and transferred Rs. Nil (previous year Rs. 105.58 lakhs) to FCMITDA. The amount so capitalised is being depreciated over the remaining useful life of the fixed assets and the balance in the FCMITDA account is being amortised over the period 1 April 2008 to 31 March 2011 which is shorter of the maturity period of the monetary items or 31 March, 2011. The unamortized amount of Rs. 34.13 lakhs (previous year Rs. 68.27 lakhs) has been carried forward in the financial statements as a deferred cost as at 31 March, 2010.

Further, the Company during the previous year ended 31 March, 2009 had also recognized a reversal of the exchange gain on such foreign currency monetary items aggregating to Rs. 13.19 lakhs which was credited to the Profit and loss account during the previous year ended 31 March, 2008 by debiting the opening balance of the General Reserve by Rs. 13.19 lakhs and crediting the FCMITDA by Rs 3.17 lakhs and crediting the cost of the opening balance of the fixed assets by Rs. 10.02 lakhs.

14. Earnings Per Share

	Particulars	Year ended 31.03.2010	Year ended 31.03.2009
a.	Number of equity shares of Rs. 10 each fully paid up at the year beginning	14,800,020	14,800,020
b.	Number of equity shares of Rs. 10 each fully paid up at the year end	14,815,648	14,800,020
c.	Weighted average number of equity shares used in computing earning per share	14,802,760	14,800,020
d.	Weighted average number of options granted under options	500,192	3,95,458
e.	Adjustment for number of options granted at fair value	500,192	3,95,458
f.	Net Profit for the year - (Rs. / lakhs)	3,001.27	1,445.10
g.	Basic earnings per share (Rupees)	20.28	9.76
h.	Diluted earnings per share (Rupees)	20.28	9.76
i.	Nominal value of equity shares (Rupees)	10.00	10.00

15. Employee Stock Option Scheme

The Company has granted 140,000 options (previous year 144,850 options) during the year ended 31 March, 2010. The exercise price per option shall be the average of the two weeks high and low price of the share preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that stock exchange on the date prior to the date of grant of options, whichever is less. Options granted shall vest with the grantee after a period of one year from the date of grant. The exercise period of the options is a period of four years after the vesting of the options.

Particulars	ESOS (2006)	ESOS (2007)	ESOS (2008)	ESOS (2009)
Year in which scheme was established	2006 - 07	2007 - 08	2008 - 09	2009 - 10
Number of options authorised and granted	147,420	148,000	144,850	140,000
Exercise price	Rs. 90	Rs. 98	Rs. 52	Rs. 169
Vesting date	After one year from the date of grant of option			
Vesting requirement	One year service from the date of grant of option			
Exercise period	During four years after vesting date			

Option activity during the year under the plans is set out below:

Particulars		ESOS (2006)	ESOS (2007)	ESOS (2008)	ESOS (2009)
i.	Opening balance	117,370 *132,350*	133,238 *148,000*	144,850 –	– –
ii.	Granted during the year	– –	– –	– –	140,000 –
iii.	Exercised during the year	3,910 –	11,718 –	– –	– –
iv.	Forfeited during the year	– –	– –	– –	– –
v.	Expired during the year	(5,160) *(14,980)*	(3,518) *(14,762)*	(10,960) –	– –
vi.	Outstanding at the year end	108,300 *117,370*	118,002 *133,238*	133,890 *144,850*	140,000 –
vii.	Options exercisable at the year end	108,300 *117,370*	118,002 *133,238*	133,890 –	140,000 –
viii.	Weighted average remaining contractual life (years) at the year end	1.98 *2.98*	2.84 *2.84*	3.83 *4.83*	4.82 –

Previous year figures are in italics.

The Company has accounted the above options using the intrinsic value method. As noted by the Compensation Committee, the exercise price has been determined at the Rs. 169.00 and thus there is no stock compensation expenses under the intrinsic value method for the options granted.

The Guidance Note issued by the Institute of Chartered Accountants of India requires the disclosure of pro-forma net results and EPS both basic and diluted, had the Company adopted the fair value method. Had the Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the year ended March 31, 2010 would have been lower by Rs. 35.56 lakhs (previous year Rs. 46.41 lakhs) and the basic and diluted EPS would have been revised to Rs. 20.03 (previous year Rs. 9.45) and Rs. 20.03 (previous year Rs. 9.45) respectively. The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 5 years, an expected dividend yield of 2.84% (previous year 7.87%) on the underlying equity shares, volatility in the share price of 53.30% (previous year 63.24%) and a risk free rate of 7.42% (previous year 6.15%). The Company's calculations are based on a single option valuation approach, and forfeitures are recognised as they occur. The expected volatility is based on historical volatility of the share price during the year after eliminating the abnormal price fluctuations.

16. Previous year figures have been recast/ regrouped wherever necessary to conform to the current years' presentation.

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

Mumbai
24 April, 2010

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 20093 State Code 11

Balance Sheet Date 31-03-10 (Date Month Year)

II. Capital raised during the year (Amount in Rs. '000)

Public Issue: NIL	Rights Issue: NIL
Bonus Issue: NIL	Private Placement: NIL
	Others: 156

III. Position of mobilisation and deployment of funds (Amount in Rs. '000)

Total Liabilities: 4374965	Total Assets: 4374965

Sources of Funds

Paid-Up Capital: 148156	Reserves & Surplus: 1588785
Secured Loans: 1198867	Unsecured Loans*: 82974

* (Stockist's Deposits)

Deferred Tax Liability (Net): 247940

Application of funds

Net Fixed Assets: 2266032	Investments: NIL
Net Current Assets: 997199	Miscellaneous Expenditure: 3491

IV. Performance of the Company (Amount in Rs. '000)

Turnover (Including other income): 6621615	Total Expenditure: 6204472
Profit/(Loss) Before Tax: 417143	Profit/(Loss) After Tax: 300127
Earning Per Share in Rs.: 20.28	Dividend Rate (%): 45%

V. Generic Names of three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	6811 10 00
Product Description	ASBESTOS CEMENT CORRUGATED SHEETS
Item Code No. (ITC code)	6811 20 90
Product Description	FIBRE CEMENT SHEETS OTHER THAN CORRUGATED
Item Code No. (ITC code)	9406 00 19
Product Description	PREFABRICATED STEEL BUILDING

For and on behalf of EVEREST INDUSTRIES LIMITED

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Managing Director

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RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

Mumbai
24 April, 2010

EVERST

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORM
(For Shares held in physical form)

From : Date:

To : M/s. MCS Limited, (Unit: Everest Industries Limited)
F-65, Okhla Industrial Area, Phase - I
New Delhi - 110020

Dear Sirs,

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY. Please TICK wherever is applicable

Folio No.									

Name of
First Holder

Bank Name

Branch Name

Bank & Branch Code

(9 digits code Number appearing on the MICR Band of the cheque supplied by the Bank. Please attach a photocopy of a cheque issued by your bank relating to your above account for verifying the accuracy of the code number.

Account Type		Savings		Current		Cash Credit	

A/c No. (as appearing in the cheque book)															

I, hereby, declare that particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, the Company / Registrar will not be held responsible. I agree to avail the ECS facility provided by RBI as and when implemented by the Company.

I further undertake to inform the Company/Registrar any change in my Bank/Branch and account number.

Signature of the first holder

Everest Industries Limited **Corporate Office:** Genesis A-32 Mohan Co-operative Industrial Estate Mathura Road
New Delhi 110 044 India Tel.: +91-11-41731951/52/53 Fax: +91-11-46566370 Helpline 09958037777
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