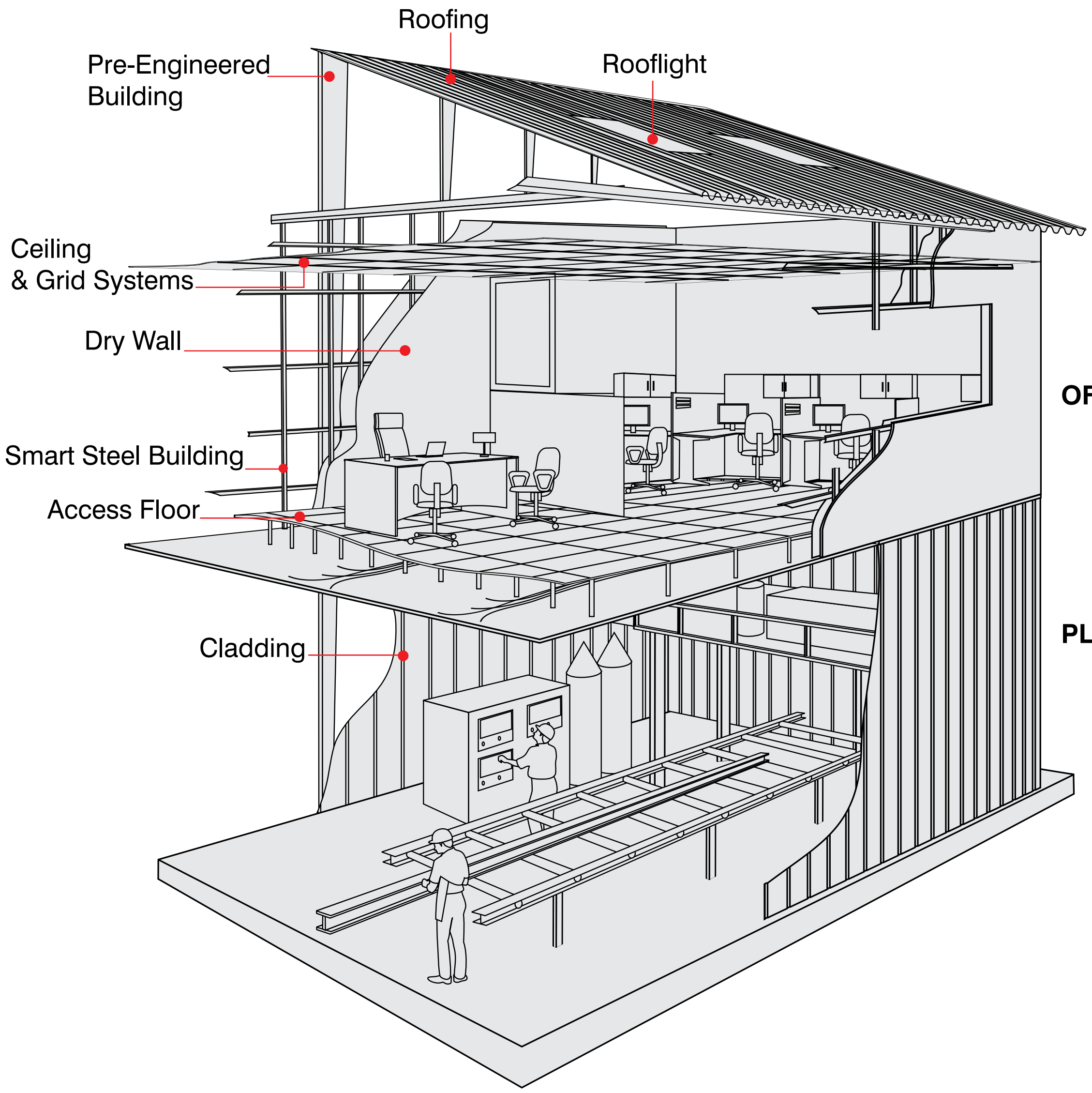
EVEREST

COMPLETE BUILDING SOLUTIONS

EVEREST INDUSTRIES LIMITED | ANNUAL REPORT 2013-14

COMPLETE BUILDING SOLUTIONS



Contents

Everest is a building solutions provider and has expanded its portfolio with innovative next-generation construction solutions and products. Everest's products and services address construction complexities of Strength, Safety and Speed, to bridge our nation's construction deficit in housing, industry and infrastructure with better quality and faster speed.

Pre-Engineered Steel Buildings

EVEREST INDUSTRIES LIMITED

Everest is one of India's fastest growing building solutions companies. With a rich legacy of 80 years, it has kept an eye on evolving construction complexities, developed next generation products and set trends with innovative building solutions.

We Are

Established in 1934, Everest Industries today is a leading building solutions provider, offering contemporary products in roofing, ceiling, wall, flooring and cladding. It has developed strong capability and portfolio of Pre-Engineered steel buildings for industrial, commercial and residential applications. Over the past eight decades, Everest has harnessed significant insights on the evolving construction needs of consumers to develop a diverse range of building products and solutions.

Our Vision

Everest will be the deepest penetrated housing and building solutions provider to deliver Strength, Speed and Safety to its customers in all its target markets.

Our Business

Everest Industries' two distinct business offerings are building products and steel building solutions. Building products contribute three-fourth of revenues. The segment includes fibre cement roofing sheets, fibre cement boards and solid wall panels.

Accounting for one-fourth of annual revenues, the steel building segment offers customized building solutions in steel such as Pre-Engineered steel buildings, smart steel buildings, metal roofing and cladding.

Our Reach

Everest has a widespread national presence. Its products and solutions are distributed through 38 sales depots and 6000 dealer outlets to reach more than 600 cities and 100,000 villages. Besides India, its range of building products are exported to more than 20 countries.

Business Division	Manufacturing Units	Total Capacity
Building Products	Bhagwanpur (Uttarakhand) Kolkata (West Bengal) Kymore (Madhya Pradesh) Lakhmapur (Maharashtra) Podanur (Tamil Nadu) Somnathpur (Odisha)	8,10,000 MT per annum
Steel Buildings	Bhagwanpur (Uttarakhand) Ranchi (Jharkhand)	42,000 MT per annum

CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. A. V. Somani	Chairman
	Mr. M. L. Gupta	Vice Chairman
	Mr. Sandeep H. Junnarkar	Director
	Mr. M. L. Narula	Director
	Mr. Amitabh Das Mundhra	Director
	Mr. B. L. Taparia	Director
	Ms. Bhavna G. Doshi	Director
	Mr. Manish Sanghi	Managing Director
	Mr. Y. Srinivasa Rao	Executive Director (Operations)

COMPANY SECRETARY

Mr. Neeraj Kohli

AUDITORS

M/s Deloitte Haskins & Sells
Chartered Accountants, Gurgaon

BANKERS

State Bank of India
ICICI Bank Limited
Axis Bank Limited
HDFC Bank Limited
Kotak Mahindra Bank Limited
DBS Bank Limited

REGISTERED OFFICE

Gat 152, Lakhmapur, Taluka Dindori,
Nashik - 422 202, Maharashtra

CORPORATE OFFICE

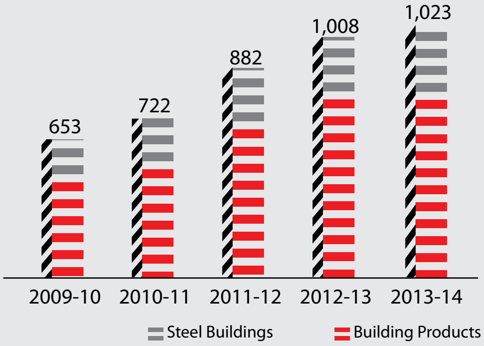
Genesis, A-32, Mohan Co-operative Industrial Estate,
Mathura Road, New Delhi - 110 044

REGISTRAR AND SHARE TRANSFER AGENTS

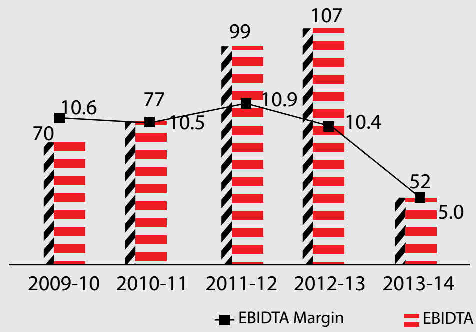
MCS Limited, F-65, Okhla Industrial Area,
Phase – I, New Delhi - 110 020

Financial Highlights

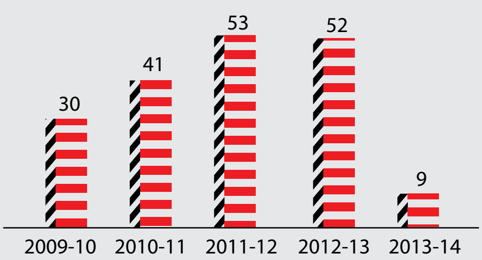
Sales Revenue
₹ 1,023 Cr.



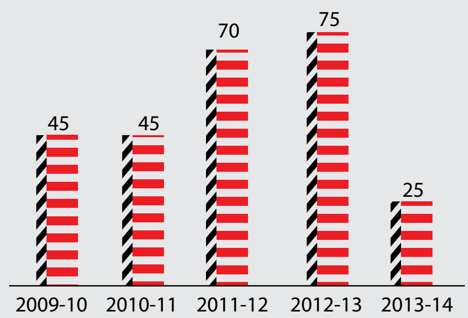
EBIDTA
₹ 52 Cr.



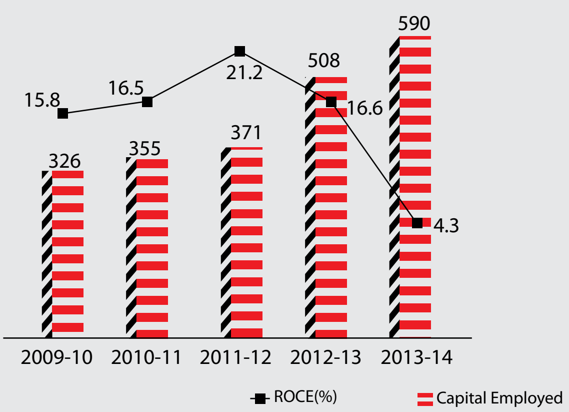
Net Profit
₹ 9 Cr.



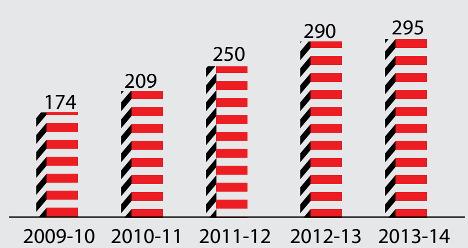
Dividend
25%



Capital Employed and ROCE
₹ 590 Cr.

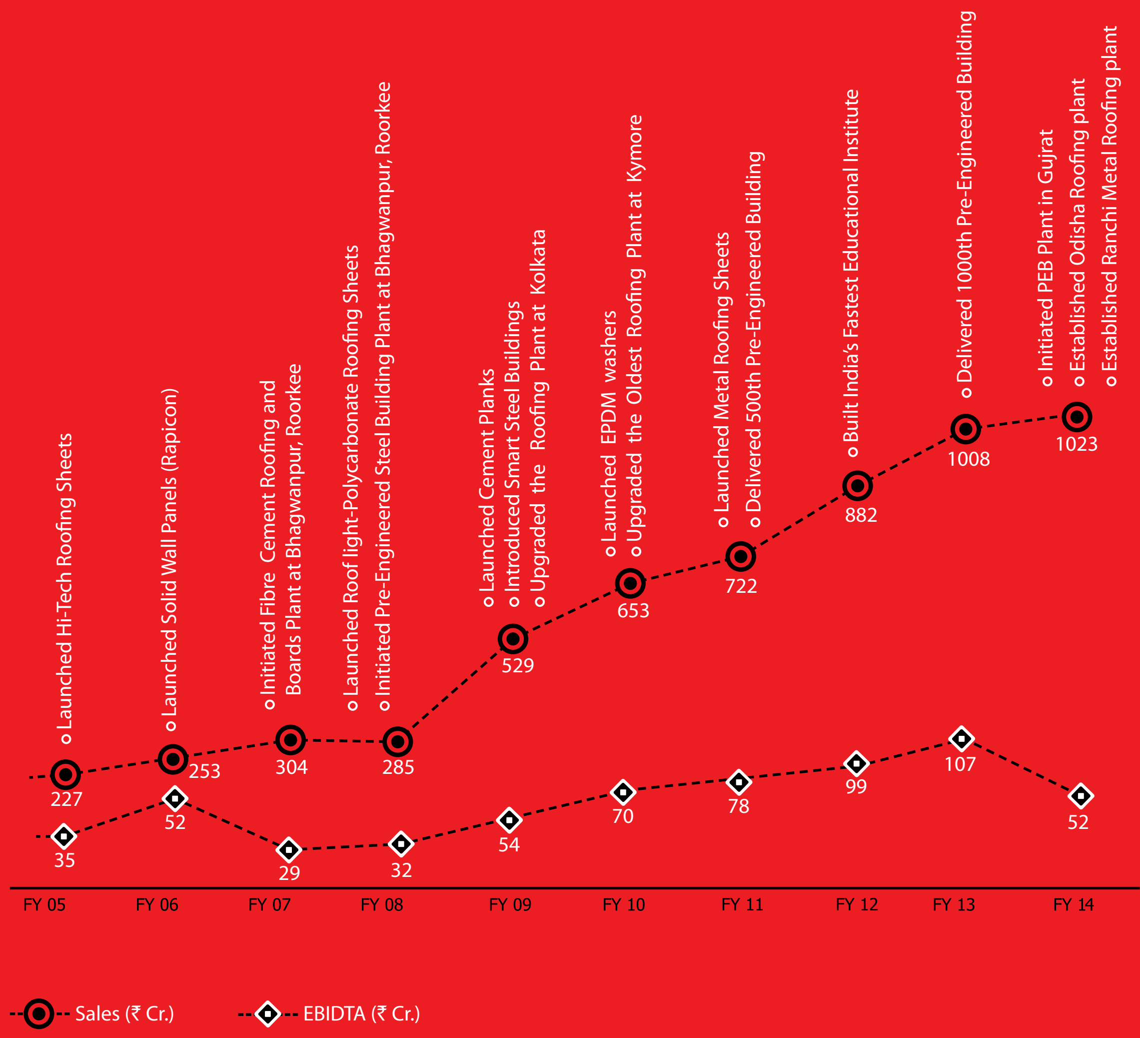


Net Worth
₹ 295 Cr.



EVEREST

OUR JOURNEY SO FAR...



Our STRENGTH in planning earns a sweet reward

THE CHALLENGE

A leading chocolate manufacturer needed a world-class warehouse for storage and handling of chocolates before despatch to retail outlets. To store a perishable climatically sensitive food product, the warehouse needed ultra-modern features such as controlled temperature, humidity and highest standards of hygiene. As this warehouse was to be constructed within the premises of an already functional plant, the construction activity was to be planned and executed with care to avoid any disruption in production. Prevailing physical site conditions also required that no structural component should exceed a width of 8 meters. A complex project with many constraints.

THE SOLUTION

Everest's skilled design team collaborated with the client in mapping their requirement in detail. Our project planning and construction team visited the site to devise the material and construction plan, smartly divided between offsite and onsite modules.

The challenge of controlled temperature and humidity was addressed through custom-made insulated PUF panels for the roof and walls. Customised structures and components were manufactured at our factory and shipped in chronological batches to ensure minimal inventory and movement at site. A team comprising of highly skilled engineers and workmen leveraged modern construction equipment and telescopic cranes to deliver the warehouse in time.

THE RESULT

The warehouse meets the client's high international standards of technology, hygiene and functionality. This landmark project highlighted Everest's commitment to respond to unique customer needs. And the delighted customer rewarded us with a sweet aftertaste - an order for seven more warehouses in the same premises.

We steel ourselves for the race against TIME

THE CHALLENGE

The world's most competitive steel manufacturer required a modern office complex with a distinct contemporary look as per international quality and design standards. The project comprised 19 identical octagonal shaped buildings of 27,500 sq ft. to be ready for use in just 5 months.

Complex octagonal building structures, poor construction infrastructure and acute shortage of skilled labour at their remotely located site was a huge challenge itself. But, the requirement for speed, to complete the building for the client to move in within 5 months would be an impossible deadline for any construction company in India.

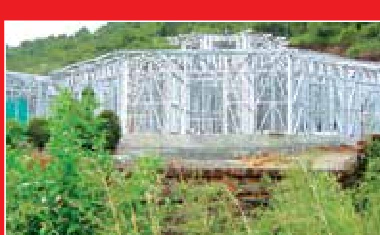
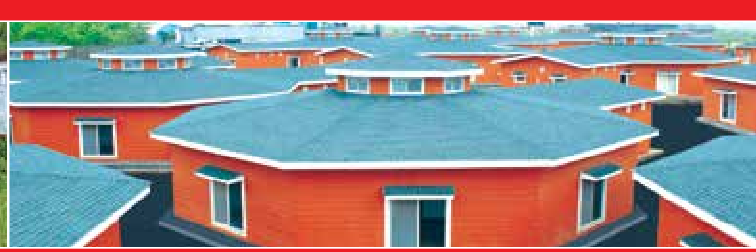
THE SOLUTION

The challenge was addressed by the Everest Smart Steel division. Light-gauge steel frame structures allow greater customisation and can withstand extreme weather and seismic conditions. They are modular, can be relocated and are resistant to fire and termites.

Our construction team did meticulous resource and material planning keeping in mind local constraints. Steel frames were designed and manufactured at the Everest factory and transported to the site where a large battalion of man, machine and material had been mobilised to start work immediately. The challenge of speed was countered with scale, spirit and an eye for detail.

THE RESULT

A distinct office complex comprising 19 identical octagonal awe-inspiring buildings was ready in 150 days, to the utmost satisfaction of the client. With speed and risk management becoming the main criteria for infrastructure and industrial projects in India, this project proved to be a showcase for many projects which have been executed since then. These include residential and commercial buildings for top Educational institutions like IIT, energy giants and large infrastructure projects faced with stringent deadlines.

A focus on plant quality seeds 45% GROWTH

THE CHALLENGE

Everest planned to set up a state-of-the-art manufacturing unit for fibre cement roofing sheets with a capacity of 100,000 MT per annum in the rapidly developing state of Odisha. The project team noticed two striking facts while surveying the state: The highly populated coastline faces a constant threat of cyclones from the Bay of Bengal which can adversely impact project timelines. The people of Odisha never compromise on quality and aesthetics as evident in the craftsmanship of roofing of their homes. The project team posed a challenge to itself: We will set up a visually inspiring plant in the shortest time possible and ensure that the project and process quality is so superior that there are no rejections even during the first production trial run.

THE SOLUTION

The team drew on the collective Everest experience in building structures and planning and designed the project to make maximum use of Everest products: Pre-Engineered buildings, smart steel buildings, fibre cement boards for walls and office ceilings, polycarbonate rooflights and metal cladding. The structure was erected rapidly on site to minimise the uncertainty of weather. The subsequent execution followed strict adherence to pre-defined standard operating procedures ensuring no waste of time or resource. All machinery was thoroughly tested at the vendor's workshops to address any quality issues before erection on site.

THE RESULT

India's latest and most eco-friendly fibre cement roofing plant at Balasore, Everest Somnathpur Works, was commissioned in a record project time of 11 months and within the budgeted estimate of ₹ 50 crore. Trial production from day one met BIS standards and customer expectation. 100% capacity utilization was attained in 6 months and Everest's volumes in the Odisha market have grown by 45% since the plant was commissioned.

Our walls lead to LEED points

THE CHALLENGE

One of India's largest international hospitality chains decided to set up its first hotel venture in the ecologically sensitive North East region of India at Shillong. The hotel brand stands for superior service, modern aesthetics and the architect desgined the property as a green hotel with a high LEED rating. The client needed a walling solution that was able to withstand heavy rain and moisture, was easy to install, cost effective and high on green rating.

THE SOLUTION

Everest enthusiastically participated in the client's mission to develop a hotel that would be high on green rating, aesthetics and functionality. We presented our breakthrough dry walling technique which offers high impact resistance, 65% more anchorage capacity and superior acoustic and thermal insulation. In addition, dry walls take 1/4th the construction time as compared to conventional walls. Our technical team provided on-site technical assistance and supervision to train local contractors to speed up project timelines.

THE RESULT

The revolutionary dry wall technique helped achieve aesthetics, functionality, speed and a high LEED rating for this beautiful hotel. Having supplied to this marquee client, our dry wall boards' sales have witnessed a sharp increase in projects in North East India. The same hotel chain has now entrusted Everest with another order for fibre cement boards and dry walls in Guwahati.

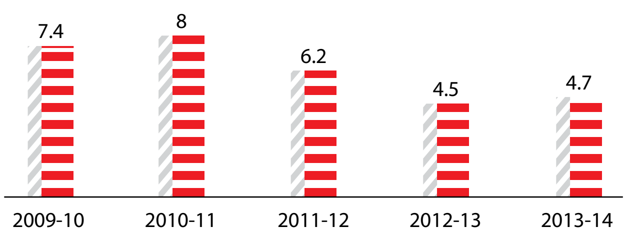
MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMIC OVERVIEW

The global economy is witnessing gradual and sustained revival. Aided by strengthened global activity and world trade in the second half of the year, global GDP recorded a 3% growth in 2013. With sustained strengthening in the US and core Euro region, global economy is expected to sustain momentum and record a stronger GDP growth of 3.6% in 2014. Emerging and developing economies are expected to benefit from developed economies in form of increased export opportunities.

Indian economy passed through one of its toughest phases in the financial year 2013-14 (FY 14). High inflation, weak demand, depreciating currency, rising cost of industrial input, tight liquidity with high cost of borrowing – all this took the consumer and investment sentiments to a new low. At 4.7%, the country recorded its second successive year of sub 5% GDP growth.

Indian Economic Growth (%)



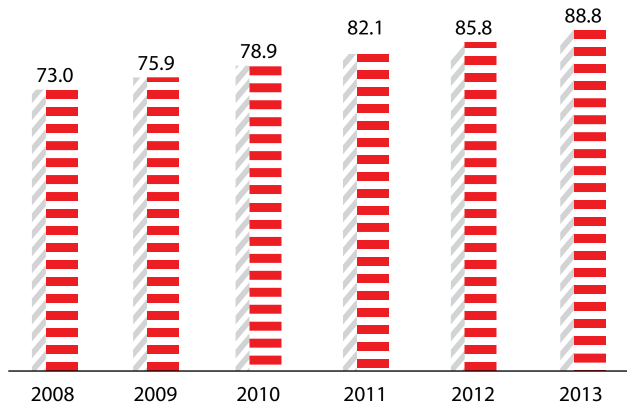
In light of weak growth numbers, the government and regulators pushed ahead with few reform measures and clearances of projects in the second half of FY14. With the hope of a stable government post ensuing general election in May 2014 coupled with a stronger global economy, Indian economy is likely to post better growth numbers in FY15.

INDUSTRY OVERVIEW

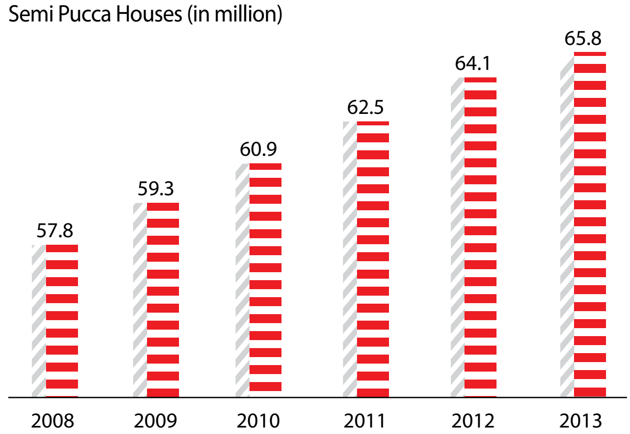
HOUSING SEGMENT

Planning Commission's Working Group on Rural Housing for XIIth Plan estimated the number of rural houses to grow at a Compounded Annual Growth Rate (CAGR) of 2.09% while rural households were projected to grow at 2.1%. It further estimated the rural housing shortage to be at 43.67 million units for the plan period 2012-2017. Reflecting the economic well being of rural population, Pucca houses are estimated to grow at a much faster rate of 4% CAGR over 2.9% CAGR for the semi Pucca houses.

Pucca Houses (in million)



Semi Pucca Houses (in million)



Manufacturing of Fibre Cement Roofing Sheets, Somnathpur, Odisha

Rural infrastructure, including dwelling units, is a key social priority of the government. This will help in sizeable asset creation in terms of rural housing. With the benefit of economic growth now getting visible in the rural areas, disposable income and aspiration quotient of rural India is on the rise. The huge housing deficit in rural India, with a majority of Kaccha houses, offers tremendous opportunity of sustained growth of new age construction practices as well as building products. Looking ahead, with the ambitious 12th Five-year plan in place along with a stable government of the country, the income of the under-privileged section is expected to go up. This should translate into an increased demand for roofing products such as Fibre cement roofing sheets.

National Housing Bank estimates the urban housing shortage to be at 18.78 million. Rapid urbanization coupled with steady migration of people from rural to urban areas will continue to expand growth of urban housing and the demand for rapid construction methods to meet the demand.

INDUSTRIAL SEGMENT

Growing at a CAGR of 10% over the past five years, the per capita consumption of structural steel and PEB in India has reached about 6.2 Kgs now. Driven by large investments in industry and infrastructure, Steel Structures segment has witnessed a higher growth as compared to the Indian steel industry as well as the Indian construction industry. Demand for structural steel from building segments in India is less than 5% as compared to 65-70% in USA and 35-40% in UK. (Source: Deloitte Research)

Penetration of PEB in large traditional segments like power, chemicals, cement etc is increasing. Also Small-scale industries, are recognizing the advantages of using PEB over conventional concrete buildings to control cost and time overruns .

The ₹ 560 billion Indian warehousing industry is growing at over 10% annually. Modern ware housing accounts for only 15% of the market. With the arrival of organized players, modern warehousing is estimated to grow at a faster rate of 20-25% over the next 5 years. (Source: E&Y)

Manufacturing of Pre-Engineered Steel Buildings, Roorkee, Uttrakhand

BUSINESS SEGMENT REVIEW

Everest's business operations are divided into two segments i.e. Building Products and Steel Buildings.

Building Products

Roofing Products
- Fibre Cement Roofing
- Polycarbonate Roofing

Board & Panels
- Ceilings, Flooring
- Walling, Claddings
- Solid Wall Panels

Steel Buildings

Steel Buildings
- Pre-Engineered Buildings
- Smart Steel Buildings

Metal Roofing

A. BUILDING PRODUCTS SEGMENT

₹ 758.9 Cr.	₹ 35.9 Cr.	72.4%
Revenue from the segment	EBIT from the segment	Contribution of the segment to total revenue

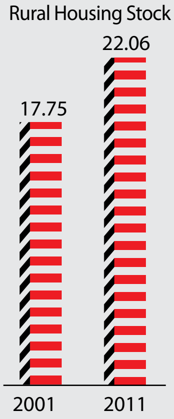
1. ROOFING

Industry overview

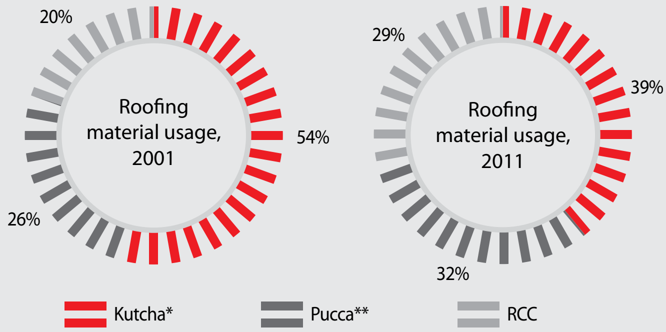
Between the last two census surveys, the total rural housing stock has increased from 17.75 crore units in 2001 to 22.06 crore units in 2011. The total share of pucca roofing and RCC has increased from 45.5% in 2001 to 61.2% in 2011 (Source: Census 2011). With improvement in rural income (from farm and non-farm avenues), government thrust on rural housing and improving disposable income; customers are migrating from kutcha roofs to more durable and convenient pucca roofing solutions. Over the years, the use of clay tiles has been declining due to the non-availability of raw material and a rising preference of superior roofing material. Moreover, the pucca fibre cement roofing is very economical and costs just one-third of the cost of an RCC ceiling slab.

The fibre cement roofing industry in India has a capacity of 58 lac MT per annum and comprises of 6 national brands and 14 regional brands.

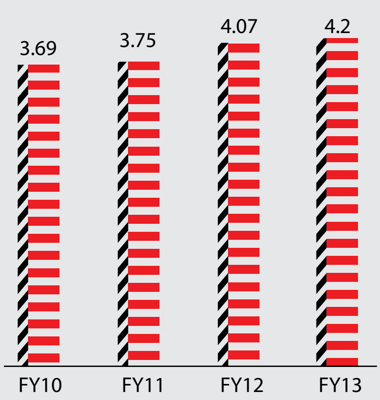
Consistent increase in rural housing stock…



…is facilitating consumers to migrate from kutcha houses to pucca and RCC structures…



…which in turn is leading to the growth of the roofing industry



(Source: Census of India 2011 & 2001)
*Kutcha roofs include – Grass, thatch, bamboo, wood, mud, handmade tiles, machine made tiles
**Pucca roofs include – Fibre cement roofing sheets, GI sheets, Galvalume sheets and others

Hi-Tech Roofing Sheets

Growth drivers of roofing products

- **Higher disposable income:** Increasing farm income and non-farm employment avenues have generated more disposable income for rural households. Due to media penetration, the aspirations of rural customers is rising. Rural customers, consequently, continue to invest more in building of new houses or upgrading the existing ones.

- **Rising Minimum Support Prices (MSP):** The government has raised the Minimum Support Price (MSP) for FY13 Khariff crops by an average of 20.1%. The MSP for paddy has been hiked by 15% and for oilseeds and pulses by 20-25%. This has led to improved income for farmers and agricultural labourers.

- **Rural Housing Development:** To focus on rural housing development, various schemes have been put in place. This gives a thrust to expansion of rural housing.

  - **Indira Awas Yojana(IAY):** Government has increased the allocation for Indira Awas Yojana (IAY) by 59.80% from ₹ 9,996 crore in 2012-13 to ₹ 15,976 crore for 2014-15.

  - **Other schemes:** There are more schemes like Golden Jubilee Rural Housing Finance Scheme (GJRHFS) to address the problem of rural housing through improved access to housing credit.

- **Rural Income Development:** Various rural employment generating schemes of the government are also fuelling the construction demand.

  - **Rural Housing Fund (RHF):** RHF was formulated by the National Housing Bank with a purpose to create "affordable housing opportunities for all" by offering financial assistance to economically weaker sections of the society. The budgetary allocation for RHF for 2014-15 is ₹ 6,000 crore. It will facilitate easier housing finance for target groups.

Everest's Performance

Everest provides roofing solutions to housing, building and construction industry with a strong portfolio of roofing products for rural housing and commercial applications. Everest's range of solutions include Corrugated Fibre Cement Roofing Sheets, Hi-Tech Fibre cement roofing sheets, Durasteel Metal Roofs, Polycarbonate Rooflights and roofing accessories like Ridges, Gutters, EPDM Washers and North Light Curves among others.

Everest is one of the largest national brands in the Indian fibre cement roofing market. Everest's roofing sheets find application throughout the country in factories, power plants, stadiums, schools, urban/rural houses, animal shelters, poultry farms and commercial establishments. Fibre cement roofing solutions are preferred in rural and agriculture based housing markets as an affordable and durable roofing solution.

Amidst a tough economic environment, the industry overall had a dismal growth in FY13-14. The first three quarters of the year were weak for the industry and for the company. The management took strong measures to control cost and inventory and focused on despatches and distribution to achieve a 13% growth leading to the highest ever sales in the fourth quarter. Improved economic conditions coupled with company's heightened marketing efforts led to a marginal improvement in prices by March 2014. During the year distribution network was expanded by 19% through

Cement Planks

penetration in new markets and expansion of existing reach. Various dealer and consumer promotion campaigns to promote the advantages of Everest roofing sheets helped regain markets. Substantial increase in prices of home building due to the high cost of cement, steel and shortage of sand and labour during the year adversely affected the construction activity. It led to postponement of building decision by home-owners in rural areas. This latent demand is poised to return once there is more stability in government policy and prices. A stronger rupee vis-a-vis the dollar will also help reduce cost of imported fibre, which had adversely affected input costs during the year when the dollar strengthened unexpectedly against the rupee.

2. BOARDS AND PANELS

Industry overview

The Indian boards industry comprises of traditional products like plywood, laminates, particle boards and new age modern building products like fibre cement boards and gypsym. The traditional market size is estimated at ₹ 20,000 crore and the new age modern building products market size is estimated to be ₹ 1,800 crore. The boards industry is highly fragmented and is currently dominated by plywood, laminate and particle boards. The inability of wood based products to meet diverse needs of customers such as resistance from fire, moisture, dampness and termites has increased the demand for modern building materials like Fibre Cement Boards and Gypsum Boards which address specific needs in construction.

Growth drivers of Boards and Panels

- **Impetus to infrastructure development:** With the growing focus on infrastructure development, Indian construction sector has witnessed a major boom. India is expected to become the third largest construction market in the world by 2025 (Source: IBEF). Today, Indian GDP has a contribution close to 15% from the construction sector. It is the largest economic activity in India after agriculture.
- **More opportunities in Indian construction sector:** New projects contribute over 50% of the revenue of the Indian construction Industry. The construction sector is on the brink of large expansion as there are a number of huge infrastructure projects in the pipeline awaiting government clearance. The demand and supply mismatch in hotels, hospitals and housing spaces is alarming and would require immediate focus on construction of these amenities. Fibre cement boards and dry wall systems have become popular in infrastructure projects, hospitality, education and healthcare establishments, affordable and mass housing schemes, slum rehabilitation programs, rural sanitation and toilet building programs.
- **Adoption of modern construction techniques:** The shortage of skilled labour and increasing impact of financial costs on projects has given rise to a demand for modular and ready-to-install products which can save time without compromising on safety or strength. Fast and sustainable construction methods using Fibre Cement Boards address this need and are being recommended by architects and interior designers. Value added, packaged and ready-to-install products like designer board ceilings and cement planks have found aesthetic appeal in premium housing projects, textile and industrial projects and commercial applications. More media exposure to modern lifestyles will generate more demand for modern building products like fibre cement boards.
- **Increase in cost of labour and basic building materials:** As cost of skilled labour and basic products like cement, bricks, sand increase, the difference in their cost and that of ready-to-install products like fibre cement boards decreases. Products and solutions with shorter on-site labour cycles are becoming more popular.

Everest's Performance

Everest provides a wide range of products which are used for walling, cladding, internal ceilings, flooring and wet area lining applications in modern construction methods. Everest has a strong presence in the boards market and offers an attractive value proposition over other alternatives.

With the thrust on green and energy efficient products by IGBC and GRIHA rating systems, demand for new age products like Everest Boards is increasing across Government and private projects.

During the year, boards and panel grew by 9.5% over FY13. Gross sales of this business was ₹ 91 crore in the domestic market. Sales volume for Solid Wall Panels increased by 21.4% during the year. Everest boards are exported to more than 20 countries across Asia, Europe, Africa and Australia.

During the year a focus on increasing productivity in plants and reducing conversion cost through process improvement has started yielding results. New designs and packaging of value added products has also given a boost to market penetration and volumes.

MANUFACTURING FACILITIES

Everest has six manufacturing units for Building Products across the country with a cumulative capacity of 8,10,000 MT per annum. Everest fibre cement roofing products are produced at Bhagwanpur (Roorkee, Uttarakhand); Lakhmapur (Nasik, Maharashtra); Kymore (Katni, Madhya Pradesh); Podanur (Coimbatore, Tamil Nadu); Kolkata (West Bengal); Somnathpur (Odisha). The Boards and Panels are produced at its Bhagwanpur (Uttarakhand) and Lakhmapur (Maharashtra) facilities.

The Company had commissioned a modern roofing line with an annual capacity of 1,00,000 MT per annum at Somnathpur (Baleshwar, Odisha). During the year under review the Company started commercial production from this unit and catered to the rising demand of roofing sheets in eastern India.

FINANCIAL HIGHLIGHTS

- The building products division's revenue declined by 1.3% to ₹ 758.9 crore in 2013-14 despite a realization growth of 3.2%. This was on account of sluggish demand due to high inflation and cost of construction throughout the country.
- The operating profit of the division decreased by 59.0% from ₹ 87.6 crore in previous year to ₹ 35.9 crore during the year owing to increase in raw material costs, particularly imported fibre, employee cost and freight cost.

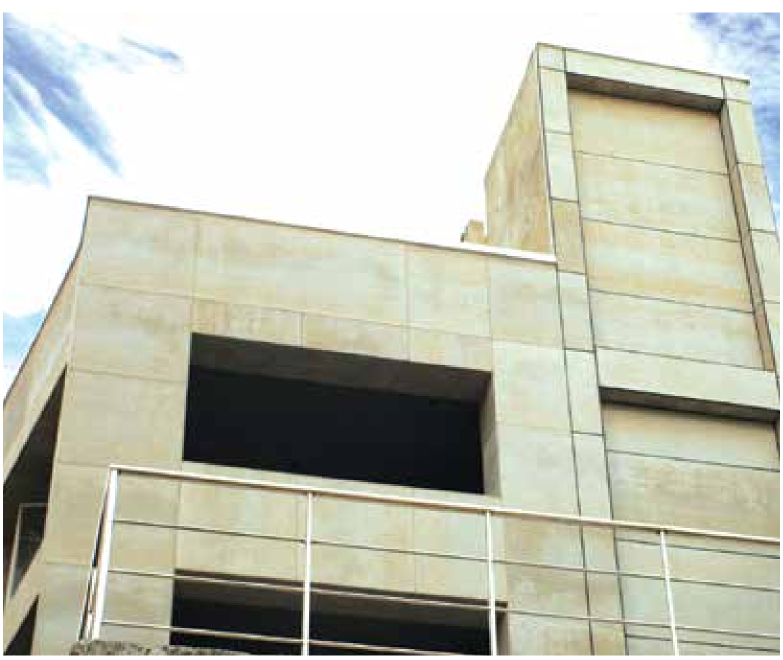
OPERATIONAL HIGHLIGHTS

- In terms of volume, the sales of building products declined by 5.06% to 619 ('000) MT as compared to 652 ('000) MT in the previous year.
- Company started commercial production from the new Greenfield unit at Somnathpur, Odisha, which has an installed capacity of 1,00,000 tonnes per annum.
- Initiated a major cost control initiative on inventories, processes, methods and alternative raw materials. The impact of these projects will be seen in the following quarters.

OUTLOOK

With expected revival in economic activity, housing construction activities should also gain momentum. On the back of increasing rural income, rural housing growth is expected to accelerate over coming quarters.

With the right building solutions and products, deeper market penetration and strong customer equity, Everest Industries is positioned to benefit from the growing demand.



Heavy Duty Cement Boards

Cement Planks

Pre-Engineered Steel Buildings

B. STEEL BUILDING SEGMENT

₹ 276.3 Cr.	₹ 9.1 Cr.	26.4%
Revenue from the segment	EBIT from the segment	Contribution of the segment to total revenue

Industry overview

Steel buildings are fast emerging as an effective alternate to traditional brick and mortar ones in India. Offering advantages like speed and cost of construction, robustness and energy efficiency, it is the preffered method for industrial construction. Popular as Pre-Engineered Buildings (PEBs), it has widespread presence across North America and European countries. Compared to conventional construction, PEBs save construction time by 30-50%, are 100% customizable, highly flexible, durable and weather proof.

The Indian PEB market size is estimated to grow at a CAGR of 26.6%, from ₹ 5,297 crore in 2012 to ₹ 13,612 crore by 2016 (Source: Frost and Sullivan Research). The PEB industry, in early years of its introduction in India, recorded rapid growth. However, recent economic slowdown has impacted its growth momentum momentarily.

Growth drivers of Steel buildings

- **Infrastructure development:** The government has planned to increase the share of infrastructure investment in GDP to more than 10% by the end of the Twelfth Five Year Plan (2012-2017). In order to achieve this, the government has set a massive target of around ₹ 55.7 trillion for developing infrastructure. Of the total amount, around 32% of planned investments will be for power sector, 17% for telecommunications, 11% for railways, 13% for irrigation & sanitation and 9% for other infrastructure activities (Source: Planning Commission). These investments will create a huge demand for PEBs, which are widely used in industrial and commercial sectors.
- **Low penetration of PEBs:** In the United States, more than 70% of all construction in industrial and institutional segments is done using pre-Engineered buildings. While in India, only around 27% of all industrial and institutional buildings use pre-Engineered buildings. Further, the per capita steel consumption of India is merely 59 kg during 2012 compared to the global average of 215 kg, which provides tremendous scope for the penetration of steel structures. With the increased level of construction activities across the country, there will be a massive demand for PEBs.
- **Increase in Warehousing space:** The Indian warehousing industry in 2013 is pegged at around ₹ 560,000 crore, out

of which agri-warehousing accounts for 15%. The agri warehousing capacity in India is around 110-120 million tonnes while the food grain production is around 250 million tonnes. As a result, around 20-30% of the total food grain harvest of the country is wasted (Source: E&Y & CII research and KPMG report). In order to address the shortage of warehouses, the government has announced warehouse capacity addition of around 35 million tonnes under the Twelfth Five Year Plan.

- **Shortage of cold storage:** India's cold storage capacity is estimated at 30.11 million tonnes in 2012 which is required to be at 61.13 million tonnes to minimize wastage. In order to keep up with increasing production and to minimize wastage of fruits and vegetables, National Horticulture Board (NHB) recommends an investment of ₹ 55,074 crore by 2015-16. PEBs with insulation are best suited for cold storage warehouses.

Everest's Performance

Everest established its Steel Building division in 2008 with a vision to offer turnkey solutions including designing, manufacturing, technical support, providing construction services, logistics and project management.

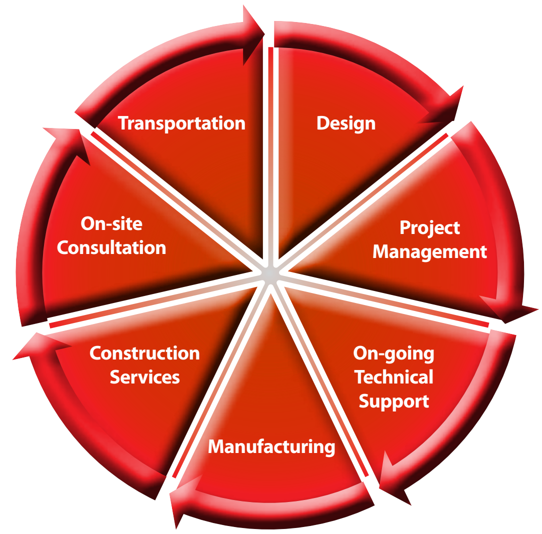
In a considerable short span of time, the steel building division has grown its contribution to 26.4% of Everest's revenue. The company delivered its 1000th Pre-Engineered building in FY 14. Everest has erected factory sheds, logistics parks, warehouses and commercial buildings across the country for major corporations. As a result, Everest's PEBs are strongly recommended by architects, structural consultants, project divisions of companies and leading contractors operating in industrial and logistics sector.

Despite prevalent economic and industrial slowdown, the share of Pre-Engineered Buildings (PEBs) in the construction sector has increased steadily year after year. Further, PEB's share in the industrial buildings and warehouses is increasing rapidly.

MANUFACTURING CAPACITIES

Everest's Pre-Engineered Building facility is located at Bhagwanpur, Roorkee in Uttarakhand and Ranchi in Jharkand, with a total manufacturing capacity of 42,000 MT per annum. Everest's PEBs are developed using International Engineering Software with the support of highly qualified and experienced team. Last year, we had set up our first design centre for PEBs at Roorkee, Uttarakhand.

Complete PEB solution provider



CAPACITY EXPANSION

With the Small and Medium Enterprise (SME) sector growing rapidly and contributing to the overall growth of the economy, the demand for PEBs will continue to grow at a rapid pace. A greenfield capacity expansion of 30,000 MT per annum has been initiated at Dahej, Gujarat, with a total capital expenditure of ₹ 50 crore. . The project is running on time and will be fully operative during FY14-15. With this expansion, the total capacity of our steel building division will increase to 72,000 MT per annum.

This plant will allow us to serve the West and South markets better and reduce freight costs.

FINANCIAL HIGHLIGHTS

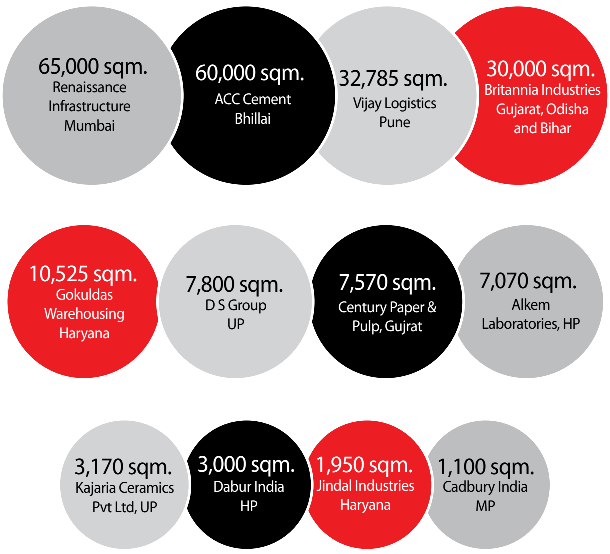
- The revenue increased by 12.5% during the year to ₹ 276.3 crore as compared to ₹ 245.6 crore in the previous year on account of increase in market share and better acceptability of Everest Pre-Engineered Buildings.

- The operating profit registered a 35.46% decline to ₹ 9.1 crore compared to ₹ 14.1 crore in the previous year owing to increase in raw material costs of steel, freight and higher inventory holding costs caused by longer delivery cycles by customers due to delays in financial closures for their projects.

OPERATIONAL HIGHLIGHTS

- Sale volumes increased by 19.6% to 34390 MT during the year owing to better demand for PEB. Order book at the end of the year improved by 37.1% to ₹ 270 crore from ₹ 197 crore at the end of previous year owing to a strong improvement in demand for steel building products and presence of Everest in strategic markets.

Key projects executed



Pre-Engineered Buildings advantages

- **Faster construction time:** Buildings are typically delivered in just a few weeks after design approvals. Construction time is almost halved resulting in faster occupancy and early revenues.
- **Low cost:** The cost of designing, manufacturing, on-site erection and transportation is low, which reduces overall cost of construction.
- **Flexible:** Expansion can be easily carried out in the building by adding additional bays, adjusting width and height.
- **Quality control:** Buildings are manufactured in ISO certified manufacturing facilities in controlled conditions to ensure high quality.
- **Low maintenance:** Buildings are supplied with quality paint systems for cladding and steel to suit ambient on-site conditions, resulting in durability and low maintenance.

- Capacity utilization went up to 92% during the year under review from 87% achieved in in the previous year.
- Company initiated exports of PEBs for projects in Ethopia, Bhutan, Mozambique and Nepal.
- Cost control initiatives - a number of cost control initiatives were undertaken in the steel buildings division. These include productivity enhancement projects like automated loading and scrap waste reduction.

Outlook

Central government's fast tracking of approvals on infrastructure and industrial projects during the second half of FY 14 are likely to boost the PEB industry. Construction activity, including those of industrial and commercial buildings, is likely to gain momentum over coming quarters. With a clear shift towards PEBs from conventional structures, the PEB segment would grow faster. With newly added capacities at a strategic location and increasing buyer interest in this building technique, the division is poised for rapid growth.

FINANCIAL STATEMENT AND ANALYSIS

A. SOURCES OF FUNDS

i. Share capital

The share capital comprises of only one class of shares – equity shares of face value of ₹ 10 each. The authorized share capital is ₹ 1,700 lacs, divided into 170 lacs equity shares of ₹ 10 each. The issued, subscribed and fully paid up share capital stood at ₹ 1,519.47 lacs as at 31 March 2014 compared to ₹ 1,518.73 lacs in the previous year.

ii. Reserves and surplus

Capital reserve

Capital reserve remained unchanged during the year.

Securities premium

An amount of ₹ 4.19 lacs got added to the securities premium account. This was on account of premium received on issuance of 7,375 equity shares, taking the closing balance to ₹ 319.76 lacs as at 31 March, 2014.

General reserve

An amount of ₹ 91.90 lacs was transferred to the general reserve.

Profit and Loss account

The balance retained in the profit and loss account as at 31 March, 2014 was ₹ 18,302.48 lacs, after providing for dividends, dividend distribution tax and transfer to general reserve. The total amount of profits appropriated to dividend including dividend distribution tax was ₹ 444.43 lacs compared to ₹ 1,332.63 lacs in the previous year.

iii. Shareholder's fund

The total shareholders' fund increased to ₹ 27,933.24 lacs as at 31 March, 2014 compared to ₹ 27,458.52 lacs as at 31 March, 2013 .

iv. Loan funds

Company's borrowings increased to ₹ 21,688.18 lacs as at 31 March 2014 from ₹ 15,430.32 lacs as at 31 March 2013, an increase of ₹ 6,257.86 lacs during the year. The borrowings were primarily to fund the capital expenditure for the new production facilities of the Company at Somnathpur, Ranchi and Dahej (under implementation).

v. Long-term provisions

Long-term provisions stood at ₹ 607.88 lacs as at 31 March, 2014 compared to ₹ 757.58 lacs on 31 March, 2013.

vi. Deferred tax assets/liabilities

Deferred tax assets stood at ₹ 380.20 lacs as at 31 March, 2014 as against ₹ 361.02 lacs in 31 March, 2013. Deferred tax liabilities stood at ₹ 3,211.95 lacs as at 31 March, 2014 as against ₹ 2,817.58 lacs as at 31 March, 2013. The net deferred tax liabilities stood at ₹ 2,831.75 lacs as at 31 March, 2014 as compared to ₹ 2,456.56 lacs as at 31 March, 2013. This was primarily on account of difference in depreciation allowable under the Income tax act and as provided in the books of accounts.

vii. Current liabilities (other than short-term borrowings)

Current liabilities increased to ₹ 28,172.06 lacs as at 31 March 2014 as compared to ₹ 22,504.58 lacs as at March 2013 on account of increase in advances from customers, stockist's deposits, current maturities of long-term borrowing, trade and other payables and provision for taxation.

B. APPLICATION OF FUNDS

i. Fixed assets

The gross block (including tangible and intangible assets) increased to ₹ 48,001.16 lacs as at 31 March 2014 from ₹ 38,420.14 lacs as at 31 March 2013, a growth of ₹ 9,581.02 or 24.9%. The increase is mainly on account of addition of leasehold land, buildings, plant & equipment (including capex at Somnathpur works (Odisha) and Ranchi works (Jharkhand) capitalised during the year) and enterprise software.

Accumulated depreciation increased to ₹ 19,827.27 lacs as at 31 March 2014 from ₹ 17,284.88 lacs as at 31 March 2013. The net block of tangible and intangible assets stood at ₹ 28,173.89 lacs as at 31 March 2014 against ₹ 21,135.26 lacs as at 31 March 2013, a growth of ₹ 7,038.63 lacs or 33.3%.

ii. Non-current investments

The amount stood at ₹ 63.37 lacs comprising 9,500 equity shares of ₹ 10 each fully paid up shares of M/s Everest Building Solutions Limited and share application money of ₹ 62.42 lacs contributed to M/s Everest Building Products, Mauritus.

Wall Boards

iii. Long-term loans and advances

The amount of long-term loans and advances as at 31 March, 2014 stood at ₹ 7,450.53 lacs, compared to ₹ 4,329.37 lacs in previous year. This was mainly on account of an increase of ₹ 2,441.40 lacs in advance tax.

iv. Current assets

Trade receivables

Trade receivables amounted to ₹ 8,070.81 lacs as at 31 March, 2014, compared to ₹ 5,234.95 lacs as at 31 March, 2013. These debtors are considered good and realizable. Company's trade receivables are backed by security deposits from stockists (₹ 2,399.25 lacs as at as at 31 March 2014) and by letters of credits (LC's) provided by the bankers of customers (debtors secured by LC's stood at ₹3,874.36 lacs as at 31 March 2014). Debtors are 7.42% of revenues for the year ended 31 March, 2014, compared to 4.88% for the previous year, representing an average collection period of 27.07 days and 17.83 days for the respective years. The provision for bad and doubtful debts as a percentage of revenue is 0.05% for the year ended 31 March, 2014 as against 0.02% for the year ended 31 March, 2013.

Cash and bank balances

Cash and cash equivalents stood at ₹ 2,514.30 lacs as at 31 March, 2014 as against ₹ 5,285.31 lacs as at 31 March, 2013.

Short-term loans and advances

The amount of short-term loans and advances increased to ₹ 6,082.16 lacs compared to ₹ 4,874.28 lacs in the previous year.

Other current assets

Other current assets stood at ₹ 54.83 lacs as at 31 March, 2014 as compared to ₹ 122.39 lacs in the previous year. This decrease is on account of decrease in the amount of interest accrued, but not due.

C. INCOME STATEMENT

i. Revenues

Total revenue of the Company increased to ₹ 1,04,758.85 lacs in FY 14 from ₹ 1,02,288.54 lacs in the previous year. Building products contributed ₹ 75,890.62 lacs to the total revenue during the year as compared to ₹ 76,855.02 lacs in the previous year. Steel Buildings contributed ₹ 27,634.54 lacs to the total revenues during the year as compared to ₹ 24,558.27 lacs during the previous year, registering a growth of 12.5%.

Composition of total income:

Particulars	31 March, 2014		31 March, 2013		Growth (%)
	Amount (in ₹ lacs)	%	Amount (in ₹ lacs)	%	
Building products	75,890.62	72.4	76,855.02	75.1	-1.3
Steel buildings	27,634.54	26.4	24,558.27	24.0	12.5
Other income	1,233.69	1.2	875.25	0.9	41.0
Total revenues	1,04,758.85	100	1,02,288.54	100	2.4

ii. Operating expenditure

Operating expenditure comprises cost of material consumed and sold, cost of personnel, manufacturing and selling expenses, excluding depreciation and finance costs. Operating expenditure increased to ₹ 99,539.76 lacs in FY14 from ₹ 91,635.16 lacs in the previous year, mainly on account of higher cost of imported Chrysotile fibre (due to a significant depreciation of the Rupee by 9%), steel (due to increase in steel prices by 10%) and freight (due to regular increases in the price of diesel by 15%).

iii. Operating profits

Operating profit decreased from ₹ 10,653.38 lacs for FY13 to ₹ 5,219.09 lacs for FY14. This decrease was on account of steep increase across most input costs.

iv. Interest and finance cost

The Company avails working capital and term loan facilities from its bankers and has also raised funds through ECBs. The total interest cost towards servicing the availed facilities stood at ₹ 1,256.90 lacs for FY14 as compared to ₹ 557.99 lacs in the previous year, primarily on account of investment in capex.

v. Depreciation

Depreciation charged stood at ₹ 2,672.04 lacs in FY14 as against ₹ 2,205.24 lacs in the previous year. The increase in depreciation was mainly on account of capitalisation of Somnathpur works (Odisha) and Ranchi works (Jharkhand).

vi. Tax expenses

The Company's tax expense stood at ₹ 375.19 lacs for FY 14 as against ₹ 2,640.18 lacs in FY 13.

vii. Net profit after tax

Net profit was ₹ 914.96 lacs for FY14 as compared to ₹ 5,249.97 lacs in the previous year.

viii. Earnings per share

The basic earnings per share during the year was ₹ 6.02 per share as compared to ₹ 34.70 per share in the previous year. Outstanding shares used in computing basic EPS increased from 15,130,985 shares for the year ended 31 March, 2013 to 15,189,961 shares for the year ended 31 March, 2014.

D. Liquidity

Net cash inflow from operations for FY 14 was ₹ 4,179.33 lacs.

Net Cash outflow for investing activities was ₹ 10,198.52 lacs mainly on account of capital expenditure (including the expenditure incurred for new plant at Baleshwar and Dahej).

Net Cash inflow from financing activities for FY 14 was ₹ 4,428.48 lacs.

MANAGING RISKS, MAXIMIZING RETURNS

Being in the business of building solutions, Everest Industries' business is exposed to various external and internal risks that might affect its business adversely.

The company has an adequate risk management framework in place. Some of the material risks and their corresponding mitigation measures are detailed hereunder:

a. Raw Material

The key raw materials for manufacturing are cement, chrysotile fibre, fly ash and steel. The unavailability of key raw material on time might affect production.

- The company enters into long term supply agreement with its domestic as well as global raw material vendors in order to ensure regular and stable supplies of raw materials.
- The company always maintains adequate inventory of raw material as a buffer against shipment delays and material unavailability.

b. Plant concentration

The location of all the manufacturing units in a single region will affect the distribution of the products and it will increase the logistics cost of distributing the products to other parts of the country.

- The company has eight manufacturing facilities located across the country in East, West, North, South and Central region which enables it to dispatch its products to more than 1 lac villages across the country.
- Expansion of capacity is undertaken in various segments to cover new geographical regions and markets.

c. Quality

The company offers building products and steel building products to large institutional buyers where quality of products and projects is of prime importance. Any variation/ inconsistency in quality of products or projects may affect the credibility of the company.

- The company's Nashik, Coimbatore, Kolkata and Kymore manufacturing facilities are ISO:9001 and ISO:14001 certified, which assures that the company's products meet the highest standards of quality and durability.
- The company has delivered many prestigious projects to reputed corporates like Cadbury, Godrej, Kirloskar, Mann and Hummel, Britannia among others. This testifies the company's commitment to quality, high standards of project management and technical capabilities.
- The quality department undertakes extensive testing of all manufactured products at regular intervals to ensure high quality standards are maintained.
- The R & D centre for building products at Nashik and Design centre for PEBs at Delhi and Roorkee undertakes various projects to improve quality and design.

d. Price

The company operates in a highly competitive environment where the prices of input costs are rising every year. The Company's ability to pass on the price increase to its customer impacts its profitability and margins.

- Everest's strong brand equity, deep engagement with customers and dealers, and focus on quality commands a premium and the company leverages its competitive strength in passing on a reasonable cost escalation to customers from time to time.
- The marketing and communication teams at Everest undertake promotions and advertising regularly to communicate price increases to the trade.

e. Credit

The company extends credit facility to its distributors for purchase of its products only against security deposits by the distributor. There is however, a time lag in receipt of erection payments and L/C Sales.

- The company has adopted an effective receivable management system to control the Days' Sales Outstanding and keeps a closer check on credit worthiness of its distributors, and customers.

Rooflight

HUMAN RESOURCES

At Everest, we consider our people to be our greatest assets. Attracting, motivating and retaining best available talent are essential to achieve our growth plans. We provide a collaborative work environment that fosters ethical behavior, respect for fellow employees and performance with responsibility, honesty and integrity. We take various measures to retain high quality talent and train them for leadership roles.

Key Initiatives

We focus on the holistic development of our people in order to make Everest a great place to work at. The following are some of the key initiatives that we undertook during the year:

- **Training Programs:** We have a young and agile work force in every division and support function. In order to reinforce the youth work force and develop talent pipeline for future requirements, we have introduced on-going training programs to induct and train young talent. We conduct continuous skill based technical training using external and internal faculty and Management Development Programs (MDP) in reputed institutions. All the latest developments and updates in the company are shared through intranet, electronic and print publications.

- **Employee engagement activities:** We encourage our employees to participate in various competitions within and outside the purview of the company which includes 5-S activities, Kaizen improvement and quality circle activities among others. Our employees are involved in a number of work related projects, learning clubs, inter-corporate and inter-zone cricket matches and recreation activity which helps them engage with other employees and build trust. Team activity and achievements are published in our monthly newsletter for employees.

- **Rewards:** We reward our employees and teams who achieve targets through our productivity linked Excellence Bonus Scheme. The company has established share incentive schemes under the Employees Stock Option Schemes (ESOS) pursuant to which options to acquire shares of the company have been granted to high performing employees and senior management personnel.

BEYOND BUSINESS

A company's real contribution to the community is measured by the sum of the total changes achieved by it within the areas of its influence. At Everest, it has been our constant endeavor to bring about a positive difference to the communities surrounding our area of operation.

The following are some of the initiatives that we have undertaken during the year:

- **Individual social responsibility:** The Company has initiated a drive to make social responsibility a concern of every team member in the company. We believe that by helping the community we start making a small positive change in the right direction and the person gains spiritually and emotionally. Every officer in the company has committed to social service for 4 hours in every calendar year. These include regular visits to orphanages, teaching at educational institutions, undertaking cleanliness and hygene drive in their locality etc. The results have been positive and are making a difference in the lives of people around us.

- **Raising awareness:** In order to create awareness among employees and the community, we observe and celebrate important days such as World Environment Day, Earth Day, Anti Tobacco Day, Engineers Day and Women's Day at our manufacturing facilities. Recently, 125 employees participated in a week long traffic drive to express gratitude towards traffic personnel.

- **Community welfare:** Our employees proactively participate in welfare and development of communities in the neighbouring areas where our plants are located. We conduct medical camps, health camps and various other programs at each factory. We recently conducted a health camp in Somnathpur unit where ~1600 people from surrounding areas participated.

  During the year, employees of Lakhmapur unit in collaboration with Salaam Bombay Foundation conducted an Anti Tobacco Awareness Campaign. A total of 70 master trainers participated from 15 blocks of Nashik district and a total of 850 teachers were trained.

- **Helping NGOs:** We support NGOs like Arunima Hospice for HIV affected children, Salaam Bombay Foundation, which conducts life skill programs in schools with a focus on better health and education, etc. We have set up a stitching training centre known as "Everest Samudayak Vikas Samiti" to train girls from surrounding villages. We plan to expand the program to neighboring villages and communities on the basis of the outcome of the program.

Bhagwanpur unit in collaboration with PHDRDF, New Delhi has initiated a Computer & Mobile Repairing Learning Centre, a computer training & mobile repairing centre for boys & girls. A total of 61 students have been trained in mobile repairing and 50 students have been trained in computers to make them employable.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

At Everest, our Internal Control Systems are designed to prevent operational risks through a framework of internal controls and processes. Our internal control system ensures that all business transactions are recorded in a timely manner, the financial records are complete, resources are utilized effectively and our assets are safeguarded. The Audit Committee reviews the adequacy of the internal control system regularly and follow-up actions are then implemented immediately to ensure smooth and transparent functioning.

RESEARCH AND DEVELOPMENT

Everest's Research & Development division based in Lakhmapur works has received recognition from Department of Science and Industrial Research (DSIR) and Ministry of Science and Technology (MoST). The R&D department is actively involved in process and product development with a clear focus on cost and value optimization. Key R&D activities during the year included development of alternate / low cost raw materials for cost optimization, special coating solutions for fibre cement products for performance enhancement and special applications. In the steel building division, the R&D department initiated projects for components standardization and application and faster throughput.

SAFETY AND HEALTH

At Everest, health and safety is paramount to all our business operations. We take special care of health and safety aspect of all employees, associates and customers of the Company. Our manufacturing units ensure zero discharge of industrial effluents into the environment. We take adequate safety measures at Pre-Engineered Building sites, especially during installation to ensure a safe workplace. Further, we provide safety training to workers, provide safety gears and ensure that safe work place practices are followed strictly at all our plant locations.

There are many misconceptions about one of our raw materials, asbestos. We use white asbestos (Chrysotile) fibre bound in a cement matrix while manufacturing AC Roofing. Chrysotile is a naturally occurring mineral, mined and imported in pallets from developed countries like Russia, Canada and Brazil. Since it is not sprayed, fibre emission is fully controlled. Fibre concentration at our production facilities is better than international norms and we have systems to ensure zero discharge of industrial effluent. Regular health check-ups for all of our employees confirm the absence of any asbestos-related disease over decades of service. We ensure the highest level of safety for our employees and the community. Living and working under an Everest Roof, which contains asbestos, is safe.

CAUTIONARY STATEMENTS

This report contains forward-looking statements, which may be identified by the use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations of projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

STATUTORY REPORTS

NOTICE

Notice is hereby given that the Eighty First Annual General Meeting (AGM) of the Members of Everest Industries Limited will be held at the Registered Office of the Company at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra) on Wednesday, the 30th July, 2014 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March 2014, including the audited Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon and also the consolidated audited Balance Sheet as at 31st March, 2014 and the consolidated Statement of Profit and Loss for the Year ended on that date together with report of Auditors thereon.

2. To declare dividend on equity shares for the year ended 31st March 2014.

3. To appoint a Director in place of Mr. Y. Srinivasa Rao (DIN 01289086), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

4. 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 Section 139 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 015125N), be and are hereby re-appointed as auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the 84th AGM, for the financial year ending 2017 (subject to ratification of the appointment by the members at every AGM held after this AGM) at the remuneration to be determined by the Board of Directors of the Company."

SPECIAL BUSINESS

5. To appoint Mrs. Bhavna G. Doshi (DIN 00400508), as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rules, 2014 and clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Bhavna G. Doshi (DIN 00400508), who was appointed as an Additional Director of the Company by the Board with effect from 25th October, 2013, and who holds office until the date of the this AGM, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Bhavna G. Doshi as a candidate for the office of a Director of the Company, be and is hereby appointed as Independent Director of the Company w.e.f. 1st April, 2014 up to 31st March, 2019, whose office shall not be liable to retire by rotation ."

6. To appoint Mr. Sandeep H. Junnarkar (DIN 00003534), as an Independent Director and in this regard 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 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) , Mr. Sandeep H. Junnarkar (DIN 00003534), Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st April, 2014 to 31st March, 2019, whose office shall not be liable to retire by rotation"

7. To appoint Mr. M.L. Narula (DIN: 00143036), as an Independent Director and in this regard 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 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. M.L. Narula (DIN: 00143036), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st April, 2014 to 31st March, 2019, whose office shall not be liable to retire by rotation"

8. To appoint Mr. Amitabh Das Mundhra (DIN 00014227), as an Independent Director and in this regard 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 149, 150,152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Amitabh Das Mundhra (DIN 00014227), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st April, 2014 to 31st March, 2019, whose office shall not be liable to retire by rotation"

9. To appoint Mr. B.L. Taparia (DIN 00016551), as an Independent Director and in this regard 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 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. B.L. Taparia (DIN 00016551), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company w.e.f. 1st April, 2014 to 31st March, 2019, whose office shall not be liable to retire by rotation"

10. To approve the remuneration of Mr. Aditya Vikram Somani (DIN 00046286), Whole Time Director designated as Chairman of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 read with Sections 197, 198 , Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and any amendment thereto from time to time and subject to the approval of the Central Government (Ministry of Corporate Affairs), the Company hereby approves the remuneration to be paid to Mr. Aditya Vikram Somani (DIN 00046286), Whole Time Director designated as Chairman of the Company, for a period of three years with effect from 21st June, 2013 to 20th June, 2016 on such terms and conditions as set out in the Agreement dated 29th July, 2013 and as set out in the explanatory statement which forms part of this resolution.

   "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 the remuneration as per schedule XIII of the Companies Act, 1956 for the financial year 2013-14 and as per schedule V of the Companies Act, 2013 for rest of the period as the case may be and in case the Company pays in excess of the said limits as specified in those schedules during the stated period then the payment of excess remuneration shall be subject to the approval of Central Government (Ministry of Corporate Affairs).

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit, including but not limited to the filing of application to the Central Government for obtaining necessary approvals as may be necessary and desirable to give effect to this resolution."

11. To approve the remuneration of Mr. Manish Sanghi (DIN 00088527), Managing Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 read with Sections 197, 198 , Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and any amendment thereto from time to time and subject to the approval of the Central Government (Ministry of Corporate Affairs), the Company hereby approves the remuneration to be paid to Mr. Manish Sanghi (DIN 00088527), Managing Director of the Company, for a period of three years with effect from 1st October, 2013 to 30th September, 2016 on such terms and conditions as set out in the Agreement dated 29th July, 2013 and as set out in the explanatory statement which forms part of this resolution.

   "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 the remuneration as per schedule XIII of the Companies Act, 1956 for the financial year 2013-14 and as per schedule V of the Companies Act, 2013 for rest of the period as the case may be and in case the Company pays in excess of the said limits as specified in those schedules during the stated period then the payment of excess remuneration shall be subject to the approval of Central Government (Ministry of Corporate Affairs).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit, including but not limited to the filing of application to the Central Government for obtaining necessary approvals as may be necessary and desirable to give effect to this resolution."

12. To approve the remuneration of Mr. Y. Srinivasa Rao (DIN 01289086), Executive Director (Operations) and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 read with Sections 197, 198 , Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and any amendment thereto from time to time and subject to the approval of the Central Government (Ministry of Corporate Affairs), the Company hereby approves the remuneration to be paid to Mr. Y. Srinivasa Rao (DIN 01289086), Executive Director (Operations) of the Company, for a period of three years with effect from 23rd April, 2012 to 22nd April, 2015 on such terms and conditions as set out in the Agreement dated 30th July, 2012 and as set out in the explanatory statement which forms part of this resolution.

"RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Y. Srinivasa Rao, the Company has no profits or its profits are inadequate, the Company will pay the remuneration as per schedule XIII of the Companies Act, 1956 for the financial year 2013-14 and as per schedule V of the Companies Act, 2013 for rest of the period as the case may be and in case the Company pays in excess of the said limits as specified in those schedules during the stated period then the payment of excess remuneration shall be subject to the approval of Central Government (Ministry of Corporate Affairs).

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit, including but not limited to the filing of application to the Central Government for obtaining necessary approvals as may be necessary and desirable to give effect to this resolution."

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, for waiver of recovery of excess remuneration paid to Mr. Aditya Vikram Somani (DIN 00046286), Whole Time Director designated as Chairman of the Company during the financial year 2013-14, as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of sub-section (5B) of Section 309 of the Companies Act, 1956 read with Sub Section (10) of Section 197 of the Companies Act, 2013 and other applicable provisions, if any and subject to the approval of the Central Government, the consent of the members be and is hereby accorded for waiver of recovery of excess remuneration of ₹95,04,721/- paid to Mr. Aditya Vikram Somani (DIN 00046286), Whole Time Director designated as Chairman of the Company for the financial year 1st April 2013 to 31st March 2014, which has exceeded the limits prescribed in Part II of Schedule XIII read with Section 198, 309 and other applicable provisions of the Companies Act, 1956."

RESOLVED FURTHER THAT Board of Directors including Committee thereof be and is hereby authorised to do all such acts, deeds, things as may be required for approval of Central Government in respect thereof."

14. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, for waiver of recovery of excess remuneration paid to Mr. Manish Sanghi (DIN 00088527), Managing Director during the financial year 2013-14, as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of sub-section (5B) of Section 309 of the Companies Act, 1956 read with Sub Section (10) of Section 197 of the Companies Act, 2013 and other applicable provisions, if any and subject to the approval of the Central Government, the consent of the members be and is hereby accorded for waiver of recovery of excess remuneration of ₹ 60,25,897/- paid to Mr. Manish Sanghi (DIN 00088527), Managing Director of the Company for the financial year 1st April 2013 to 31st March 2014, which has exceeded the limits prescribed in Part II of Schedule XIII read with Section 198, 309 and other applicable provisions of the Companies Act, 1956."

RESOLVED FURTHER THAT Board of Directors including Committee thereof be and is hereby authorised to do all such acts, deeds, things as may be required for approval of Central Government in respect thereof."

15. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, for waiver of recovery of excess remuneration paid to Mr. Y. Srinivasa Rao (DIN 01289086), Executive Director (Operations) during the financial year 2013-14, as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sub-Section (5B) of Section 309 of the Companies Act, 1956 read with Sub Section (10) of Section 197 of the Companies Act, 2013 and other applicable provisions, if any and subject to the approval of the Central Government, the consent of the members be and is hereby accorded for waiver of recovery of excess remuneration of ₹ 42,81,480/- paid to Mr. Y. Srinivasa Rao (DIN 01289086), Executive Director (Operations) of the Company for the financial year 1st April 2013 to 31st March 2014, which has exceeded the limits prescribed in Part II of Schedule XIII read with Section 198, 309 and other applicable provisions of the Companies Act, 1956."

RESOLVED FURTHER THAT Board of Directors including Committee thereof be and is hereby authorised to do all such acts, deeds, things as may be required for approval of Central Government in respect thereof."

16. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, for payment of commission to Non Executive Directors for the Financial Year 2013-14, as a **Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of Sections 198, 309 and 310 of the Companies Act, 1956 read with Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and any amendments thereto from time to time, and subject to the approval of Central Government and other approvals as may be necessary, consent of the members be and is hereby accorded for payment of commission not exceeding in the aggregate 1.81% of the Company's net profit, computed in the manner laid down in Section 198 (1) of the Companies Act, 1956, to the Non-Executive Directors of the Company, in such amounts or proportions, as may be decided and approved by the Board of Directors for the financial year 1st April 2013 to 31st March 2014.

    RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable to settle any question or difficulty that may arise, in such manner as it may deem fit, including but not limited to the filing of application to the Central Government for obtaining necessary approvals as may be required to give effect to this resolution."

17. To determine the office of Mr. Aditya Vikram Somani (DIN: 00046286), Whole Time Director designated as Chairman of the Company, as liable to retire by rotation and in this regard, 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 Section 152(6)(a) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force),in partial modification of the resolution passed by the shareholders in the Annual General Meeting held on 26th July, 2013, Mr. Aditya Vikram Somani (DIN 00046286), Whole Time Director designated as Chairman of the Company shall be liable to retire by rotation.

18. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass, with or without modification, the following Resolution as a **Special Resolution :**

    "RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

    RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

19. To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2015 and in this regard 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 Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Chandra Wadhwa & Co., Cost Accountants appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, be paid the remuneration of ₹ 4,80,000/-.

    RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

20. To authorise Board for further issue of shares to employees under employees stock option scheme and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

    "RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof] and relevant 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 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 by any authority 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 Members be and is hereby accorded to the Board to grant to such employees (including to the Managing /Whole-time Director(s) of the Company), as may be decided by the Board in its sole discretion, as are in the permanent employment of the Company in the management staff, at the time when the grant is made, equity stock options (the "Options") not exceeding 180,000 (One Lac Eighty Thousand) Options under the Employees' Stock Option Scheme (ESOS-2014) during the financial year 2014-2015 (the "Scheme") each such Option being convertible into one equity share of face value of ₹10/- each on payment of such exercise price as may be decided by the Board and to issue and allot to such employees 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 equity shares so allotted shall not in the aggregate exceed 180,000 (One Lac Eighty Thousand) Equity Shares in the Company;

RESOLVED FURTHER THAT the equity shares so issued or allotted shall rank pari passu in all respects 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, proper or desirable for such purpose, including steps for listing of the equity shares allotted under the Scheme, 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 of equity shares under the Scheme."

21. To authorise Board to mortgage/ create charge on properties of the Company for securing loan and other financial assistance and in this regard, to consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED that the consent of the Company be and it is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company, both present and future, and/ or conferring power to enter upon and to take possession of assets of the Company in certain events, to and in favour of Financial Institutions/ Banks for securing the loan and other financial assistance obtained/ to be obtained by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the documents for creation of the aforesaid mortgages and/ or charges and to do all such acts and things as may be necessary for giving effect to the above resolution."

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

Mumbai, 30th April, 2014

Regd. Office: Gat 152, Lakhmapur, Taluka Dindori
Nashik- 422202, Maharashtra
Phone : 02557-250375/462, Fax : 02557-250376
CIN: L74999MH1934PLC002093
E-mail Id: compofficer@everestind.com

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special business to be transacted at the Meeting is annexed hereto.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE**

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 24th July, 2014 to 30th July, 2014 (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 the 81st Annual General Meeting, shall be paid to those members whose names stand on the Register of Members of the Company on 30th July, 2014. The dividend in respect of shares held in dematerialized form in the depository system will be paid to the beneficial owners of the shares as on the closing hours of business on 23rd July, 2014 as per the list provided by the respective Depositories for this purpose.

5. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends from time to time on due dates to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26th July, 2013 (date of last Annual General Meeting) on the website of the Company (www.everestind.com), as also on the website of the Ministry of Corporate Affairs.

6. A brief resume of Directors including those proposed to be appointed/ re-appointed, nature of their expertise, names of Companies in which they hold directorship and membership/ chairmanships of Board Committees, sharesholding etc. as stipulated under Clause 49 of the Listing Agreement with the stock exchanges are given in the annexure to this Notice.

7. 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', A-32, Mohan Co-operative Industrial Estate, Mathura Road
   New Delhi - 110 044.

8. Copy of the Annual Report 2014 is being sent by electronic mode only to all the manners whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report 2014 are being sent by the permitted mode.

9. The Certificates received from the Auditors of the Company that Employee Stock Option Schemes i.e. ESOS 2008, ESOS 2009, ESOS 2010, ESOS 2011 and ESOS 2012 have been implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolutions passed at the relevant Annual General Meeting of the Company 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.

10. Members may also note that the Notice of the Eighty first Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.everestind.com for their download. The physical copies of the aforesaid documents will also be available at the Registered Office for inspection between 11.00 A.M. to 1.00 P.M. on any working day upto the date of the Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: compofficer@everestind.com

11. **Voting through electronic means**

    In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 81st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

    The instructions for e-voting are as under:

    A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

       (i) Open email and open PDF file viz; "Everest Industries e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.

       (ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

       (iii) Click on Shareholder – Login

       (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

       (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" of Everest Industries Limited.

(viii) Now you are ready for e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to everestscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

(i) **EVEN** (E Voting Event Number), **USER ID and PASSWORD/PIN are enclosed in a separate sheet sent alongwith AGM notice.**

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

(iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com

(iv) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.

(v) You can also update your mobile number and e-mail id in the user profile, details of the folio which may be used for sending future communication(s).

(vi) The e-voting period commences on 23rd July, 2014 (9:00 am) and ends on 24th July, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(vii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 20th June, 2014.

(viii) Mr. Tanuj Vohra, Company Secretary (Membership No. 5621) of M/s. Tanuj Vohra & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(ix) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(x) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.everestind.com and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the NSE Limited and BSE Limited.

EXPLANATORY STATEMENT

The following Explanatory Statement in terms of Section 102 of the Companies Act, 2013 is annexed to and forms part of the Notice convening the 81st Annual General Meeting:

Item No. 5

The Board at its meeting held on 25th October, 2013, appointed Mrs. Bhavna G. Doshi as an Additional Director of the Company with effect from 25th October, 2013, pursuant to Section 161 of the Companies Act, 2013, read with Article 117 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Bhavna G. Doshi will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of ₹ 1,00,000/- proposing the candidature of Mrs. Bhavna G Doshi for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mrs. Bhavna G. Doshi (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub section (2) of section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as in sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

The resolution seeks the approval of members for the appointment of Mrs. Bhavna G Doshi as an Independent Director of the Company w.e.f. 1st April, 2014 to 31st March, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She is not liable to retire by rotation.

In the opinion of the Board, Mrs. Bhavna G. Doshi, Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013,the Rules made thereunder and the Listing Agreement and she is independent of the Management. A copy of the draft letter for the appointment of Mrs. Bhavna G Doshi as an Independent Director setting out the terms and conditions is available for inspection by the members at the Company's Registered Office between 11:00 a.m. to 1:00 p.m. on any working day up to the date of the AGM.

The relatives of Mrs. Bhavna G. Doshi may be deemed to be interested in the resolutions set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

No director, Key Managerial Personnel or their relatives, except Mrs. Bhavna G Doshi to whom the resolution relates, is interested or concerned in the resolution.

The Board commends the ordinary resolution set forth in Item No. 5 for the approval of the members.

Item Nos. 6,7,8 & 9

Mr. Sandeep H. Junnarkar, Mr. M.L. Narula, Mr. Amitabh Das Mundhra and Mr. B.L. Taparia are Non-Executive Independent Directors of the Company. They joined the Board of Directors of the Company on 7th November, 2005, 30th January, 2008, 21st June, 2010 and 10th May, 2013 respectively.

It is proposed to appoint Mr. Sandeep H. Junnarkar, Mr. M.L. Narula, Mr. Amitabh Das Mundhra and Mr. B.L. Taparia as independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office w.e.f. 1st April, 2014 to 31st March, 2019.

The Company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013 from members, proposing the candidature of Mr. Sandeep H. Junnarkar, Mr. M.L. Narula, Mr. Amitabh Das Mundhra and Mr. B.L. Taparia for the office of Independent Director.

The Company has received consent in writing from Mr. Sandeep H. Junnarkar, Mr. M.L. Narula, Mr. Amitabh Das Mundhra and Mr. B.L. Taparia to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014. The Company has received a declaration from Mr. Sandeep H. Junnarkar, Mr. M.L. Narula, Mr. Amitabh Das Mundhra and Mr. B.L. Taparia that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the Listing Agreement. In the opinion of the Board, Mr. Sandeep H. Junnarkar, Mr. M.L. Narula, Mr. Amitabh Das Mundhra and Mr. B.L. Taparia fulfill the conditions for appointment as Independent Director as specified in the Companies Act, 2013. Mr. Sandeep H. Junnarkar, Mr. M.L. Narula, Mr. Amitabh Das Mundhra and Mr. B.L. Taparia are independent of the management.

Further, Mr. Sandeep H. Junnarkar, Mr. M.L. Narula, Mr. Amitabh Das Mundhra and Mr. B.L. Taparia are not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given their intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

Copy of the draft letters for their appointment as Independent Directors setting out the terms and conditions are available for inspection by members 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 AGM.

Mr. Sandeep H. Junnarkar, Mr. M.L. Narula, Mr. Amitabh Das Mundhra and Mr. B.L. Taparia are interested in the resolutions set out respectively at Item Nos. 6,7,8 & 9 of the Notice with regard to their respective appointments.

The relatives of Mr. Sandeep H. Junnarkar, Mr. M.L. Narula, Mr. Amitabh Das Mundhra and Mr. B.L. Taparia may be deemed to be interested in the resolutions set out respectively at Item Nos. 6,7,8 & 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 6,7,8 & 9 of the Notice for approval by the shareholders.

Item No.10

The Board of Directors in their meeting held on 9th May, 2013 have re-appointed Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman of the Company for a further period of three years with effect from 21st June, 2013 to 20th June, 2016, at the remuneration including the salary of ₹ 6,50,000/- p.m., in the salary grade of ₹ 6,50,000 – 1,00,000 – 11,50,000, and such appointment was also approved by the Remuneration Committee in their meeting held on 9th May, 2013 and which was further confirmed by the shareholders in the Annual General Meeting held on 26th July, 2013 by ordinary resolution. Pursuant to the provisions of Schedule XIII of the Companies Act, 1956 read with Schedule V of the Companies Act, 2013, as the case may be, in the event of absence or inadequacy of profits, if the Company is willing to pay remuneration over and above to which he is allowed under the provisions of the aforesaid Acts, then such remuneration can only be paid after seeking approval of the shareholders by special resolution and the Central Government. Hence, the matter is placed before the shareholders to grant their consent in this regard by Special Resolution.

The terms of re-appointment and remuneration payable to Mr. Aditya Vikram Somani, inter alia, contain the following principal terms and conditions:

(i) Salary : ₹ 6,50,000/- per month
(in the grade ₹ 6,50,000-1,00,000-11,50,000)

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

(ii) Perquisites :

In addition to 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 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, Mr. Aditya Vikram Somani will also be entitled to the following in the course of discharge of his duties and responsibilities, which will not form part of his remuneration :

1. Reimbursement of expenses incurred for Company's business including travel, hotel and other related expenses incurred in India and abroad on submission of supporting documents/ declaration as per Company policy.

2. 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 salary and perquisites, Mr. Aditya Vikram Somani shall be entitled to a commission of 2% of the net profits of the Company which shall be payable at the end of each financial year, subject to the overall ceiling stipulated in Sections 198 and 309 of the Companies Act, 1956 read with Section 197 of the Companies Act, 2013 as recommended by the Nomination and Remuneration Committee and as decided by the Board of Directors.

(iv) Minimum Remuneration

Where in any financial year during the currency of the tenure of Mr. Somani, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the provisions of Schedule XIII of the Companies Act, 1956 read with Schedule V of the Companies Act, 2013 as the case may be.

The terms and conditions of Mr. Aditya Vikram Somani's remuneration 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 read with Companies Act, 2013 or any amendments thereto made hereafter in this regard.

In compliance with the provisions of the Companies Act, 1956 read with Companies Act, 2013 along with relevant Schedules so far as it may be applicable the terms of payment of remuneration as specified in the agreement are now being placed before the Members in general meeting for their approval as Special Resolution at Item No. 10 of the Notice.

The Agreement entered into between the Company and Mr. Aditya Vikram Somani is 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.

Except, Mr. Aditya Vikram Somani, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

STATEMENT OF PARTICULARS PURSUANT TO ITEM NO. 10 (PURSUANT TO SCHEDULE-XIII OF THE COMPANIES ACT, 1956 READ WITH SCHEDULE-V OF THE COMPANIES ACT, 2013)

I. GENERAL INFORMATION

S. No.	Particulars/Subject	Information
1.	Nature of industry	The Company is engaged in the business of manufacturing, of fibre cement products with manufacturing facilities located at Madhya Pradesh, West Bengal, Tamil Nadu, Maharashtra Uttarakhand and Odisha. The Company is also in the business of steel buildings with plants located at Uttarakhand, Jharkhand and Gujarat. The Company offers building products and building solutions for housing, commercial and industrial sectors in India and abroad.
2.	Date or expected date of commencement of commercial production.	The Company is already in production for more than 80 years.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
4.	Financial performance based on given indicators.	During the financial year ended on 31st March, 2013 the turnover of the Company was ₹ 1008.13 Crores and Profit Before Tax (PBT) was ₹ 78.90 Crores. Whereas during the financial year ended on 31st March, 2014, the turnover of the Company is ₹ 1023.20 Crores and Profit Before Tax (PBT) is ₹ 12.90 Crores. This result is an exception to the profits earned by the Company in recent past. The management has worked efficiently in the best interest of the Company and the Company is expanding its activities across the nation despite sluggish market conditions. The Company has a regular track record of distributing dividend to its shareholders. The management is making continuous efforts to improve the financial position of the Company.
5.	Export performance and net foreign exchange collaborations	During the financial year ended on 31st March, 2014, revenue of the Company from export of goods is ₹ 59.05 Crores whereas in the previous financial year it was ₹ 56.11 Crores.
6.	Foreign Investments or collaborators, if any.	No such investment or collaboration except minor shareholding of Non Resident Indians.

II. INFORMATION ABOUT THE APPOINTEE

S. No	Particulars/Subject	Information
1.	Background Details	Mr. Aditya Vikram Somani has an MBA from University of Pittsburgh, USA, a PG Diploma in Business Management from S.P. Jain Institute of Management and Research, Mumbai and a degree in Masters of Commerce (Banking & Finance) from Sydenham College of Commerce and Economics, Mumbai University. Mr. Aditya Vikram Somani has twenty three years of varied experience in the business of real estate, construction, building products, textile and information management. Mr. Aditya Vikram Somani is also involved in various social services, philanthropic and educational activities in Rajasthan and Maharashtra.
2.	Past remuneration	As Whole Time Director, in previous three consecutive financial years, Mr. Aditya Vikram Somani was drawing remuneration in the given manner:

	2010-11 (₹)	2011-12 (₹)	2012-13 (₹)
Salary	46,66,667	66,00,000	72,00,000
Perquisites/ Allowances	26,92,272	36,43,235	38,11,581
Performance incentive/ Commission	65,11,000	1,05,00,000	1,05,00,000
Total	1,38,69,939	2,07,43,235	2,15,11,581

S. No	Particulars/Subject	Information
3.	Recognition or awards	An able and successful entrepreneur under whose leadership the Company could achieve and maintain impeccable operational standards. .

S. No	Particulars/Subject	Information
4.	Job profile and his suitability	The role of Mr. Aditya Vikram Somani as Whole Time Director with the designation of Chairman of the Company includes overall responsibility for the growth and direction to the Company. He provides the necessary strategic direction to all business lines/interests of the Company. He has contributed immensely in building Company through various stages of transformation in a constantly changing business environment and he is instrumental in the overall business development of the Company as well. Keeping in view his experience, he is eminently suitable for the present position. The Company derives a lot of benefit from his diverse professional expertise and experience at Board Level and as well as in Operations of the Company. He is one of the key person in strategic decision making on critical issues in the business and management of the Company.
5.	Remuneration proposed	The Board of Directors in its meeting held on 9th May, 2013 has proposed salary for Mr. Aditya Vikram Somani of ₹ 6,50,000/- p.m., in the salary grade of ₹ 6,50,000 – 1,00,000 – 11,50,000 and the annual increments will be effective from 1st April each year and will be decided by the Nomination and Remuneration Committee and the Board of Directors of the Company on the basis of merit and performance of the Company. Details of perquisites and commission are given above.
6.	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.	Taking into account the turnover of the Company and responsibilities of Mr. Aditya Vikram Somani, the remuneration being proposed to be paid to him is reasonable and in line with the remuneration levels in the industry across the country.
7.	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Mr. Aditya Vikram Somani as Whole Time Director, does not maintain any pecuniary relationship, directly or indirectly with the Company and does not hold any relationship with any managerial personnel except that he holds 500 equity shares as on 31st March, 2014 in the Company.

III. OTHER INFORMATION

S. No.	Particulars/Subject	Information
1.	Reason of loss or inadequate profits	In the Financial Year ended on 31st March, 2014 the Company made profit before tax of ₹12.90 Crores. During the Financial Year 2013-14, the sales were lower as compared to the previous financial year on account of continued sluggishness and stiff competition in the market. The EBIDTA for the year was mainly impacted by lower volume of sale in the building products on account of sluggish market conditions and the increase in the material cost due to significant rupee depreciation and the continuing increase in freight cost due to increasing diesel prices.
2.	Steps taken or proposed to be taken for improvement	The company has adopted the following measures to improve the profitability: - Cost Control in all areas - Deeper penetration in the market in India & abroad. - Improvement in distribution network.
3.	Expected increase in the productivity and profits in measurable terms.	The Company expects a significant increase of over 20% in turnover on account of new capacity addition. The operational profit will also increase significantly on account of stronger rupee and better demand.

IV. DISCLOSURES

S. No.	Particulars/Subject	Information
1.	Information on the remuneration package of the managerial personnel	The shareholders are notified of the remuneration package of managerial personnel through abstracts of terms circulated to them as well as explanatory statement annexed to the notice of meeting in which proposal of their appointment is placed before the shareholders.
2.	Disclosure on remuneration package and other terms of Directors under 'Corporate Governance' Report	The Corporate Governance Report forms part of the Annual Report for the year and the remuneration package and other terms applicable to the Directors have been disclosed therein.

Item No. 11

The Board of Directors in their meeting held on 9th May, 2013 have re-appointed Mr. Manish Sanghi as Managing Director of the Company for a further period of three years with effect from 1st October, 2013 to 30th September, 2016, at the remuneration including the basic salary of ₹ 3,10,000/- P.M., in the salary grade of ₹ 3,10,000-40,000-4,70,000, and such appointment was also approved by the Remuneration Committee in their meeting held on 9th May, 2013 and which was further confirmed by the shareholders in the Annual General Meeting held on 26th July, 2013 by ordinary resolution. Pursuant to the provisions of Schedule XIII of the Companies Act, 1956 read with Schedule V of the Companies Act, 2013 as the case may be in the event of absence or inadequacy of profits, if the company is willing to pay remuneration over and above to which he is allowed under the provisions of the aforesaid Acts then such remuneration can only be paid after seeking approval of the shareholders by special resolution and the Central Government. Hence the matter is placed before the shareholders to grant their consent in this regard by Special Resolution.

Mr. Manish Sanghi is a Mechanical Engineer and a Post Graduate from the Indian Institute of Management, Ahmedabad. Mr. Sanghi joined the Company in 2001 as Marketing Director. Mr. Sanghi has 28 years experience in various reputed organizations.

The terms of re-appointment and remuneration payable to Mr. Manish Sanghi, inter alia, contain the following principal terms and conditions :

(i) Basic Salary : ₹3,10,000/- per month
(in the grade ₹ 3,10,000-40,000-4,70,000)

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

(ii) Perquisites & Allowances:

In addition to salary, Mr. Manish 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 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; aggregate of 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 of car with driver and communication facilities shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Mr. Manish Sanghi shall also be entitled to club fees, medical insurance for self & family and personal accident insurance.

(iii) Provident Fund, Superannuation/Annuity Fund/NPS

Mr. Manish Sanghi shall be entitled to the Company's contribution to Provident Fund, Superannuation or Annuity Fund or NPS and Gratuity payable as per the rules of the Company.

(iv) Performance Incentive

Remuneration by way of performance incentive in addition to the salary, perquisites and allowances shall be payable for each financial year of an amount as may be determined by the Nomination and Remuneration Committee and as decided by the Board of Directors of the Company in their sole discretion, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956 read with Section 197 of the Companies Act, 2013. The specific amount payable to Mr. Sanghi will be decided by the Board and the Nomination and Remuneration Committee of the Board entirely at its discretion.

(v) Interest Subsidy

Mr. Manish Sanghi shall also be entitled to interest subsidy as per Company's Housing Loan Assistance Scheme.

(vi) Minimum Remuneration

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 and perquisites as specified above, subject to the provisions of Schedule XIII of the Companies Act, 1956 read with Schedule V of the Companies Act, 2013.

(vii) Annual Leave

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

The terms and conditions of Mr. Sanghi's remuneration may be varied, altered, increased, enhanced or widened from time to time by the Nomination and 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 read with Companies Act, 2013 or any amendments thereto made hereafter in this regard.

In compliance with the provisions of the Companies Act, 1956 read with Companies Act, 2013 along with relevant Schedules so far as it may be applicable the terms of payment of remuneration as specified in the agreement are now being placed before the Members in general meeting for their approval as Special Resolution at Item No. 11 of the Notice.

The Agreement entered into between the Company and Mr. Manish Sanghi is 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 AGM.

Except, Mr. Manish Sanghi, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the Notice

STATEMENT OF PARTICULARS PURSUANT TO ITEM NO. 11 (PURSUANT TO SCHEDULE-XIII OF THE COMPANIES ACT, 1956 READ WITH SCHEDULE-V OF THE COMPANIES ACT, 2013)

1. GENERAL INFORMATION

S. No.	Particulars/Subject	Information
1.	Nature of industry	The Company is engaged in the business of manufacturing, of fibre cement products with manufacturing facilities located at Madhya Pradesh, West Bengal, Tamil Nadu, Maharashtra Uttarakhand and Odisha. The Company is also in the business of steel buildings with plants located at Uttarakhand, Jharkhand and Gujarat. The Company offers building products and building solutions for housing, commercial and industrial sectors in India and abroad.
2.	Date or expected date of commencement of commercial production.	The Company is already in production for more than 80 years.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
4.	Financial performance based on given indicators.	During the financial year ended on 31st March, 2013 the turnover of the Company was ₹ 1008.13 Crores and Profit Before Tax (PBT) was ₹ 78.90 Crores. Whereas during the financial year ended on 31st March, 2014, the turnover of the Company is ₹ 1023.20 Crores and Profit Before Tax (PBT) is ₹ 12.90 Crores. This result is an exception to the profits earned by the Company in recent past. The management has worked efficiently in the best interest of the Company and the Company is expanding its activities across the nation despite sluggish market conditions. The Company has a regular track record of distributing dividend to its shareholders. The management is making continuous efforts to improve the financial position of the Company.
5.	Export performance and net foreign exchange collaborations	During the financial year ended on 31st March, 2014, revenue of the company from export of goods is ₹ 59.05 Crores whereas in the previous financial year it was ₹ 56.11 Crores.
6.	Foreign Investments or collaborators, if any.	No such investment or collaboration except minor shareholding of Non Resident Indians.

II. INFORMATION ABOUT THE APPOINTEE

S. No.	Particulars/Subject	Information
1.	Background Details	Mr. Manish Sanghi is a Mechanical Engineer and a Post Graduate from the Indian Institute of Management, Ahmedabad. Mr. Sanghi joined the Company in 2001 as Marketing Director. Mr. Sanghi has 28 years experience in various reputed organizations.

S. No.	Particulars/Subject	Information
2.	Past remuneration	As Managing Director, in previous three consecutive financial years, Mr. Manish Sanghi was drawing remuneration in the given manner:

	2010-11 (₹)	2011-12 (₹)	2012-13 (₹)
Salary	24,00,000	27,60,000	32,40,000
Perquisites/ Allowances	30,00,000	34,50,000	40,50,000
Performance incentive/ Commission	35,00,000	40,00,000	40,00,000
Perquisites Value of ESOS (₹)	49,23,770	11,09,700	33,60,000
Others	38,450	53,874	24,808
Total	1,38,62,220	1,13,73,574	1,46,74,808

S. No.	Particulars/Subject	Information
3.	Recognition or awards	Mr. Manish Sanghi has transformed a traditional one-product Company dealing in roofing into a modern, multi product , building solutions provider.
4.	Job profile and his suitability	Mr. Manish Sanghi has been bestowed with managerial powers subject to supervision and control of professional Board of Directors. Under his supervision, the Company has progressed steadily since his appointment. The Company is aggressively gearing up to capture huge growth opportunities, with increased focus on production, delivery, and support to its customers. Mr. Manish Sanghi has rendered valuable services to the Company for years and his appointment as Managing Director has strengthened the organization to sustain and accelerate the planned growth in view of the increasing scale of the Company's national and international operations.
5.	Remuneration proposed	The Board of Directors in its meeting held on 9th May, 2013 has proposed basic salary for Mr. Manish Sanghi of ₹ 3,10,000/- P.M., in the salary grade of ₹ 3,10,000-40,000-4,70,000 and the annual increments will be effective from 1st April each year and will be decided by the Nomination and Remuneration Committee and the Board of Directors of the Company on the basis of merit and performance of the Company. Details of perquisites, allowances and performance incentive are given above.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	Taking into account the turnover of the Company and responsibilities of Mr. Manish Sanghi, the remuneration being proposed to be paid to him is reasonable and in line with the remuneration levels in the industry across the country.
7.	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Mr. Manish Sanghi, Managing Director, does not maintain any pecuniary relationship, directly or indirectly with the Company and does not hold any relationship with any managerial personnel except that he holds 56,330 equity shares as on 31st March, 2014 in the Company.

III. OTHER INFORMATION

S. No.	Particulars/Subject	Information
1.	Reason of loss or inadequate profits	In the Financial Year ended on 31st March, 2014 the Company made profit before tax of ₹12.90 Crores. During the Financial Year 2013-14, the sales were lower as compared to the previous financial year on account of continued sluggishness and stiff competition in the market. The EBIDTA for the year was mainly impacted by lower volume of sale in the building products on account of sluggish market conditions and the increase in the material cost due to significant rupee depreciation and the continuing increase in freight cost due to increasing diesel prices.
2.	Steps taken or proposed to be taken for improvement	The Company has adopted the following measures to improve the profitability: • Cost Control in all areas • Deeper penetration in the market in India & abroad. • Improvement in distribution network.
3.	Expected increase in the productivity and profits in measurable terms.	The Company expects a significant increase of over 20% in turnover on account of new capacity addition. The operational profit will also increase significantly on account of stronger rupee and better demand.

IV. DISCLOSURES

S. No	Particulars/Subject	Information
1.	Information on the remuneration package of the managerial personnel	The shareholders are notified of the remuneration package of managerial personnel through abstracts of terms circulated to them as well as explanatory statement annexed to the notice of meeting in which proposal for his appointment is placed before the shareholders.
2.	Disclosure on remuneration package and other terms of Directors under 'Corporate Governance' Report.	The Corporate Governance Report forms a part of the Annual Report for the year and the remuneration package and other terms applicable to the Directors have been disclosed therein.

Item No. 12

The Board of Directors in their meeting held on 30th March, 2012 have re-appointed Mr. Y. Srinivasa Rao, Whole Time Director designated as Executive Director (Operations) of the Company for a further period of three years with effect from 23rd April, 2012 to 22nd April, 2015, at the remuneration including the basic salary of ₹ 2,10,000/- P.M., in the salary grade of ₹ 2,10,000-30,000-3,30,000, and such appointment was also approved by the Remuneration Committee in their meeting held on 30th March, 2012 and which was further confirmed by the shareholders in the Annual General Meeting held on 24th July, 2012 by ordinary resolution. Pursuant to the provisions of Schedule XIII of the Companies Act, 1956 read with Schedule V of the Companies Act, 2013 that in the event of absence or inadequacy of profits, if the company is willing to pay remuneration over and above to which he is allowed under the provisions of the Act then such remuneration can only be paid after seeking approval of the shareholders by special resolution and the Central Government. Hence the matter is placed before the shareholders to grant their consent in this regard by Special Resolution.

The terms of re-appointment and remuneration of Mr. Y. Srinivasa Rao, inter alia, contain the following principal terms and conditions:

(i) Basic Salary : ₹ 2,10,000/- p.m.
(in the grade of ₹ 2,10,000 – 30,000 – 3,30,000)

The annual increments will be effective from 1st April each year and will be decided by the Nomination and 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, Mr. Rao 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 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 Executive Director (Operations), 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. Rao shall be entitled to the Company's contribution to Provident Fund and Superannuation or Annuity Fund, gratuity payable as per the rules of the Company.

(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 Nomination and 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 read with Section 197 of the Companies Act, 2013. The specific amount payable to Mr. Rao will be decided by the Board and the Nomination and Remuneration Committee of the Board entirely at its discretion.

(v) Interest Subsidy

Mr. Y. Srinivasa Rao shall also be entitled to interest subsidy as per Company's Housing Loan Assistance Scheme.

(vi) Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Rao, 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 read with Schedule V of the Companies Act, 2013.

(vii) Annual Leave

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

The terms and conditions of Mr. Rao's remuneration may be varied, altered, increased, enhanced or widened from time to time by the Nomination and 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 read with Companies Act, 2013 or any amendments thereto made hereafter in this regard.

In compliance with the provisions of the Companies Act, 1956 read with Companies Act, 2013 along with relevant Schedules so far as it may be applicable the terms of payment of remuneration as specified in the agreement are now being placed before the Members in general meeting for their approval as Special Resolution at Item No 12 of the Notice.

The Agreement entered into between the Company and Mr.Y Srinivasa Rao is 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 AGM.

Except Mr. Y Srinivasa Rao, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice.

STATEMENT OF PARTICULARS PURSUANT TO ITEM NO. 12 (PURSUANT TO SCHEDULE-XIII OF THE COMPANIES ACT, 1956 READ WITH SCHEDULE-V OF THE COMPANIES ACT, 2013)

1. GENERAL INFORMATION

S. No	Particulars/Subject	Information
1.	Nature of industry	The Company is engaged in the business of manufacturing, of fibre cement products with manufacturing facilities located at Madhya Pradesh, West Bengal, Tamil Nadu, Maharashtra Uttarakhand and Odisha. The Company is also in the business of steel buildings with plants located at Uttarakhand, Jharkhand and Gujarat. The Company offers building products and building solutions for housing, commercial and industrial sectors in India and abroad.
2.	Date or expected date of commencement of commercial production.	The Company is already in production for more than 80 years.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable
4.	Financial performance based on given indicators.	During the financial year ended on 31st March, 2013 the turnover of the Company was ₹ 1008.13 Crores and Profit Before Tax (PBT) was ₹ 78.90 Crores. Whereas during the financial year ended on 31st March, 2014, the turnover of the Company is ₹ 1023.20 Crores and Profit Before Tax (PBT) is ₹ 12.90 Crores. This result is an exception to the profits earned by the Company in recent past. The management has worked efficiently in the best interest of the Company and the Company is expanding its activities across the nation despite sluggish market conditions. The Company has a regular track record of distributing dividend to its shareholders. The management is making continuous efforts to improve the financial position of the Company.
5.	Export performance and net foreign exchange collaborations	During the financial year ended on 31st March, 2014, revenue of the Company from export of goods is ₹ 59.05 Crores whereas in the previous financial year it was ₹ 56.11 Crores.
6.	Foreign Investments or collaborators, if any.	No such investment or collaboration except minor shareholding of Non Resident Indians.

II. INFORMATION ABOUT THE APPOINTEE

S. No.	Particulars/Subject	Information
1.	Background Details	Mr. Rao graduated with B.Sc. in Mechanical Engineering and has a total experience of around 28 years in multi-cultural and international environment. Mr. Rao joined the Company in 1997 and had an outstanding and rewarding career in the Organisation, with a rich and varied experience of handling manufacturing, project management, technology transfer and Research and Development initiatives.
2.	Past remuneration	As Whole Time Director, in previous three consecutive financial years, Mr. Y. Srinivasa Rao was drawing remuneration in the given manner:

	2010-11 (₹)	2011-12 (₹)	2012-13 (₹)
Salary	19,20,000	21,60,000	24,98,000
Perquisites/Allowances	24,00,000	27,00,000	31,22,500
Performance incentive/ Commission	30,00,000	34,00,000	34,00,000
Perquisites Value of ESOS (₹)	76,28,500	NIL	NIL
others	-	-	1,19,000
Total	1,49,48,500	82,60,000	91,39,500

S. No.	Particulars/Subject	Information
3.	Recognition or awards	During the tenure of Mr. Y. Srinivasa Rao as Executive Director (Operations), the new plants at Uttrakhand, Odisha, Jharkhand and Gujarat have been set up.
4.	Job profile and his suitability	Mr. Y Srinivasa Rao has been bestowed with managerial powers subject to supervision of MD and control of professional Board of Directors. Mr. Rao's diverse experience of working in multi-cultural and international environment has contributed to the expansion in scale of operations of the Company and helped in growth of the Company in diversified market. Mr. Rao is associated with the Company for years and is rendering his valuable services to the Company to strengthen its position in the industry.
5.	Remuneration proposed	The Board of Directors in its meeting held on 30th March, 2012 has proposed basic salary for Mr. Y. Srinivasa Rao of ₹ 2,10,000/- P.M., in the salary grade of ₹ 2,10,000-30,000-3,30,000 and the annual increments will be effective from 1st April each year and will be decided by the Nomination and Remuneration Committee and the Board of Directors of the Company on the basis of merit and performance of the Company. Details of perquisites, allowances and performance incentive are given above.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.	Taking into account the turnover of the Company and responsibilities of Mr. Y. Srinivasa Rao, the remuneration being proposed to be paid to him is reasonable and in line with the remuneration levels in the industry across the country.
7.	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Mr. Y. Srinivasa Rao, Executive Director (Operations) does not maintain any pecuniary relationship, directly or indirectly with the Company and does not hold any relationship with any managerial personnel except that he holds 150 equity shares as on 31.3.2014 in the Company.

III. OTHER INFORMATION

S. No.	Particulars/Subject	Information
1.	Reason of loss or inadequate profits	In the Financial Year ended on 31st March, 2014 the Company made profit before tax of ₹12.90 Crores. During the Financial Year 2013-14, the sales were lower as compared to the previous financial year on account of continued sluggishness and stiff competition in the market. The EBIDTA for the year was mainly impacted by lower volume of sale in the building products on account of sluggish market conditions and the increase in the material cost due to significant rupee depreciation and the continuing increase in freight cost due to increasing diesel prices.
2.	Steps taken or proposed to be taken for improvement	The company has adopted the following measures to improve the profitability: • Cost Control in all areas • Deeper penetration in the market in India & abroad. • Improvement in distribution network.
3.	Expected increase in the productivity and profits in measurable terms.	The Company expects a significant increase of over 20% in turnover on account of new capacity addition. The operational profit will also increase significantly on account of stronger rupee and better demand.

IV. DISCLOSURES

1.	Information on the remuneration package of the managerial personnel	The shareholders are notified of the remuneration package of managerial personnel through abstracts of terms circulated to them as well as explanatory statement annexed to the notice of meeting in which proposal for his appointment is placed before the shareholders.
2.	Disclosure on remuneration package and other terms of Directors under 'Corporate Governance' Report.	The Corporate Governance Report forms a part of the Annual Report for the year and the remuneration package and other terms applicable to the Directors have been disclosed therein.

Item No.13

The Board of Directors in their meeting held on 9th May, 2013 has appointed 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, 2013 to 20th June, 2016 at the remuneration including the salary of ₹ 6,50,000/- per month in the salary grade of ₹ 6,50,000-1,00,000-11,50,000 and such appointment was also approved by Remuneration Committee in their meeting held on 9th May, 2013 and which was further confirmed by the shareholders by means of an Ordinary Resolution in the Annual General Meeting held on 26th July, 2013.

Mr. Somani is a key member in the senior management team of the Company. He has led the growth of the Company through his rich and varied experience and also contributed in the Company in significant manner. During the financial year 2013-14, the remuneration paid to Mr. Somani was ₹ 1,19,04,721/-.

As the Company had passed ordinary resolution for appointment and approval of remuneration of Mr. Somani, therefore, as per the provisions of Schedule XIII of the Companies Act, 1956, where in any financial year during the currency of tenure of any Managerial person the Company has inadequate profits then the Company may pay remuneration to such managerial person upto ₹ 24 Lacs p.a. However the total remuneration paid to Mr. Somani during such financial year was ₹ 1,19,04,721/- and therefore, an amount of ₹ 95,04,721/- has been paid in excess of the prescribed limit.

Accordingly, the Board of Directors of the Company recommends the resolution at item no. 13 for approval of the Shareholders by way of a Special Resolution to file an application to the Central Government for seeking its approval for waiver of excess remuneration of ₹ 95,04,721/- paid to Mr. Aditya Vikram Somani.

Except Mr. Aditya Vikram Somani, none of the Directors/Key Managerial Personnel/their relatives, are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 13 of the Notice.

Item No.14

The Board of Directors in their meeting held on 9th May, 2013 has appointed Mr. Manish Sanghi as Managing Director of the Company for a period of three years w.e.f. 1st October, 2013 to 30th September, 2016 at the remuneration including the Basic Salary of ₹ 3,10,000/- per month in the salary grade of ₹ 3,10,000-40,000-4,70,000 and such appointment was also approved by Remuneration Committee in their meeting held on 9th May, 2013 and which was further confirmed by the shareholders by means of an Ordinary Resolution in the Annual General Meeting held on 26th July, 2013.

Mr. Sanghi is a key member in the senior management team of the Company. He has led the growth of the Company through his rich and varied experience and also contributed in the Company in significant manner. During the financial year 2013-14, the remuneration paid to Mr. Sanghi was ₹ 84,25,897/-.

As the Company had passed ordinary resolution for appointment and approval of remuneration of Mr. Sanghi, therefore, as per the provisions of Schedule XIII of the Companies Act, 1956, where in any financial year during the currency of tenure of any Managerial person the Company has inadequate profits then the Company may pay remuneration to such managerial person upto ₹ 24 Lacs p.a.. However, the total remuneration paid to Mr. Sanghi during such financial year was ₹ 84,25,897/- and therefore, an amount of ₹ 60,25,897/- has been paid in excess of the prescribed limit.

Accordingly, the Board of Directors of the Company recommends the resolution at item no. 14 for approval of the Shareholders by way of a Special Resolution to file an application to the Central Government for seeking its approval for waiver of excess remuneration of ₹ 60,25,897/- paid to Mr. Manish Sanghi.

Except Mr. Manish Sanghi, none of the Directors/Key Managerial Personnel/their relatives, are, in any way, concerned or interested, financially or otherwise, in the resolution. set out at item no. 14 of the Notice.

Item No.15

The Board of Directors in their meeting held on 30th March, 2012 has appointed Mr. Y. Srinivasa Rao as Executive Director (Operations) of the Company, for a period of three years w.e.f. 23rd April, 2012 to 22nd April, 2015 at the remuneration including the Basic Salary of ₹ 2,10,000/- per month in the salary grade of ₹ 2,10,000-30,000-3,30,000 and such appointment was also approved by Remuneration Committee in their meeting held on 30th March, 2012 and which was further confirmed by the shareholders by means of an Ordinary Resolution in the Annual General Meeting held on 24th July, 2012.

Mr. Rao is a key member in the senior management team of the Company. He has led the growth of the Company through his rich and varied experience and also contributed in the Company in significant manner. During the financial year 2013-14, the remuneration paid to Mr. Rao was ₹ 66,81,480/-.

As the Company had passed ordinary resolution for appointment and approval of remuneration of Mr. Rao, therefore, as per the provisions of Schedule XIII of the Companies Act, 1956, where in any financial year during the currency of tenure of any Managerial person the Company has inadequate profits then the Company may pay remuneration to such managerial person upto ₹ 24 Lacs p.a. However, the total remuneration paid to Mr. Rao during such financial year was ₹ 66,81,480/- and therefore, an amount of ₹ 42,81,480/- has been paid in excess of the prescribed limit.

Accordingly, the Board of Directors of the Company recommends the resolution at item no. 15 for approval of the Shareholders by way of a Special Resolution to file an application to the Central Government for seeking its approval for waiver of excess remuneration of ₹ 42,81,480/- paid to Mr. Y. Srinivasa Rao.

Except Mr. Y. Srinivasa Rao, none of the Directors/Key Managerial Personnel/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution. set out at item no. 15 of the Notice.

Item No.16

The role and responsibility of Non-Executive Directors of the Company has increased significantly with the growing emphasis on good corporate governance. The Non-executive Directors on the Board of Directors have onerous duties and, besides adding substantial value to the Company through their contribution, they also safeguard the interests of the investors at large by playing an appropriate control role in the activities of the Board. There is an increasing awareness about the importance of Non-executive Directors for both their contribution to the Company's strategy as well as the monitoring function. The Corporate Governance initiatives of the Securities and Exchange Board of India (SEBI) also highlight the role of Non-Executive Directors.

Your Company continues to avail itself of the benefits of a greater involvement by Non-Executive Directors in its affairs. Commensurate with greater participation of Non-Executive Directors, the Company would like to continue compensating them in a manner befitting their professional background, standing in the corporate world and their value addition to the Board and the Company.

The shareholders in its meeting held on 22nd July, 2011 have approved the payment of remuneration by way of commission to Non-Executive Directors, not exceeding 1% p.a. of the net profit of the Company as computed in the manner referred to under Section 198(1) of the Companies Act, 1956 for a period of five years from 1st April, 2011 to 31st March, 2016. However the Board of directors at its meeting held on 30th April, 2014 have proposed to pay ₹ 30.50 lacs to its Non Executive Directors by way of Commission in the following manner:

i)	Mr.M.L.Narula	₹8.00 lakhs
ii)	Mr.Sandeep H. Junnarkar	₹5.50 lakhs
iii)	Mr. M.L. Gupta	₹5.50 lakhs
iv)	Mr. B.L. Taparia	₹5.50 lakhs
v)	Mr. Amitabh Das Mundhra	₹3.00 lakhs
vi)	Mrs. Bhavna G Doshi	₹3.00 lakhs
	Total	**₹30.50 lakhs**

The Company intends to pay ₹ 30.50 lakhs as remuneration to the Non-Executive Directors which is 1.81% of the net profit of the Company computed in the manner laid down in Section 198(1) read with Sections 349 and 350 of the Companies Act 1956 and which is over and above the limit of 1% prescribed under Section 309(4) of the Companies Act, 1956, which can only be paid with the previous approval of Central Government. Hence, the Company needs to file an application to the Central Government to seek its approval to pay the remuneration exceeding the above said limit to its Non-Executive Directors .

The Board recommends passing of the said Resolution as a Special Resolution.

Except Non-Executive Directors, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 16 of the Notice.

Item No. 17

Section 152(6) of the Companies Act, 2013 provides that not less than two third of total no. of Directors of a public company shall be persons whose period of office is liable to determination by retirement of Directors by rotation. As per the Section 149 of the Companies Act, 2013, Independent Directors shall not be liable to retire by rotation. The shareholders in the Annual General Meeting held on 26th July, 2013 while appointing Mr. Aditya Vikram Somani as Whole Time Director with the designation of Chairman for a period of three years with effect from 21st June, 2013 have made him a non retiring Director. In order to comply with the provisions of Section 152(6), of the Companies Act, 2013, Mr. Aditya Vikram Somani will now be liable to retire by rotation.

Accordingly, the Board recommends the resolution at item No.17 for the approval by the shareholders of the Company.

Except Mr. Aditya Vikram Somani, none of the Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interest, financially or otherwise, in the Ordinary Resolution set out at Item No. 17 of the Notice.

Item No. 18

The existing Articles of Associations (AOA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

a) Existing articles have been streamlined and aligned with the Act;

b) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;

c) The nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;

d) Independent Directors of the Company shall not be liable to retire by rotation and they shall not be entitled to ESOPs

e) Company to comply with the provisions of the Rotation of Auditors as provided under the Companies Act, 2013.

f) New provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;

The proposed new draft AoA is being uploaded on the Company's Website for perusal by the shareholders.

None of the Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 18 of the Notice.

The Board commends the Special Resolution set out at Item No. 18 of the Notice for approval by the shareholders.

Item No. 19

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Chandra Wadhwa & Co., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31 March, 2015.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 19 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March, 2015.

None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 19 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.19 of the Notice for approval by the shareholders.

Item No. 20

The Board of Directors of your Company has approved an Employees' Stock Option Scheme for the Financial Year 2014-2015 (ESOS-2014) (the "Scheme") 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 permanent employees in the management staff, including Managing Director and Whole-time Director(s) in order to motivate and retain the best talent.

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.20 of the Notice.

The information required as per Clause 6.2 of SEBI Guidelines for ESOS-2014, 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 ₹10/- at a price determined in accordance with the formula stated in para (e) below.

(b) Class of employees eligible for ESOS – 2014

Such employees as are in the permanent employment of the Company in the management staff including the Managing/ Whole-time Director(s) at the time when the grant is made and as may be decided by the Nomination and 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 to be issued to eligible employees. 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 Nomination and 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 Nomination and 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 eligible 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 Nomination and 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 a Compensation Committee referred to as 'Nomination and 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 Nomination and Remuneration Committee of Directors on all matters/issues pertaining to said ESOS-2014 Scheme shall be final and binding on the eligible employees of the Company.

Section 62 of the Companies Act, 2013 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 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 under the Scheme in the manner set out in the Special Resolution at Item No.20 of the Notice. The Special Resolution proposed to be passed is as per and in accordance with the said Guidelines.

The Board commends the Special Resolution set out at Item No. 20 of the Notice for approval of the Members.

The Managing Director and Whole-time Director(s) of the Company may be deemed to be concerned or interested in the Special Resolution at Item No. 20 to the extent of the equity shares that may be offered to them under the said Scheme. None of the other Directors are, in any way, concerned or interested in the said item of business.

Item No. 21

To finance the working capital requirements and the capital expenditure programme, the Company would be required to raise funds through borrowings and it may be required to have the borrowings secured by way of mortgage and / or charge on the immovable and movable properties of the Company both present and future.

Section 180(1)(a) of the Companies Act, 2013 provides inter alia, that the Board of Directors of a Company shall not without the consent of the Company in General Meeting sell, lease otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of Financial Institutions/ Banks may be regarded as disposal of the Company's properties/ undertakings, it is necessary for the Members to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of the mortgage/ charge.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the aforesaid resolution.

The Board commends the Special Resolution set out at Item No. 21 of the Notice for approval by the shareholders.

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

Mumbai, 30th April, 2014

Regd. Office: Gat 152, Lakhmapur, Taluka Dindori
Nashik- 422202, Maharashtra
Phone : 02557-250375/462, Fax : 02557-250376
CIN: L74999MH1934PLC002093
E-mail Id: compofficer@everestind.com

ANNEXURE TO THE NOTICE DATED 30TH APRIL, 2014 - ITEM NOS. 3,5, 6,7,8 and 9 DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of Director	Mr. Y. Srinivasa Rao	Mrs. Bhavna G. Doshi	Mr. Sandeep H. Junnarkar	Mr. M. L. Narula	Mr. Amitabh Das Mundhra	Mr. B.L. Taparia
Date of Birth	16.06.1963	26.6.1953	02.07.1951	25.10.1940	22.12.1967	5.7.1950
Date of appointment	23.04.2007	25.10.2013	07.11.2005	30.01.2008	21.06.2010	10.5.2013
Expertise in specific functional areas	Manufacturing Operations	Taxation, restructuring, accounting matters and arbitration	Advocate & Solicitor	General Management	Commercial, Administrative and Project Monitoring	Legal, Secretarial, Finance & Accounts, Taxation, HR and Audit.
Qualifications	B.Sc. Engg. (Mech)	M. Com, F.C.A.	B.Sc (Hon), LLB	B.Sc. Engineering (Electrical)	B.Com	B.Com, LL.B., F.C.S.
List of Directorship held in other Companies as on 31st March, 2014	Everest Building Solutions Ltd	1. Peninsula Land Limited 2. Peninsula Investment Management Company Limited 3. SEAMAC Limited 4. LIC Pension Fund Ltd. 5. Walchandnagar Industries Ltd. 6. Connect Capital Pvt. Ltd. (formerly Doshi Consultancy Pvt. Ltd.) 7. Connect infotain Pvt. Ltd. 8. Indian Merchants Chamber (Section 8 Company)	1. Excel Crop Care Limited 2. IIDC Limited (formerly IL&FS infrastructure Development Corpn. Limited) 3. IL&FS Tamil Nadu Power Company Limited 4. Jai Corp. Limited 5. Jai Realty Ventures Limited 6. Reliance Industrial Infrastructure Limited 7. Reliance Industrial Investments & Holdings Limited 8. Reliance Ports and Terminals Limited	1. ACC Limited 2. Holcim (Lanka) Limited, Colombo 3. PT Holcim Indonesia Tbk, Jakarta, (Commissioner) 4. Cogent Research and Analytic Labs Pvt. Ltd.	1. Simplex Infrastructures Ltd. 2. Tips Industries Limited 3. Kalindi Agro Biotech Ltd. 4. Simplex Mining Ltd. 5. Simplex Energy Ltd. 6. Simplex Management Consultants Ltd. 7. Simplex Water Treatment Ltd. 8. Simplex Concrete Piles (India) Ltd. 9. Anupriya Consultants Pvt. Ltd. 10. RBS Credit & Financial Developments Pvt. Ltd. 11. Shree Farms Pvt. Ltd. 12. Asnew Finance & Investment Pvt. Ltd. 13. Citrop India Pvt. Ltd. 14. Pahal Investment Pvt. Ltd. 15. Simplex Technologies Pvt. Ltd. 16. Sri Mohamaya Investments Pvt. Ltd. 17. Baba Basuki Distributors Pvt. Ltd. 18. Simplex Almoayyed WLL 19. Arabian Construction Co-Simplex Infra Pvt. Ltd. 20. JMS Mining Services Pvt. Ltd. (Formerly Joy Mining Services India Pvt. Ltd.	1. Ambuja Cements Ltd. 2. Kakinada Cements Ltd. 3. Peacock Properties Pvt. Ltd., Srilanka 4. Ambuja Cement Foundation (Section 8 Company)

Chairman/ Member of the Committees of the Board of Public Companies on which he/she is a Director as on 31st March, 2014 (Mandatory only)	None	1. SEAMAC Limited – Audit Committee (Chairperson) 2. SEAMAC Limited – Shareholders'/ Investors' Grievance Committee (Member) 3. Peninsula Investment Management Company Limited - Audit Committee (Member) 4. Peninsula Land Limited-Audit Committee (Member)	1. Reliance Industrial Infrastructure Limited – Audit Committee (Member) 2. Reliance Industrial Infrastructure Limited - Shareholders'/ Investors' Grievance Committee (Member)	1. ACC Limited – Shareholders'/ Investors' Grievance Committee (Member) 2. ACC Limited – Audit Committee (Member)	Tips Industries Limited – Audit Committee (Chairman)	Ambuja Cements Ltd. - Share Allotment & Investor Grievance Committee (Member)
Shareholding in the Company as on 31st March, 2014	150	NIL	NIL	NIL	NIL	1000
Relationship with other Directors	None	None	None	None	None	None

DIRECTORS' REPORT

To The Members of

Everest Industries Limited

Your Directors are pleased to present the Eighty First Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

(₹ in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Net Revenue from operations & Other Income	104,758.85	1,02,288.54
Profit before Depreciation & Finance Costs	5,219.09	10,653.38
Less : Depreciation	2,672.04	2,205.24
Finance Costs	1,256.90	557.99
Profit before Tax	1,290.15	7,890.15
Taxation	375.19	2,640.18
Profit for the year	914.96	5,249.97
Add: Balance in Profit & Loss Account	17,923.85	14,531.51
Profit Available for Appropriation	18,838.81	19,781.48
Appropriations:		
General Reserve	91.90	525.00
Dividend	379.87	1,139.05
Tax on Distributed Profits	64.56	193.58
Closing Balance	18,302.48	17,923.85

DIVIDEND

The Board of Directors have recommended a dividend of 25% i.e. ₹ 2.50/- per equity share of ₹10/- each for the Financial Year 31st March 2014 subject to approval of the shareholders. The total outgo on account of dividend including tax on dividend will be ₹ 444.43 Lacs as against ₹ 1,332.63 Lacs for the previous financial year.

PERFORMANCE REVIEW

The year 2013-14 proved to be a challenging year amidst global slowdown. In line with the global slowdown, the growth of the Indian economy was also affected. In India, the high costs of borrowing and delays in securing mandatory government approvals have stalled corporate investments and squeezed cash flow. In addition to this, higher inflation and slower hiring had shaken consumer confidence and forced households to cut consumption expenditure. The highlights of the performance are:

1. Net Revenue increased by 2.4 % to ₹ 1,047.59 Crores.
2. PBDT decreased by 60.8% to ₹ 39.62 Crores.
3. Profit before Tax decreased by 83.6% to ₹ 12.90 Crores.
4. Cash profit was ₹36.26 Crores.
5. Production of Fibre Cement Products decreased by 12.4% to 610614 M.T.
6. Production of Steel Buildings increased by 31.6% to 32224 MT.

NEWLY COMMISSIONED PROJECTS

During the year, the Company's fibre cement products plant at Somnathpur, Odisha and metal roofing plant at Ranchi have commenced Commercial Production.

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 2014, 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, 2014 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. Y. Srinivasa Rao, Executive Directors (Operations), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his reappointment.

The Board of Directors at its meeting held on October 25, 2013 have appointed Mrs. Bhavna G. Doshi as Additional Director of the Company w.e.f. October 25, 2013, who holds the office upto the date of the forthcoming Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013, proposing her candidature for appointment as Independent Director of the Company. Your Directors are of the opinion that her presence as Director on the Board would be of immense benefit to the Company.

The Company has received requisite notices in writing from members proposing Mr. Sandeep H. Junnarkar, Mr. M.L. Narula, Mr. Amitabh Das Mundhra and Mr. B.L. Taparia for appointment as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

SUBSIDIARIES

The Company has incorporated a wholly owned Subsidiary Company M/s. Everest Building Products in Republic of Mauritius on 9th September, 2013. M/s. Everest Building Products has incorporated Everestind FZE as Free Zone Establishment (FZE) in Jabel Ali Free Zone (JAFZA) in Dubai, UAE as its wholly owned Subsidiary Company on 18th December, 2013.

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 Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, retire at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

AUDITORS' REPORT

The Auditors observations are self explanatory and are suitably explained in Notes to the Accounts.

As regards 'matter of emphasis' paragraph mentioned in Auditor's report that managerial remuneration for the year is in excess of the limits of the Companies Act, 1956 by ₹282 lakhs and is subject to the approval of shareholders and Central Government, it is stated that salary, perquisites and allowances have been paid to Mr. Aditya Vikram Somani, Whole Time Director designated as Chairman, Mr. Manish Sanghi, Managing Director and Mr. Y. Srinivasa Rao, Executive Director (Operations) in accordance with the approvals accorded by the shareholders in the Annual General Meeting of the Company held on 26th July, 2013 [for Mr. Aditya Vikram Somani, Chairman and Mr. Manish Sanghi, Managing Director] and in the Annual General Meeting of the Company held on 24th July, 2012 [for Mr. Y. Srinivasa Rao, Executive Director (Operations)]. In respect of financial year 2013-14, the Board of Directors have approved the performance incentive/ commission aggregating to ₹70 lakhs to them. The total remuneration paid / payable to them exceeds the limit prescribed under Section 198 read with Section 309 and schedule XIII of the Companies Act, 1956.

As regards, Non-Executive Directors the shareholders in the meeting held on 22nd July,2011 have approved the payment of remuneration by way of commission to Non-Executive Directors not exceeding 1% p.a. of the net profit of the Company, for a period of five years from 1st April,2011 to 31st March, 2016. The Board of directors at its meeting held on 30th April, 2014 have proposed to pay an aggregating sum of ₹30.50 lacs to its Non-Executive Directors by way of Commission which is 1.81% of net profits computed in the manner laid down in Section 198(1) of the Companies Act, 1956.

The profits are inadequate on account of sluggish market conditions and the increase in the material cost due to significant rupee depreciation and the continuing increase in freight cost due to increasing diesel prices. The Company is seeking approval of shareholders in the ensuing Annual General Meeting & intends to make applications to the Central Government seeking its approval for increase in remuneration of Executive Directors and Non Executive Directors.

CORPORATE GOVERNANCE

Your Company continues to be committed to good corporate governance and ethical corporate practices. A separate Report on Corporate Governance along with Certificate from M/s. Tanuj Vohra & Associates, Practicing Company Secretaries 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-2008, ESOS-2009, ESOS-2010, ESOS- 2011 and ESOS-2012. The exercise period of ESOS-2008 has expired on 28th January, 2014. Moreover, the Company has not granted any option under ESOS – 2013 and the scheme has lapsed on 31st March, 2014. 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.

The Company has received certificates from the Auditors of the Company that the Employees' Stock Option Schemes have been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders. These certificates would be placed at the Annual General Meeting for inspection by members.

INDUSTRIAL RELATIONS

During the year, the industrial relations at all the works of the Company 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 sincere 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

Manish Sanghi Managing Director	**Y. Srinivasa Rao** Executive Director (Operations)

Mumbai, 30th April, 2014

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:

- Energy efficient drives for Mixers, Vacuum Pumps & Compressors for optimization of power consumption.
- Energy Audit and Harmonics Audit to reduce the energy consumption.
- Renewable Energy - Sustainability: Wind Power is being used at Lakhampur Works to promote Renewable energy resulting in Cost reduction.

(b) Additional investments and proposals being implemented for reduction of consumption of energy:

- Solar Power Plant at Podanur Works of 500 KW
- Installation of energy efficient AC drives.
- Work study to reduce movement of materials by Forklift trucks.

(c) Impact of measures at (a) and (b) above, for reduction of energy consumption:

- Reduction in specific power consumption
- Cost Reduction

(d) Total energy consumption and energy consumption per unit of Production as per Form A:

FORM A

		2013-14	2012-13
A	**Power and fuel consumption**		
1	Electricity		
	(a) Purchased through EB		
	Units (in lacs)(KWH)	349.33	327.41
	Total amount (₹ in lacs)	2299.67	2179.06
	Rate/unit	6.58	6.66
	(b) Own generation		
	Through diesel generators		
	Units (in lacs) (KWH)	33.91	69.81
	Total amount (₹ in lacs)	585.08	928.43
	Rate/unit	17.25	13.30
	(c) Traded through Exchange		
	Units (in lacs) (KWH)	9.44	14.18
	Total amount (₹ in lacs)	86.50	128.66
	Rate/unit	9.16	9.07
	(d) Purchased through Third Party		
	Units (in lacs) (KWH)	66.12	24.32
	Total amount (₹ in lacs)	453.77	189.84
	Rate/unit	6.86	7.80
2	Solid Fuel (Briquette)		
	Quantity (tonnes)	6591.97	6986
	Total amount (₹ in lacs)	334.17	349
	Average rate (₹ /MT)	5000.00	4992
3	Furnace oil (Litres)		
	Quantity (Liters in lacs)	1.64	2.54
	Total amount (₹ in lacs)	72.66	109.22
	Average rate	44.41	43.01
B	**Consumption per unit of production**		
	(1) Electricity (KWH)		
	CBS UT (000' m2n)	452	399
	CBS HT (000' m2n)	775	749
	Boards (000' m2n)	881	768
	PEB (MT)	121	72
	(2) Solid Fuel Briquette (Kgs)		
	Boards (000' m2n)	329	490
	(3) Furnace Oil (Litres)		
	Boards (000' m2n)	10	18

*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:

- Development of Boards with special features
  1. New designer boards developed for both domestic and export market for exterior application as siding panels.
  2. Boards with special characteristic for wet area lining developed.
- Formulation optimization for cost reduction
  1. Cost optimization by reducing expensive fibre with alternative fibre.
  2. Cost optimization by effective utilization of raw material and use of cheaper and better alternative.
- Development of value added products for FCB and Roofing segment
  1. Low cost colour roofing sheets for domestic market.
  2. Roofing sheets for high rain fed areas, which does not attract Fungus.
  3. New profile Non Asbestos Roofing Sheets for Local and Domestic Market.

b) Benefits derived as a result of the above R & D:

- New product segment in the market both domestic and International.

- Import substitution and savings in foreign currency by using local raw materials.
- Enhancement of product properties to achieve more market share from competitive products.
- Customer satisfaction
- Increase product portfolio

c) Future Plan of Action:

- Cost optimization of new products.
- Improvement in product properties of flat sheets to have more applications.

d) Expenditure on R & D

(₹ in lacs)

		Current Year	Previous Year
(i)	Capital	NIL	15.43
(ii)	Recurring	164.39	144.31
(iii)	Total	164.39	159.74
(iv)	Total R & D expenditure as a percentage of total turnover	0.16%	0.16%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1) Efforts, in brief, made towards technology absorption, adaptation and innovation:

- Modifications to improve the process to achieve better quality of roofing and flat sheets.
- Modifications to improve the ratio of input to output by avoiding wastage of raw materials.
- Modifications/automation of additions of substitute materials as raw materials.
- New Profile Non asbestos roofing Product technology developed

2) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.:

- Import Substitution
- Improvement in productivity and quality of products
- Cost saving

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 & services and export plans:

The Company's products are exported to Middle East countries and African countries. The Company has distinct leadership position in Middle East market.

b) Total foreign exchange used and earned:

(₹ in lacs)

	Current Year	Previous Year
Foreign Exchange Earnings	5,904.85	5,611.01
Foreign Exchange Used	20,986.41	25,604.73

For and on behalf of the Board

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Mumbai, 30th April, 2014

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, 2014.

Employed for full year and in receipt of remuneration of not less than ₹60,00,000/- per year

S. No.	Name	Designation & Nature of duties	Qualification	Age in years	Experi-ence in years	Remunera-tion Gross (₹)	Date of com-mencement of Employ-ment	Last Employment / Designation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	A.V.Somani	Chairman	MBA,PGDM, M.Com.	40	23	2,24,04,721	21.6.2010	White Knight Constructions India Pvt. Ltd. (Director)
2.	Manish Sanghi	Managing Director	B.E. (Mech), PGDM (IIM-A)	51	28	1,34,30,297	16.01.2001	Delphi Automotive Systems Ltd. (General Manager-Marketing & Planning)
3.	Y. Srinivasa Rao	Executive Director (Operations)	B.Sc. Engg. (Mech)	50	28	1,08,59,080	20.08.1997	Samcor Glass Ltd. (Manager)
4.	Manish Garg	President & Chief Executive (SBS)	Diploma in Engineering, AMIE	41	23	1,05,97,902	20.04.2007	Interarch Building Products P. Ltd. (General Manager-Marketing)

Notes :

(i) Gross Remuneration shown above is subject to tax and comprises of salary, allowances, 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

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Mumbai, 30th April, 2014

Annexure-C to Directors' Report

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

Pursuant to the Special Resolutions passed by the shareholders in the Annual General Meetings of the Company held on 25.07.2008, 29.07.2009, 29.7.2010, 22.7.2011 and 24.7.2012, the Remuneration Committee of the Directors have granted Stock Options to eligible employees and Wholetime Directors for the financial years 2008-2009, 2009-2010, 2010-2011, 2011-12 and 2012-13 respectively. The Company in its Annual General Meeting held on 26.07.13 had passed a Special Resolution approving Employees' Stock Option Scheme 2013 however, no options have been granted by the Company in the financial year 2013-14. The employees are entitled to get one equity share per option. The details of the Stock Options are given here below:

S. No.	Description	Particulars of ESOS-2008	Particulars of ESOS-2009	Particulars of ESOS-2010	Particulars of ESOS-2011	Particulars of ESOS-2012
A.	Options granted	1,44,850 options were granted to the employees and Wholetime Directors of the Company as on 29.01.2009.	1,40,000 options were granted to the employees and Wholetime Directors of the Company as on 27.01.2010.	1,47,705 options were granted to the employees and Wholetime Directors of the Company as on 18.01.2011.	1,50,720 options were granted to the employees and Wholetime Directors of the Company as on 24.01.2012.	160945 options were granted to the employees and Wholetime Directors of the Company as on 22.01.2013.
B.	Pricing formula	@₹52/-	@₹169/-	@₹174/-	@₹126/-	@₹268/-
		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 ₹52/- per share. The closing price on BSE on January 28, 2009 was ₹ 51.95.	Accordingly, the exercise price has been determined at ₹169/- per share. The closing price on BSE on January 25, 2010 was ₹ 168.55.	Accordingly, the exercise price has been determined at ₹174/- per share. The closing price on BSE on January 17, 2011 was ₹ 173.35.	Accordingly, the exercise price has been determined at ₹126/- per share. The closing price on NSE on January 23, 2012 was ₹ 125.93.	Accordingly, the exercise price has been determined at ₹268/- per share. The closing price on NSE on January 21, 2013 was ₹ 267.45.
C.	Options vested	10,150	72,040	98,920	1,16,710	1,60,945
D.	Options exercised	5,900	NIL	NIL	1,475	NIL
E.	The total number of shares arising as a result of exercise of options.	5,900	NIL	NIL	1,475	NIL
F.	Options Lapsed	4,250	6,720	9,545	15,580	21,520
G.	Variation of terms of options	NIL	NIL	NIL	NIL	NIL
H.	Money realized by exercise of options.	₹ 3,06,800	NIL	NIL	₹ 1,85,850	NIL
I.	Total number of options in force.	NIL	65,320	89,375	99,655	1,39,425
J.	Details of options granted to :					
	(i) Senior Managerial Personnel :					
	(a) Mr. Manish Sanghi, Managing Director	15,000	15,000	20,000	20,000	20,000
	(b) Mr. M. L. Gupta, Director	15,000	15,000	-	-	-
	(c) Mr. Y. Srinivasa Rao, Executive Director (Operations)	15,000	15,000	15,000	15,000	15,000
	(d) Mr. Manish Garg, President & Chief Executive (SBS)	10,000	7,000	7,000	10,000	10,000
	(e) Mr. Rakesh Kumar Gupta, Sr. Vice President (Finance)	5,000	5,000	7,500	7,500	5,250

S. No.	Description	Particulars of ESOS-2008	Particulars of ESOS-2009	Particulars of ESOS-2010	Particulars of ESOS-2011	Particulars of ESOS-2012
	(f) Mr. Rahul Chopra, Sr. Vice President & Head Roofing Business	2,700	2,700	3,000	3,000	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	None
	iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None	None	None	None	None
K.	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.	₹ 6.02				
L.	i) Method of calculation of employee compensation cost.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost for the financial year 2013-14.				
	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..	The employee compensation cost would have increased by ₹ 124.76 Lakh				
	iii) The impact of this difference on Profits and on EPS of the Company.	The effect of adopting the fair value method on the net income and earnings per share is presented below:				
						(₹ in lacs)
		Net Income reported				914.96
		Add: Intrinsic Value Compensation Cost				
		- Employees Stock Option Scheme 2012				-
		Less: Fair value Compensation Cost (Black Scholes Model)				
		- Employees Stock Option Scheme 2012				124.76
		Adjusted Net Income				790.20
		Earning Per share			Basic (₹)	Diluted (₹)
		As reported			6.02	6.02
		As adjusted			5.20	5.20

M.	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.	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹52.00 Weighted average fair value: ₹ 16.17	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹169.00 Weighted average fair value: ₹ 68.04	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹174.00 Weighted average fair value: ₹ 66.18	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹126.00 Weighted average fair value: ₹ 48.69	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹268.00 Weighted average fair value: ₹ 95.59
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	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:	6.15%	7.42%	8.06%	8.13%	7.91%
	(ii) expected life:	5 years	5 years	5 years	5 years	5 years
	(iii) expected volatility:	63.24%	53.30%	44.50%	40.22%	35.32%
	(iv) expected dividends:	7.87%	2.84%	2.60%	3.42%	2.60%
	v) the price of the underlying share in market at the time of option grant:	₹50.85	₹158.60	₹ 173.35	₹ 131.45	₹ 269.40

For and on behalf of the Board

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Mumbai, 30th April, 2014

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company, including shareholders, lenders, creditors and employees. The Company and its Board of Directors firmly believe that strong governance, by maintaining a simple and transparent corporate structure, is integral to creating value on a sustainable basis. Good governance is a continuing exercise and the Company reiterates its commitment to pursue the same in all aspects of its operations in the overall interest of all its stakeholders. The Directors and employees have accepted a Code of Conduct that sets out the fundamental standards to be followed in all actions carried out on behalf of the Company.

BOARD OF DIRECTORS

1. The Board consists of 9 Directors of which three are Executive Directors and six are Non-Executive Directors. None of the Directors are related with each other.

2. The Board has met four times during the year ended 31st March, 2014 [on 09.05.2013, 26.07.2013, 25.10.2013 and 29.01.2014] with clearly defined agenda, circulated well in advance before each meeting.

3. The following table gives details of the number of Directorship and Committee Chairmanship/Membership and attendance at the meetings of Board and Members:

Name of Director	Particulars of attendance		No. of other Directorships and Committee Membership/Chairmanship		Category of Directorship
	Board Meetings	Last AGM	Other Directorship	Committee Member/ Chairman	
Mr. A.V. Somani (Chairman)	4	Yes	4	1	Executive
Mr. M.L. Gupta (Vice Chairman)	4	Yes	1	Nil	Non Executive
Mr. Mohanlal Bhandari *	1	No	1	Nil	Independent Non Executive
Mr. Sandeep H. Junnarkar	4	Yes	7	2	Independent Non Executive
Mr. M.L. Narula	3	Yes	4	2	Independent Non Executive
Mr. Amitabh Das Mundhra	2	Yes	20	1 as Chairman	Independent Non Executive
Mr. B.L. Taparia **	3	Yes	4	1	Independent Non Executive
Mrs. Bhavna G. Doshi ***	2	No	8	4 (1as Chairman)	Independent Non Executive
Mr. Manish Sanghi (Managing Director)	4	Yes	1	Nil	Executive
Mr. Y. Srinivasa Rao (Executive Director)	3	No	1	Nil	Executive

*Resigned w.e.f. 07.07.2013.
**Appointed as Director w.e.f. 10.05.2013.
***Appointed as Additional Director w.e.f. 25.10.2013

4. **CODE OF CONDUCT**

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

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 year under review is appended to this Corporate Governance Report and forms part of the Annual Report.

5. Committees

The Board has constituted four Standing Committees namely Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Banking Facility Committee and Corporate Social Responsibility Committee:

(a) AUDIT COMMITTEE

The Audit Committee of the Company is constituted pursuant to the provisions of the Companies Act, 2013 and the Listing Agreements with the Stock Exchanges. The Audit Committee of the Board comprises of Mr. M.L. Narula, Chairman of the Committee, Mr. Sandeep H. Junnarkar (Member), Mr. M.L. Gupta (Member) and Mr. B.L. Taparia (Member) and all members possesses financial and accounting exposure.

For Audit Committee meetings, the Internal and Statutory Auditors are invited and are generally attended by them and the Senior Management Executives of the Company. The Company Secretary acts as the Secretary of the Committee.

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement, as well as in Section 177 of the Companies Act, 2013, which *inter alia*, include:

1. Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Auditors of the company and the fixation of audit fees and tenure of appointment.
3. Examining the annual financial statements and Auditors report thereon before submission to the board for approval, including but not limited to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (5) of section 134 of the Companies Act, 2013.
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Qualifications in the draft audit report.
4. Approval or any subsequent modification of transactions of the company with related parties.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing and monitoring with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the Auditor's independence and performance, and effectiveness of Audit process.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors regarding any significant findings and follow up there on.
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the Whistle Blower mechanism.
14. Direct Access to the chairman of the Committee, in appropriate or exceptional cases, to the vigil Mechanism established by the Company.

15. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
16. Scrutiny of inter-corporate loans and investments.
17. Valuation of undertakings or assets of the Company, wherever it is necessary.
18. Valuation of internal financial controls and risk management systems.
19. The Audit Committee shall mandatorily review the following information:
    a) Management discussion and analysis of financial condition and results of operations;
    b) Statement of significant related party transactions submitted by management;
    c) Management letters / letters of internal control weaknesses issued by the statutory auditors; and
    d) Internal audit reports relating to internal control weaknesses.
    e) Appointment, removal and terms of remuneration of the Chief internal auditor.

The Audit Committee has met four times during the year on 09.05.2013, 26.07.2013, 25.10.2013 and 29.01.2014 and the details of attendance by the Committee Members are as follows:

Name of Director	Number of Audit Committee Meetings attended
Mr. M.L. Narula	3
Mr. Sandeep H. Junnarkar	4
Mr. M.L. Gupta	4
Mr. B.L.Taparia *	3
Mr. Mohanlal Bhandari**	1

* Co-opted in the Audit Committee w.e.f. 10.05.2013.

**Resigned from the Board w.e.f. 07.07.2013. He was the Chairman of the Audit Committee meeting held on 09.05.2013.

(b) STAKEHOLDERS RELATIONSHIP COMMITTEE

In view of notification of the Companies Act, 2013, the Investor Grievance/Share Transfer Committee (IGST Committee) has been reconstituted as 'Stakeholders Relationship Committee' (SR Committee) w.e.f. 04.04.2014 in order to comply with the provisions of the Section 178(5) of the Companies Act, 2013. The SR Committee of the Board comprises of Mr. M.L. Gupta (Chairman), Mr. A.V. Somani (Member) and Mr. Manish Sanghi (Member). The Terms of Reference of SR Committee meets the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013, which interalia, include:

i. To consider and resolve the grievances of Security holders of the Company
ii. To approve applications for transfer, transmission, transposition of shares and mutation of share certificates including issue of duplicate certificates, split, sub-division or consolidation of certificates and to deal with all related matters.
iii. To look into and redress the Shareholders / investors grievances relating to:
    a. Transfer of shares;
    b. Non-receipt of dividends;
    c. Non-receipt of annual reports; and
    d. Any other complaint concerning the Shareholders / investors
iv. The Committee will oversee the performance of the Registrars and Share Transfer Agents of the Company.
v. Such other matters as may from time to time be required by any statutory or regulatory authority to be attended by the Committee;
vi. Consider other matters, as from time to time be referred to it by the Board.

The IGST Committee met twice on 26.07.2013 and 29.01.2014 during the year and all Members were present in the Meetings.

The Committee approved through Resolution by Circulation transfers etc. 13 times during the year. The Company has received one complaint from a shareholder and the same was duly resolved. Mr. Neeraj Kohli, Company Secretary & Head-Legal is the Compliance Officer of the Company.

(c) NOMINATION AND REMUNERATION COMMITTEE

In view of notification of the Companies Act, 2013, the Remuneration Committee has been reconstituted as 'Nomination and Remuneration Committee' w.e.f. 04.04.2014 in order to comply with the provisions of Section 178(1) of the Companies Act, 2013. The Nomination and Remuneration Committee of the Board comprises of Mr. Sandeep H. Junnarkar (Chairman), Mr. M.L. Narula (Member), Mr. M.L. Gupta (Member) and Mr. Amitabh Das Mundhra (Member). The Terms of Reference of Nomination and Remuneration Committee meets the requirements of Clause 49 of the Listing Agreement and the provisions of the Companies Act, 2013, which interalia, include:

a) Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every Directors' performance.

b) Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
c) determine/ review on behalf of Board of Directors of the Company the compensation package, service agreements and other employment conditions for Managing/Whole Time Director(s).
d) determine on behalf of the Board of Directors of the Company the quantum of annual increments/incentives on the basis of performance of the Key Managerial Personnel.
e) formulate, amend and administer stock options plans and grant stock options to Managing / Whole Time Director(s) and employees of the Company.
f) delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.
g) Consider other matters, as from time to time be referred to it by the Board.

The meeting of the Remuneration Committee was held on 09.05.2013 and the details of attendance by the Committee Members are as follows:

Name of Director	Remuneration Committee Meeting attended
Mr. Sandeep H. Junnarkar	Yes
Mr. M.L. Narula	No
Mr. Amitabh Das Mundhra	Yes
Mr. M.L. Gupta *	No
Mr. Mohanlal Bhandari **	Yes

* Co-opted in the Remuneration Committee w.e.f. 10.5.2013.

**Resigned w.e.f. 07.07.2013.

(d) BANKING FACILITY COMMITTEE

The Banking Facility Committee of the Board comprises of Mr. A.V. Somani (Chairman), Mr. M.L. Gupta (Member) and Mr. Manish Sanghi (Member). The Committee met three times during the year on 27.06.2013, 12.12.2013 and 09.01.2014 and the details of attendance by the Committee Members are as follows :

Name of Director	Number of Banking Facility Committee Meetings attended
Mr. A.V. Somani	3
Mr. Manish Sanghi	3
Mr. M.L. Gupta *	1
Mr. Y. Srinivasa Rao **	-

* Co-opted in the Banking Facility Committee w.e.f. 10.5.2013.

**Was a member of Banking Facility Committee upto 9.5.2013.

(e) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee was constituted by the Board on 25.10.2013 considering the requirements of the Companies Act, 2013.

The Corporate Social Responsibility Committee of the Board comprises of Mr. A.V. Somani (Chairman), Mr. M.L. Gupta (Member), Mr. M.L. Narula (Member), Mr. Manish Sanghi (Member) and Mr. Y. Srinivasa Rao (Member). The Terms of Reference of CSR Committee meets the requirements of the Companies Act, 2013, which interalia, include:

a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activity or activities to be undertaken by the Company as per the Schedule VII of the Companies Act, 2013.

b) recommend the amount of expenditure to be incurred on the activities related to CSR; and

c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year, no meeting of the Committee was held.

DETAILS OF REMUNERATION OF EXECUTIVE DIRECTORS FOR THE YEAR

Name and Designation	Mr. A.V.Somani, Chairman	Mr. Manish Sanghi, Managing Director	Mr. Y. Srinivasa Rao, Executive Director (Operations)
Tenure of Appointment	Three years ending on 20th June, 2016	Three years ending on 30th September, 2016	Three years ending on 22nd April, 2015
Salary (₹)	78,00,000	37,20,000	28,80,000
Perquisites/Allowances (₹)	40,94,001	46,50,000	36,00,000
Commission (₹)*	18,00,000	-	-
Performance Incentive (₹)*	-	28,00,000	24,00,000
Contributions to Provident Fund/Superannuation Fund (₹)	-	10,04,400	7,77,600
Other (₹)	10,720	55,897	2,01,480

* The Nomination and Remuneration Committee and the Board in their meetings held on 30th April, 2014 have proposed the performance incentive/ Commission which is subject to the approval of members in the forthcoming Annual General Meeting and the Central Government.

DETAILS OF REMUNERATION OF NON-EXECUTIVE DIRECTORS FOR THE YEAR

Name	Mr. Mohanlal Bhandari*	Mr. Sandeep H. Junnarkar	Mr. M.L. Narula	Mr. M.L. Gupta	Mr.Amitabh Das Mundhra	Mr. B.L. Taparia	Mrs.Bhavna G. Doshi
Sitting fees (₹)	50,000	1,70,000	1,20,000	1,70,000	50,000	1,20,000	40,000
Commission (₹) **	NIL	5,50,000	8,00,000	5,50,000	3,00,000	5,50,000	3,00,000

* Resigned w.e.f. 07.07.2013.

** The Board of Directors in its meeting held on 30th April, 2014 have proposed the Commission which is subject to the approval of members in the forthcoming Annual General Meeting and the Central Government.

Remuneration Policy

The Nomination and Remuneration Committee determines the Company's policy on all elements of remuneration of Executive Directors, subject to the approval of the Board and the shareholders of the Company in General Meeting. The Executive Directors are paid remuneration as per the Agreements entered into between them and the Company. The remuneration structure of the Executive Directors comprises of salary, perquisites & allowances, performance incentive/ commission, contributions to Provident Fund, Superannuation / Annuity Fund and Gratuity.

Notice period for termination of appointment of Executive 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 ₹20,000/- for each Board Meeting/Audit Committee Meeting; ₹10,000/- for each Nomination and Remuneration Committee Meeting/Corporate Social Responsibility Committee Meeting and ₹5,000/- for each Stakeholder Relationship Committee Meeting. The Non-Executive Independent Directors are also paid commission as decided by the Board of Directors.

Shareholding of Non-Executive Directors

Mr. M.L. Gupta holds 90,000 equity shares and Mr. B.L. Taparia holds 1,000 equity shares in the Company as on 31st March, 2014.

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

Year	AGM/EGM	Venue	Date	Time
2013	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	26.07.2013	11.30 a.m.
2012	AGM	The Gateway Hotel Ambad Nashik, P-17, MIDC, Ambad, Mumbai - Agra Road, Nashik – 422 010 (Maharashtra)	24.07.2012	11.30 a.m.
2011	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	22.07.2011	11.30 a.m.

No other General Body Meeting held in the last three years.

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

(i) At the 78th Annual General Meeting held on July 22, 2011, a Special Resolution was passed, authorising the Board of Directors of the Company, for payment of commission to the Non-Executive Directors for a period of five years commencing from 1st April, 2011.

(ii) At the 78th Annual General Meeting held on July 22, 2011, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2011 to the specified employees during the financial year 2011-12.

(iii) At the 78th Annual General Meeting held on July 22, 2011, a Special Resolution was passed, authorising the Board of Directors of the Company to commence all or any of the business stated in new sub-clause 16A of Clause III of the Memorandum of Association of the Company.

(iv) At the 79th Annual General Meeting held on July 24, 2012, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2012 to the specified employees during the financial year 2012-13.

(v) At the 80th Annual General Meeting held on July 26, 2013, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2013 to the specified employees during the financial year 2013-14.

During the year, no approval of shareholders was taken through Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

7. DISCLOSURES

During the year, there has been no transactions of material nature entered by the Company with any party, which is considered to have potential conflict with the interests of the Company at large.

The Management of the Company regularly reviews the risk management strategy of the Company to ensure the effectiveness of risk management policies and procedures. Quarterly Risk Analysis reports are reviewed and discussed in the Board Meetings.

During the Financial Year ended 31st March, 2014, the Company has not raised any money from public issues, right issues, preferential issues etc.

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. 2.32). 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.

The Company has formulated a Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

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

The Management Discussion and Analysis (MDA) forms part of the Annual Report.

Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement are reviewed by the Board from time to time. The Company has adopted the following non-mandatory requirements of clause 49 of the Listing Agreement:

a) The tenure of Independent Directors has been fixed to a maximum period of nine years on the Board of the Company.

b) The Company has set up a Nomination and Remuneration Committee.

c) The Company has formulated a Whistle Blower Policy.

8. MEANS OF COMMUNICATION

The Quarterly/Annual Financial Results of the Company are forwarded to The Bombay Stock Exchange Limited and to The National Stock Exchange of India Limited where the Company's shares are listed and published in Business Standard, Mumbai & Sakal, Nashik and are displayed on the Company's website www.everestind.com.

9. In compliance with the 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) have issued a certificate on Financial Statements 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.

GENERAL SHAREHOLDER'S INFORMATION

i)	Annual General Meeting Day, Date, Time and Venue	Wednesday, 30th July, 2014 at 11.30 a.m. at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)
ii)	Financial Year	1.4.2013 to 31.3.2014
iii)	Date of Book Closure	24.7.2014 to 30.7.2014 (both days inclusive)
iv)	Posting of Annual Report	On or before 4.7.2014
v)	Dividend Payment date	Dividend, if any, declared in the forthcoming 81st Annual General Meeting will be paid on or after 4.8.2014
vi)	Unclaimed/Unpaid Dividend for the previous years.	The Company is required to transfer dividends which have remained unpaid/ unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. Unclaimed/ unpaid dividend for the year March 31, 2006 has been transferred to the Investor Education & Protection Fund established by the Government. The Company will transfer the dividend for the year ended March 31, 2007, which have remained unclaimed to the said fund in July, 2014. Members who have not encashed their dividend warrants for the Financial Year 2007-2008 & onwards may approach the Company for obtaining demand draft in lieu of unpaid dividend warrant.
vii)	Financial Calendar a) Unaudited Financial Results for the quarter ending June 30, 2014, Quarter and half year ending September 30, 2014, Quarter and nine months period ending December 31, 2014. b) Audited Financial Results for the quarter/ year ending March 31, 2015.	 Within 45 days from the end of each quarter as stipulated under the Listing Agreement. Within 60 days from the end of the last quarter/year as stipulated under the Listing Agreement.
viii)	Listing of Equity Shares	BSE Limited & The National Stock Exchange of India Limited at Mumbai. The Listing fees for the Financial Year 2014-15 has been paid to the Exchanges.
ix)	Corporate Identification Number (CIN) of the Company	L74999MH1934PLC002093

11. **STOCK CODE**

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

12. **STOCK MARKET DATA**

MONTHLY HIGH / LOW SHARE PRICE *

(01.04.2013 TO 31.03.2014)

MONTH	BSE Limited		BSE SENSEX	
	HIGH (₹)	LOW (₹)	HIGH	LOW
April, 2013	220.00	195.00	19622.68	18144.22
May, 2013	204.00	170.10	20443.62	19451.26
June, 2013	178.15	164.00	19860.19	18467.16
July, 2013	180.85	132.00	20351.06	19126.82
August, 2013	150.00	121.80	19569.20	17448.71
September, 2013	153.95	122.00	20739.69	18166.17
October, 2013	157.00	125.35	21205.44	19264.72
November, 2013	148.00	128.30	21321.53	20137.67
December, 2013	169.00	133.00	21483.74	20568.70
January, 2014	160.00	135.25	21409.66	20343.78
February, 2014	147.90	137.10	21140.51	19963.12
March, 2014	149.70	137.00	22467.21	20920.98

* Based on BSE website.

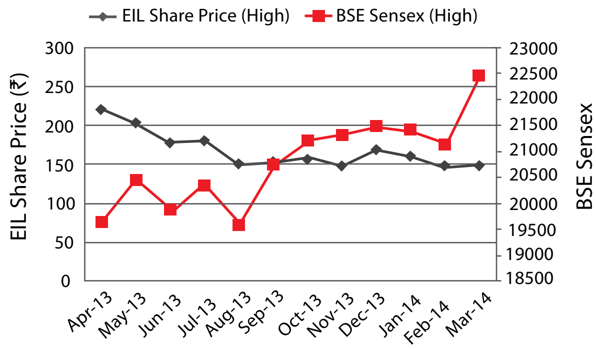
MONTHLY HIGH / LOW SHARE PRICE *

(01.04.2013 TO 31.03.2014)

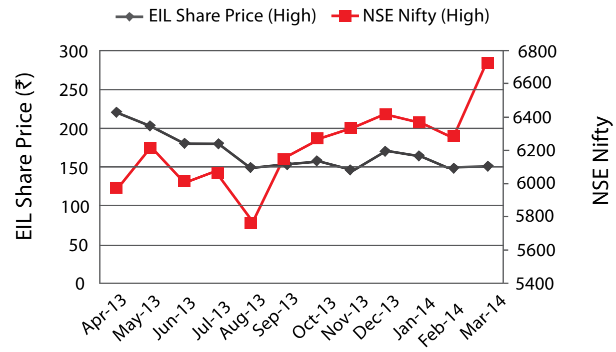
MONTH	The National Stock Exchange of India Limited (NSE)		CNX NIFTY	
	HIGH (₹)	LOW (₹)	HIGH	LOW
April, 2013	220.50	195.55	5962.30	5477.20
May, 2013	204.00	170.30	6229.45	5910.95
June, 2013	178.95	164.00	6011.00	5566.25
July, 2013	180.00	131.95	6093.35	5675.75
August, 2013	148.00	121.55	5806.50	5118.85
September, 2013	153.50	131.25	6142.50	5318.90
October, 2013	157.00	126.20	6309.05	5700.95
November, 2013	145.60	128.05	6342.95	5972.45
December, 2013	169.00	132.65	6415.25	6129.95
January, 2014	164.00	138.00	6358.30	6027.25
February, 2014	147.30	137.10	6282.70	5933.30
March, 2014	151.50	135.10	6730.05	6212.25

* Based on NSE website.

Performance in comparison to BSE Sensex



Performance in comparison to NSE Nifty



13. **REGISTRAR & SHARE TRANSFER AGENT (RTA)**

M/s. MCS Limited
F–65, First Floor, Okhla Industrial Area, Phase - I
New Delhi-110020
Phone No. 011-41406149, 41406151, 41406152
Fax No. 011-41709881

14. **SHARE TRANSFER SYSTEM**

All the requests received from Shareholders for transfer, transmission etc. are processed by the Share Transfer Agent of the Company within the stipulated time as prescribed in the Listing Agreement with the Stock Exchanges.

15. **PERMANENT ACCOUNT NUMBER (PAN)**

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition and transmission of shares.

16. **DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2014**

The Company had a shareholders base of 12595 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	10986	87.23	1463497	9.63
501 to 1000	942	7.48	702189	4.62
1001 to 2000	339	2.69	497922	3.28
2001 to 3000	106	0.84	268736	1.77
3001 to 4000	42	0.33	151631	0.99
4001 to 5000	48	0.38	226605	1.49
5001 to 10000	62	0.49	461252	3.03
10001 to 50000	55	0.44	1173505	7.73
50001 to 100000	7	0.06	592864	3.90
100001 and above	8	0.06	9656464	63.56
Total	**12595**	**100.00**	**15194665**	**100.00**

Shareholding Pattern as on 31st March, 2014

Sr. No.	Category	No. of Shares held	% of shareholding
1.	Promoters	7520470	49.49
2.	Mutual Funds/ UTI	1300631	8.56
3.	Financial Institutions/ Banks	225	0.00
4.	Central Government/ State Government(s)	200	0.00
5.	Insurance Companies	187	0.00
6.	Foreign Institutional Investors	1275	0.01
7.	Bodies Corporate	1095845	7.21

Sr. No.	Category	No. of Shares held	% of shareholding
8.	Individuals	4762812	31.35
9.	Trusts & Foundations	336958	2.22
10.	NRI's	176062	1.16
	Total	**15194665**	**100.00**

There were no outstanding GDRs/ ADRs as on 31st March, 2014.

17. **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 31.03.2014 is 97.91% to total shareholding of the Company. The Company's shares are regularly traded on BSE and NSE.

18. **NOMINATION FACILITY FOR SHAREHOLDERS**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Those Members who hold shares in physical form may obtain nomination form from the Company Secretary at 'Genesis', G1, A-32, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044 or download the same from the Company's website www.everestind.com.

19. **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. Those Members who hold shares in physical form may obtain mandate form for payment of dividend through Electronic Clearing Service (ECS) from Company Secretary at 'Genesis', G1, A-32, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044 or download the same from the Company's website www.everestind.com.

20. **LOCATION OF THE PLANTS OF THE COMPANY**

Kymore Works

Everest Nagar, P.O. Kymore
Dist. Katni - 483880
Madhya Pradesh

Lakhmapur Works

Gat 152, Lakhmapur
Taluka Dindori, Nashik – 422202
Maharashtra

Bhagwanpur Works

158 & 159, Lakesari, Pargana Bhagwanpur
Tehsil Roorkee - 247661
Uttarakhand

Ranchi Works

Sarwal Namkum, Opp. Tola – Charna Bera
Ranchi – 834010
Jharkhand

Kolkata Works

1, Taratola Road, Garden Reach
Kolkata – 700024
West Bengal

Podanur Works

Podanur P.O.
Coimbatore – 641023
Tamil Nadu

Somnathpur Works

Z5, IID Centre, Somnathpur
Tehsil Remuna, Dist. Baleshwar - 756019
Odisha

Narmada Works

E-68, GIDC Dahej-3,
Dahej, Dist. Bharuch-392130
Gujarat

21. **ADDRESS FOR CORRESPONDENCE**

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./Client ID No., number of shares held etc.

M/s. MCS Ltd. (Unit: Everest Industries Limited)
F–65, First Floor, Okhla Industrial Area, Phase - I, New Delhi-110020.
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', G1, A-32, Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi-110044.
Ph. No.:011-41731951/52. Fax No.011-46566370

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.

For Everest Industries Limited

Place : Mumbai
Date : 30th April, 2014

Manish Sanghi
Managing Director

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

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 for the twelve months period ended 31st March, 2014.

For Everest Industries Limited

Place: Mumbai
Date : 30th April, 2014

Manish Sanghi
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

Place: Mumbai
Date: 30th April, 2014

RAKESH KUMAR GUPTA
Sr. Vice President (Finance)

MANISH SANGHI
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, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

2. The compliance of condition of Corporate Governance is the responsibility of the management. Our examination has been 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 representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For Tanuj Vohra & Associates
Company Secretaries

Tanuj Vohra
Proprietor
C.P. No. 5253

Place: New Delhi
Date: 30th April, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
EVEREST INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Everest Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;

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

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

Emphasis of Matter

We draw attention to Note 2.31 to the financial statements wherein it is mentioned that the managerial remuneration for the year is in the excess of the limits of the Companies Act, 1956 by ₹282 lakhs and is subject to approval of shareholders and Central government.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

   (c) The Balance Sheet, the Statement of Profit and Loss 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 Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on 31 March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Alka Chadha
(Partner)
(Membership No. 93474)

MUMBAI, 30 April, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. Having regard to the nature of the Company's business/ activities/ results during the year, clauses (xii), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.

ii. In respect of its fixed assets:

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

   b. The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. 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 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 covered 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 for the 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. To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that needed to be entered in the Register maintained in pursuance of 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. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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 statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs 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, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2014 for a period of more than six months from the date they became payable.

c. Details of dues of Income-tax, Sales Tax, Service Tax and Excise Duty which have not been deposited as on 31 March, 2014 on account of disputes are given below :

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ / lacs)
Income Tax Act, 1961	Demand on account of disallowances of certain claims	Commissioner of Income Tax Appeals	2006 to 2009 and 2010-11	3,326.04
		Assistant Commissioner	2006-07	13.03
		Appellate Tribunal	2003-04	86.13
				3,425.20
Sales Tax Laws	Demand on account of non-collection of statutory forms etc.	Commissioner Appeals	1997-98 and 2000-2012	610.86
		Appellate Tribunal	1997 to 1999, 2000 to 2002, 2004-05, 2007-08 and 2009 to 11	129.64
		Joint Commissioner	1999 to 2001 and 2009-10	12.25
		Assistant Commissioner	1994-95 and 2000 to 2001	15.97
		Deputy Commissioner	2010-11	0.40
	Demand on account of stock transfers being considered as local sales	Madras High Court	1990-91, 1998-99 and 2013-14	422.34
	Demand on account of stock transfers being considered as inter-state sales	Appellate Tribunal	1994 to 1998	915.99
				2,107.45
The Central Excise Act, 1944	Demand on account of wrong availment of Cenvat credit	Deputy Commissioner	2008 to 2010 and 2011 to 2013	12.50
		Joint Commissioner	2006 to 2010	14.29
		Assistant Commissioner	2006 to 2012	10.84
		Additional Commissioner	2007 to 2012	34.55
		Commissioner	2004 to 2006 and 2007 to 2014	304.11
		Commissioner Appeals	2006 to 2013	14.04
		Superintendent (Audit)	2008 - 2009	18.04
		Adjudication officer	2008-09	11.28
	Demand of duty under Section 11D of the Central Excise Act, 1944	Appellate Tribunal	1992 to 1996	2,462.40
				2,882.05

There are no dues in respect of Wealth Tax, Customs Duty and Cess which have not been deposited as on 31 March, 2014 on account of disputes.

xi. The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the preceding financial year.

xii. 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.

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

xiv. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

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

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Alka Chadha
(Partner)
(Membership No. 93474)

MUMBAI, 30 April, 2014

BALANCE SHEET AS AT 31 MARCH, 2014

(₹ in lacs)

	Note Reference	As at 31.03.2014	As at 31.03.2013
I. Equity and liabilities			
1. Shareholder's funds			
a. Share capital	2.01	1,519.47	1,518.73
b. Reserves and surplus	2.02	27,933.24	27,458.52
		29,452.71	**28,977.25**
2. Non-current liabilities			
a. Long-term borrowings	2.03	5,132.70	5,910.20
b. Deferred tax liabilities (Net)	2.30	2,831.75	2,456.56
c. Long-term provisions	2.04	607.88	757.58
		8,572.33	**9,124.34**
3. Current liabilities			
a. Short-term borrowings	2.05	16,555.48	9,520.12
b. Trade payables	2.06	12,286.10	10,891.17
c. Other current liabilities	2.07	12,916.00	9,589.13
d. Short-term provisions	2.08	2,969.96	2,024.28
		44,727.54	**32,024.70**
Total		**82,752.58**	**70,126.29**
II. Assets			
1. Non-current assets			
a. Fixed assets			
i. Tangible assets	2.09	26,914.76	20,650.26
ii. Intangible assets	2.09	1,259.13	485.00
iii. Capital work in progress	2.33	6,104.80	3,711.46
		34,278.69	**24,846.72**
b. Non-current investments	2.10	63.37	2.45
c. Long-term loans and advances	2.11	7,450.53	4,329.37
d. Other non-current assets	2.12	29.05	14.22
		41,821.64	**29,192.76**
2. Current Assets			
a. Inventories	2.13	24,208.84	25,416.60
b. Trade receivables	2.14	8,070.81	5,234.95
c. Cash and bank balances	2.15	2,514.30	5,285.31
d. Short-term loans and advances	2.16	6,082.16	4,874.28
e. Other current assets	2.17	54.83	122.39
		40,930.94	**40,933.53**
Total		**82,752.58**	**70,126.29**
See accompanying notes forming part of the financial statements	1 & 2		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Mumbai
30 April, 2014

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
30 April, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in lacs)

		Note Reference	Year ended 31.03.2014	Year ended 31.03.2013
1.	Revenue from operations (gross)	2.18	109,467.57	107,772.99
	Less : Excise duty		5,942.41	6,359.70
	Revenue from operations (net)		**103,525.16**	**101,413.29**
2.	Other income	2.19	1,233.69	875.25
3.	**Total revenue (1+2)**		**104,758.85**	**102,288.54**
4.	**Expenses**			
	a. Cost of materials consumed	2.20	57,459.39	59,028.61
	b. Purchases of stock-in-trade (traded goods)	2.39	2,805.56	1,593.10
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	70.52	(4,437.92)
	d. Employee benefits expense	2.22	9,696.49	9,209.70
	e. Finance costs	2.23	1,256.90	557.99
	f. Depreciation and amortisation expense	2.09	2,672.04	2,205.24
	g. Other expenses	2.24	29,507.80	26,241.67
	Total expenses		**103,468.70**	**94,398.39**
5.	**Profit before tax (3-4)**		**1,290.15**	**7,890.15**
6.	**Tax expense**			
	a. Current tax expense		278.57	2,573.21
	b. Minimum alternative tax credit entitlement		(278.57)	-
	c. Net current tax expense		-	2,573.21
	d. Deferred tax (see note 2.30)		375.19	66.97
	e. Net tax expense		375.19	2,640.18
7.	**Profit for the year (5-6)**		**914.96**	**5,249.97**
	Earnings per equity share (see note 2.37) [Face value - ₹10 per share]			
	Basic and diluted earnings per share (₹)		6.02	34.70
	See accompanying notes forming part of the financial statements	1 & 2		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Mumbai
30 April, 2014

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
30 April, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in lacs)

		Year ended 31.03.2014	Year ended 31.03.2013
A. Cash flow from operating activities			
Net profit before tax		**1,290.15**	**7,890.15**
Adjustments for:			
Depreciation and amortisation expense		2,672.04	2,205.24
Finance costs		1,256.90	557.99
Interest income		(438.74)	(453.84)
Loss/ (profit) on sale of fixed assets (net)		(0.23)	21.94
Liabilities / provisions no longer required written back		(687.48)	(326.04)
Provision for doubtful receivables		38.87	-
Net unrealised (gain)/loss on exchange rate fluctuation		(101.85)	(122.52)
Operating profit before working capital changes		**4,029.66**	**9,772.92**
Changes in working capital:			
Adjustment for (increase)/decrease in operating assets:			
Inventories		1,207.76	(9,618.26)
Trade receivables		(2,894.59)	(1,064.48)
Short-term loans and advances		(1,207.88)	(2,456.65)
Other non-current assets		(14.83)	195.35
Long-term loans and advances		(425.45)	(112.24)
Other current assets		30.24	(13.43)
Adjustment for increase/(decrease) in operating liabilities:			
Trade payables		2,060.32	3,574.85
Other current liabilities		2,151.32	2,077.82
Short-term provisions		0.94	(8.97)
Long-term provisions		(149.70)	(0.71)
Cash generated from operations		**4,787.79**	**2,346.20**
Net income tax paid		(608.46)	(3,040.52)
Net cash flow from / (used in) operating activities	**[A]**	**4,179.33**	**(694.32)**
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		(11,794.86)	(4,508.95)
Proceeds from sale of fixed assets		0.90	6.69
Proceeds from sale of long term investments		1.50	-
Purchase of long-term investments-in subsidiary		(62.42)	-
Bank balances not considered as cash and cash equivalents			
- Placed (deposits and unclaimed dividend accounts)		(19.70)	(1,035.16)
- Matured (deposits)		1,200.00	-
Interest received		476.06	398.67
Net Cash used in investing activities	**[B]**	**(10,198.52)**	**(5,138.75)**

(₹ in lacs)

		Year ended 31.03.2014	Year ended 31.03.2013
C. Cash flow from financing activities			
Proceeds from issue of equity shares		0.74	7.46
Share premium received		4.19	101.23
Proceeds from long-term borrowings		1,890.00	6,192.00
Repayment of long-term borrowings		(1,950.50)	(1,837.90)
Proceeds/(repayment) of short-term borrowings		7,035.36	4,009.55
Finance costs		(1,224.61)	(465.49)
Dividends paid		(1,133.12)	(1,055.17)
Tax on dividend		(193.58)	(171.62)
Net Cash flow from / (used) in financing activities	**[C]**	**4,428.48**	**6,780.06**
Net increase in cash and cash equivalents	**[A+B+C]**	**(1,590.71)**	**946.99**
Cash and cash equivalents as at 01.04.2013		3,838.02	2,891.03
Cash and cash equivalents as at 31.03.2014 *		**2,247.31**	**3,838.02**
*** Comprises:**			
a. Cash on hand		10.55	4.88
b. Cheques on hand		907.44	1,005.47
c. Balances with banks			
i. Current accounts		1,329.32	577.67
ii. Other deposit accounts			
- Original maturity of 3 months or less		-	2,250.00
		2,247.31	**3,838.02**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Mumbai
30 April, 2014

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
30 April, 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1.1

Corporate information

Everest Industries Limited ('the Company') is engaged in manufacturing and trading of products like roofing products, ceilings, walls, flooring, cladding, doors, pre-engineered steel buildings and other building products and accessories thereof.

NOTE 1.2

Significant Accounting Policies

(i) Accounting Convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to the differences between these estimates and the actual results and the differences are recognised in the periods in which these differences are known / materialise.

(iii) Fixed Assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price, any import duties and other taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress:

Projects under which fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(iv) Depreciation / Amortisation

Depreciation on assets is charged proportionately from the month of acquisition/ installation on a straight line basis as per the rates prescribed in Schedule XIV of the Companies Act, 1956 except in respect of the following categories of assets, where higher rates are used based on the life of the assets as determined by the Company:

Buildings	5%
Pallets used for autoclaving (included in plant and equipment)	20%
Furniture and fixtures, office equipment (except data processing equipment)	10%
Vehicles	20%
Roads	3.34%

Leasehold land and leasehold 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 the useful life i.e. over a period of 3 years.

(v) Revenue Recognition

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

Revenue from fixed price pre-engineered buildings contracts (Contracts) is recognised in accordance with the percentage of completion method based on the work performed and when it is probable that the economic benefits associated with the contract will flow to the Company. The stage of completion of a contract is determined based on the proportion that contract costs incurred for work performed upto the reporting date bear to the total estimated contract costs. If a loss is projected on any of the contracts in process, the entire projected loss is recognised.

(vi) Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

(vii) Inventories

Inventories are valued at cost or net realisable value after providing for obsolescence and other losses 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 progress and Finished goods	- Material cost plus appropriate share of labour, manufacturing and other overheads
Stock in trade	- Weighted average

(viii) Research and Development Costs

Research and development costs of revenue nature are charged to the Statement of Profit and Loss when incurred. Expenditure of capital nature is capitalised and depreciated in accordance with the rates set out in Note 2 (iv) above.

(ix) Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

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 recognised by the Income-tax authorities.

The Company's contributions towards provident fund are deposited in a trust 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 superannuation scheme and the employee's provident fund scheme are defined contribution schemes. The Company's contribution paid/ payable under these schemes are recognised as expenses in the Statement of Profit and Loss during the period in which the employee renders the related service. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall as at the Balance Sheet date, if any, is provided for.

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 Statement of Profit and Loss 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 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 Statement of Profit and Loss.

(x) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production 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

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Treatment of exchange differences

The Company had 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 2.36). In other cases, the exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Accounting for forward contracts

Premium / discount on forward exchange contracts are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

Derivative contracts

The Company enters into derivative contracts in the nature of interest rate swaps and forward contracts with an intention to hedge its existing assets and liabilities and firm commitments. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Exchange Transactions.

All derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

(xii) Taxation

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. Deferred tax on unabsorbed depreciation and carried forward losses are recognised on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

(xiii) Earnings Per Share

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 'AS 20 – 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 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 assets is estimated in order to determine the extent of impairment loss. Recoverable amount is 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 Statement of Profit and Loss.

(xv) Provisions and contingencies

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 (excluding employee benefits) 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. Contingent assets are not recognised in the financial statements.

(xvi) Employee Stock Option Scheme

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 two 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 Statement of Profit and Loss on straight line basis over the vesting period of the options.

(xvii) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

(xviii) Export Incentives

Export benefits are accounted for in the year of exports based on eligibility and there is no uncertainty in receiving the same.

(xix) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xx) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalents in Cash Flow Statement comprises of cash on hand, bank balances and short-term deposits with banks with an original maturity of three months or less.

(xxi) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and reasonable certainty exists in availing / utilising the credits.

(xxii) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current as non-current.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2

(₹ in lacs)

		As at 31.03.2014	As at 31.03.2013
2.01	**Share capital**		
	1. Authorised	1,700.00	1,700.00
	17,000,000 equity shares of ₹10 each (previous year 17,000,000 equity shares of ₹10 each)		
	2. Issued		
	15,194,665 equity shares of ₹10 each	1,519.47	1,518.73
	(previous year 15,187,290 equity shares of ₹10 each)		
	3. Subscribed and fully paid up (see note 2.42 and 2.43)		
	15,194,665 Equity shares of ₹10 each	**1,519.47**	**1,518.73**
	(previous year 15,187,290 equity shares of ₹10 each)		
	Of the above:		
	15,000 (previous year 15,000) equity shares are allotted as fully paid up pursuant to a contract without payment being received in cash		
	13,350,020 (previous year 13,350,020) equity shares are allotted as fully paid up by way of bonus shares by capitalisation of general reserve		
	The Company has one class of equity shares having a par value of ₹10 each. Each shareholder is eligible for one vote per share held.		
2.02	**Reserves and surplus**		
	1. Capital reserve	30.00	30.00
	2. Securities premium account		
	Opening balance	315.57	214.34
	Add: Premium on shares issued during the year	4.19	101.23
	Closing balance	319.76	315.57
	3. General reserve		
	Opening balance	9,189.10	8,664.10
	Add: Transferred from surplus in Statement of Profit and Loss	91.90	525.00
	Closing balance	9,281.00	9,189.10
	4. Surplus in statement of profit and loss		
	Opening balance	17,923.85	14,531.51
	Add: Profit for the year	914.96	5,249.97
	Less: Dividends proposed to be distributed to equity shareholders	379.87	1,139.05
	Tax on dividend	64.56	193.58
	Transferred to general reserve	91.90	525.00
	Closing balance	18,302.48	17,923.85
		27,933.24	**27,458.52**

(₹ in lacs)

	As at 31.03.2014	As at 31.03.2013
2.03 Long-term borrowings		
Term loans from banks (secured)	5,132.70	5,910.20
	5,132.70	**5,910.20**

Note:
External Commercial Borrowing (ECB) from ICICI Bank Limited of ₹601.00 lakhs (previous year ₹1,631.40 lakhs) is secured by a first pari-passu charge 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. The ECB is repayable in 12 half yearly instalments of USD 1,000,000; the last instalment is due in July 2014. The rate of interest is Libor+1.03% per annum.

External Commercial Borrowing (ECB) from DBS Bank Limited of ₹5,366.40 lakhs (previous year ₹6,192.00 lakhs) is secured by first pari-passu charges on all the immoveable and movable fixed assets other than the immovebale fixed assets situated at Podanur and Kolkata and second pari passu charge on all present and future current assets of the Company. The ECB is repayable in 15 quarterly instalments of USD 800,000; the last instalment is due in April 2017. The rate of interest is 10.40% per annum.

Term Loan from HDFC Bank Limited of ₹1,795.50 lakhs (previous year ₹Nil) to be secured by exclusive charge over the immovable property situated at Noida. The loan is repayable in 20 quarterly instalments of ₹94.50 lakhs; the last instalment is due in November 2018. The rate of interest is 12.00% per annum.

2.04 Long-term provisions		
Provision for employees benefits:		
- Provision for gratuity (See note 2.29)	119.70	254.96
- Provision for compensated absences	488.18	502.62
	607.88	**757.58**

2.05 Short-term borrowings		
a. Loans from banks (Secured)		
i. Cash credit	4,392.11	3,388.94
ii. Working capital demand loan	5,000.00	-
iii. Buyer's credit	7,163.37	6,131.18
	16,555.48	**9,520.12**

Note:
Loans from banks 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 Kolkata plant.

2.06 Trade payables		
Trade payables - other than acceptances (see note 2.46)	12,286.10	10,891.17
	12,286.10	**10,891.17**

2.07 Other current liabilities		
a. Current maturities of long-term debt (secured)		
- Term loans from banks (see note 2.03)	2,630.20	1,913.20
b. Interest accrued but not due on borrowings	173.32	141.03
c. Unpaid dividends	40.18	34.25
d. Other payables		
i. Payables in respect of statutory dues	1,286.80	1,099.47
ii. Payables for purchase of fixed assets	433.70	13.37
iii. Stockists'and other deposits	2,399.25	2,044.62
iv. Advances from customers	5,651.24	4,075.70
v. Provision for mark to market loss on derivative transactions	7.65	37.25
vi. Retention monies	293.66	230.24
	12,916.00	**9,589.13**

(₹ in lacs)

	As at 31.03.2014	As at 31.03.2013
2.08 Short-term provisions		
a. Provision for employee benefits:		
- Provision for compensated absences	14.75	13.81
b. Provision - Others:		
i. Provision for tax [(net of advance tax ₹5,373.25 lakhs (previous year ₹7,915.13 lakhs)	2,510.78	677.84
ii. Provision for proposed equity dividend	379.87	1,139.05
iii. Provision for tax on proposed dividend	64.56	193.58
	2,969.96	**2,024.28**

2.09 Fixed assets

(₹ in lacs)

Particulars	Gross block					Accumulated depreciation				Net block	
	Balance as at 1.04.2013	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at 31.03.2014	Balance as at 1.04.2013	Deprecia-tion / amortisa-tion expense for the year	Eliminated on disposal of assets	Balance as at 31.03.2014	Balance as at 31.03.2014	Balance as at 31.03.2013
Tangible assets											
Land											
Freehold	1,387.86	-	-	-	1,387.86	-	-	-	-	1,387.86	1,387.86
	1,387.86	-	-	-	*1,387.86*	-	-	-	-	*1,387.86*	*1,387.86*
Leasehold	238.54	2,186.50	-	-	2,425.04	6.73	9.11	-	15.84	2,409.20	231.81
	238.54	-	-	-	*238.54*	*3.22*	*3.51*	-	*6.73*	*231.81*	*235.32*
Buildings											
On freehold land	7,268.72	237.94	-	13.31	7,519.97	2,920.10	367.14	-	3,287.24	4,232.73	4,348.62
	7,041.09	*215.82*	-	*11.81*	*7,268.72*	*2,568.46*	*351.64*	-	*2,920.10*	*4,348.62*	*4,472.63*
On leasehold land	164.28	1,372.36	-	-	1,536.64	107.95	47.21	-	155.16	1,381.48	56.33
	164.28	-	-	-	*164.28*	*103.99*	*3.96*	-	*107.95*	*56.33*	*60.29*
Plant and equipment	26,063.28	4,419.43	106.77	128.40	30,504.34	12,163.09	1,623.07	106.17	13,679.99	16,824.35	13,900.19
	25,694.70	*318.49*	*40.83*	*90.92*	*26,063.28*	*10,701.18*	*1,483.55*	*21.64*	*12,163.09*	*13,900.19*	*14,993.52*
Furniture and fixtures	465.29	48.42	3.19	-	510.52	288.51	41.47	3.12	326.86	183.66	176.78
	453.19	*12.20*	*0.10*	-	*465.29*	*260.09*	*28.43*	*0.01*	*288.51*	*176.78*	*193.10*
Vehicles	208.40	-	13.51	-	194.89	127.81	23.02	13.51	137.32	57.57	80.59
	167.93	*60.96*	*20.49*	-	*208.40*	*118.36*	*22.89*	*13.44*	*127.81*	*80.59*	*49.57*
Office equipment	1,056.78	53.18	6.85	2.09	1,105.20	808.30	72.01	6.85	873.46	231.74	248.48
	995.46	*44.78*	*3.25*	*19.79*	*1,056.78*	*724.59*	*84.66*	*0.95*	*808.30*	*248.48*	*270.87*
Leasehold improvements	169.63	-	-	-	169.63	94.06	11.81	-	105.87	63.76	75.57
	168.12	*1.51*	-	-	*169.63*	*78.50*	*15.56*	-	*94.06*	*75.57*	*89.62*
Others											
Roads	226.00	5.93	-	-	231.93	81.97	7.55	-	89.52	142.41	144.03
	226.00	-	-	-	*226.00*	*74.46*	*7.51*	-	*81.97*	*144.03*	*151.54*
Sub total	**37,248.78**	**8,323.76**	**130.32**	**143.80**	**45,586.02**	**16,598.52**	**2,202.39**	**129.65**	**18,671.26**	**26,914.76**	**20,650.26**
Previous year	*36,537.17*	*653.76*	*64.67*	*122.52*	*37,248.78*	*14,632.85*	*2,001.71*	*36.04*	*16,598.52*	*20,650.26*	*21,904.32*
Intangible assets											
Computer software	921.61	1,243.78	-	-	2,165.39	436.61	469.65	-	906.26	1,259.13	485.00
	354.35	*567.26*	-	-	*921.61*	*233.08*	*203.53*	-	*436.61*	*485.00*	*121.27*
Technical knowhow	249.75	-	-	-	249.75	249.75	-	-	249.75	-	-
	249.75	-	-	-	*249.75*	*249.75*	-	-	*249.75*	-	-
Sub total	**1,171.36**	**1,243.78**	**-**	**-**	**2,415.14**	**686.36**	**469.65**	**-**	**1,156.01**	**1,259.13**	**485.00**
Previous year	*604.10*	*567.26*	-	-	*1,171.36*	*482.83*	*203.53*	-	*686.36*	*485.00*	*121.27*
Total	**38,420.14**	**9,567.54**	**130.32**	**143.80**	**48,001.16**	**17,284.88**	**2,672.04**	**129.65**	**19,827.27**	**28,173.89**	**21,135.26**
Previous year	*37,141.27*	*1,221.02*	*64.67*	*122.52*	*38,420.14*	*15,115.68*	*2,205.24*	*36.04*	*17,284.88*	*21,135.26*	*22,025.59*

Previous year figures are in italics.

(₹ in lacs)

	As at 31.03.2014	As at 31.03.2013
2.10 Non-current investments (at cost)- (see note 2.32)		
A. Trade		
a. Investments in equity instruments, long term, unquoted		
of subsidiary		
[1 (previous year Nil) equity shares of USD. 1. each {approximately ₹62.42} fully paid up of M/s Everest Building Products, Mauritius]	0.00	-
b. Other non-current investments		
Share application money paid to M/s. Everest Building Products, Mauritius	62.42	-
B. Other investments		
Investments in equity instruments, long term, unquoted		
of others		
[9,500 (previous year 24,500) equity shares of ₹10 each	0.95	2.45
fully paid up of M/s Everest Building Solutions Limited]		
	63.37	**2.45**

2.11 Long-term loans and advances		
(Unsecured, considered good)		
a. Capital advances	645.57	391.26
b. Security deposits	825.40	678.52
c. Advance tax		
[Net of provision for current tax - ₹3,032.42 lakhs (previous year ₹2,044.91 lakhs)]	5,489.72	3,048.32
d. Minimum alternative tax credit entitlement	278.57	-
d. Other loans and advances		
Balances with excise, customs and port trust authorities	211.27	211.27
	7,450.53	**4,329.37**

2.12 Other non-current assets		
(Unsecured, considered good)		
Bank balances in earmarked accounts		
Balances held as margin money (deposit accounts)	29.05	14.22
	29.05	**14.22**

2.13 Inventories		
(See note 1.2(vii))		
(At lower of cost and net realisable value)		
a. Raw materials		
i. On hand	9,950.82	10,009.59
ii. In transit	874.76	2,217.84
	10,825.58	12,227.43
b. Work-in-progress (see note 2.40)	6,421.37	7,439.69
c. Finished goods (see note 2.40)	4,025.43	3,851.62
d. Stock-in-trade	1,481.77	707.78
e. Stores and spares	1,394.02	1,148.23
f. Packing materials	60.67	41.85
	24,208.84	**25,416.60**

(₹ in lacs)

	As at 31.03.2014	As at 31.03.2013
2.14 Trade receivables		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	863.59	196.58
- Doubtful	59.09	20.22
Less: Provision for doubtful trade receivables	59.09	20.22
	863.59	196.58
b. Other trade receivables		
- Secured, considered good	4,959.25	2,872.65
- Unsecured, considered good	2,247.97	2,165.72
	8,070.81	**5,234.95**
2.15 Cash and bank balances		
Cash and cash equivalents		
a. Cash on hand	10.55	4.88
b. Cheques on hand	907.44	1,005.47
c. Balances with banks		
i. Current accounts	1,329.32	577.67
ii. Other deposit accounts		
- Original maturity of 3 months or less	-	2,250.00
Cash and cash equivalents	2,247.31	3,838.02
Other bank balances		
i. Other deposit accounts		
- Original maturity more than 3 months	-	1,200.00
ii. Earmarked accounts		
- Unpaid dividend (current accounts)	40.18	34.25
- Balances held as margin money (deposit accounts)	226.81	213.04
Other bank balances	266.99	1,447.29
	2,514.30	**5,285.31**
2.16 Short-term loans and advances		
(Unsecured, considered good)		
a. Loans and advances to employees	109.70	97.82
b. Prepaid expenses	597.44	429.78
c. Balances with government authorities		
i. Balances with excise, customs and port trust authorities	674.42	1,037.40
ii. VAT credit receivable	1,049.37	780.49
d. Advance to suppliers	3,426.32	2,456.94
e. Other loans and advances	224.91	71.85
	6,082.16	**4,874.28**
2.17 Other current assets		
a. Interest accrued but not due	37.31	74.63
b. Insurance claims	17.52	47.76
	54.83	**122.39**

(₹ in lacs)

	Year ended 31.03.2014	Year ended 31.03.2013
2.18 Revenue from operations (see note 1.2 (v))		
a. Revenue from sale of products	81,583.91	83,050.42
b. Revenue from contracts	27,249.11	24,122.38
c. Other operating revenues		
i. Sale of scrap	664.75	547.54
ii. Export incentives	76.90	52.65
iii. Others	463.31	-
	1,204.96	600.19
Less: Realisation from sale of trial run production transferred to CWIP (see note 2.33)	570.41	-
	109,467.57	**107,772.99**
2.19 Other income		
a. Interest income		
i. Interest from banks on deposits	142.75	418.25
ii. Interest on income tax refund	246.63	25.06
iii. Other interest	49.36	10.53
	438.74	453.84
b. Other non-operating income		
i. Profit on sale of fixed assets (net)	0.23	-
ii. Liabilities / provisions no longer required written back	687.48	326.04
iii. Miscellaneous income	107.24	95.37
	794.95	421.41
	1,233.69	**875.25**
2.20 Cost of materials consumed (see note 2.38)		
Cost of materials consumed	58,224.07	59,030.75
Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	764.68	2.14
	57,459.39	**59,028.61**
2.21 Changes in Inventories of finished Goods, work-in-progress and stock -in-trade		
Inventories at the end of the year:		
Finished goods	4,025.43	3,851.62
Work-in-progress	6,421.37	7,439.69
Stock-in-trade	1,481.77	707.78
	11,928.57	11,999.09
Inventories at the beginning of the year:		
Finished goods	3,851.62	2,128.60
Work-in-progress	7,439.69	4,934.34
Stock-in-trade	707.78	498.23
	11,999.09	7,561.17
	70.52	**(4,437.92)**

(₹ in lacs)

		Year ended 31.03.2014	Year ended 31.03.2013
2.22	**Employee benefits expense**		
	a. Salaries and wages	9,028.30	8,059.64
	b. Contributions to provident and other funds	368.22	629.18
	c. Staff welfare expenses	517.34	614.12
		9,913.86	9,302.94
	Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	217.37	93.24
		9,696.49	**9,209.70**
2.23	**Finance costs**		
	a. Interest expense on borrowings	1,551.43	553.78
	b. Other borrowing costs	31.90	4.21
		1,583.33	557.99
	Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	326.43	-
		1,256.90	**557.99**
2.24	**Other expenses**		
	a. Consumption of stores and spare parts	4,060.96	3,163.77
	b. Consumption of packing materials	1,016.32	1,007.66
	c. Power and fuel	3,327.95	3,770.61
	d. Repairs and maintenance		
	- Building	187.77	354.50
	- Machinery	561.29	625.02
	- Others	372.65	191.32
	e. Rent	587.92	576.16
	f. Rates and taxes	304.40	305.26
	g. Insurance	173.40	124.84
	h. Travelling	1,515.26	1,212.84
	i. Advertisement and sales promotion expenses	1,711.75	1,801.18
	j. Cost for erection of buildings	1,498.97	1,430.64
	k. Loss on sale of fixed assets (net)	-	21.94
	l. Net loss on foreign currency transactions and translation	664.72	301.33
	m. Outward freight charges on finished goods	9,101.76	7,573.21
	n. Miscellaneous expenses	4,961.97	3,971.68
		30,047.09	26,431.96
	Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	539.29	190.29
		29,507.80	**26,241.67**

2.25 Contingent Liabilities

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

(₹ in lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
i. Sales tax matters	2,192.81	4,475.92
ii. Customs, excise and service tax matters	2,882.05	2,816.27
iii. Income Tax matters	7,919.37	6,523.48
Total	12,994.23	13,815.67
iv. Advance paid / adjusted by Income Tax authorities against above	4,579.53	3,375.15

b) Guarantees aggregating to ₹4,040.65 lakhs (previous year ₹2,540.76 lakhs) issued by banks 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 Kolkata.

c) Estimated amount of contracts to be executed on capital account –₹1,994.88 lakhs (net of advances – ₹645.57 lakhs), [previous year –₹1,598.18 lakhs (net of advances ₹773.18 lakhs)].

d) Export Obligation: The Company has purchased fixed assets under the 'Export Promotion Capital Goods Schemes'. As per the terms of the license granted under the scheme, the Company has undertaken to achieve an export commitment of ₹8,131.30 lakhs (previous year ₹7,518.69 lakhs) over a period of 6-8 years.

During the current year, the Company has filed for satisfaction of its export obligations of ₹452.91 lakhs (previous year ₹Nil lakhs). The Company would be liable to pay customs duty of ₹985.32 lakhs (previous year ₹939.84 lakhs) and interest on the same in the event of non-fulfillment of the balance export obligation. However the Company does not expect any liability to arise based on its export performance.

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

(₹in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Audit fee	32.50	23.50
For other services (including fees for limited review)	9.90	12.90
Reimbursement of expenses	4.69	2.87
	47.09	**39.27**

2.27 Construction Contracts (see note 1.2(v))

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

(₹ in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Cost incurred and recognised profits	13,960.05	11,037.00
Retentions	156.28	91.94
Amounts due from customers	2,744.66	1,855.45

2.28 Foreign Exchange Disclosure

Outstanding forward exchange contracts as on 31 March, 2014:

Particulars	As at 31.03.2014			As at 31.03.2013	
		Amount in Foreign Currency (in lacs)	Amount (₹/lacs)	Amount in Foreign Currency (in lacs)	Amount (₹/lacs)
Payables	USD	85.46	5,136.36	76.26	4,306.17
	EURO	2.26	219.98	-	-
ECB Loan	USD	104.00	5,366.40	130.00	6,746.90

Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	As at 31.03.2014			As at 31.03.2013	
		Amount in Foreign Currency (in lacs)	Amount (₹/lacs)	Amount in Foreign Currency (in lacs)	Amount (₹/lacs)
Receivables	USD	13.16	808.75	11.08	602.88
Payables	USD	49.11	2,951.42	40.48	2,201.79
	EURO	-	-	2.18	151.71
ECB Loan	USD	10.00	601.00	20.00	1,087.60

2.29 Disclosure of Retirement Benefits under Accounting Standard 'AS15-Employee Benefits'

a. Defined contribution plan

The Company's contributions of ₹330.07 lakhs (previous year ₹294.74 lakhs) towards provident fund and ₹90.37 lakhs (previous year ₹97.48 lakhs) towards superannuation fund are charged to Statement of Profit and Loss. The contributions payable to the plan by the Company are at rates 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 fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five 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, 2014:

(i) Movement in net liability

(₹in lacs)

Particulars		As at 31.03.2014	As at 31.03.2013
Present value of obligations as on 01.04.2013	(A)	1,439.36	1,235.91
Interest cost	(B)	113.23	100.82
Current service cost	(C)	141.60	117.20
Benefits paid	(D)	(83.04)	(127.09)
Actuarial (gain)/loss on obligations	(E)	(197.49)	112.52
Present value of obligations as on 31.03.2014 (F=A+B+C+D+E)	(F)	**1,413.66**	**1,439.36**

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

(₹ in lacs)

Particulars		As at 31.03.2014	As at 31.03.2013
Present value of funded defined benefit obligations as on 31.03.14	(A)	1,413.66	1,439.36
Estimated fair value of plan assets	(B)	1,293.96	1,184.40
Net liability / (asset) (C=A-B)	(C)	**119.70**	**254.96**
Amounts in the Balance Sheet			
a. Liabilities		119.70	254.96
b. Assets		-	-
c. Net liability / (asset)		119.70	254.96
Amount charged to Statement of Profit and Loss			
Service cost	(E)	141.60	117.20
Interest cost	(F)	113.23	100.82
Expected return on plan assets	(G)	109.56	91.84
Net Actuarial (gain) / loss	(H)	(197.49)	111.42
Expense recognised in the Statement of Profit and Loss (I=E+F-G+H)	(I)	**(52.22)**	**237.60**

(iii) Principal actuarial assumptions

Assumptions	Year ended 31.03.2014 Rate (%)	Year ended 31.03.2013 Rate (%)
Discount rate	9.25%	8.10%
Rate of return on plan assets	9.25%	9.25%
Salary escalation	9.00%	9.00%
Mortality rate	IALM (2006-08) (modified)	IALM (2006-08) (modified)
Withdrawal rate		
Upto 30 years	3.00%	3.00%
Ages from 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

The discount rate is based on the Government bond yields as at 31 March, 2014.

(iv) Experience adjustments

(₹ in lacs)

Particulars	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Defined benefit obligation	(1,413.66)	(1,439.36)	(1,235.91)	(1,122.50)	(1,039.03)
Plan assets	1,293.96	1,184.40	894.35	818.63	751.30
Funded status	(119.70)	(254.96)	(341.56)	(303.87)	(287.73)
Experience gain / (loss) adjustments on plan liabilities	37.08	(0.78)	32.30	5.25	(8.53)
Experience gain / (loss) adjustments on plan assets	-	1.10	-	0.24	0.26

The Company expects the benefit payout of ₹50.23 lakhs (previous year ₹54.59 lakhs) to the gratuity fund for the year ended 31 March, 2015.

(v) Fair value of plan assets

(₹ in lacs)

Particulars		As at 31.03.2014	As at 31.03.2013
Fair value of plan assets at the beginning of the year	(A)	1,184.40	894.35
Expected return on plan assets	(B)	109.56	91.84
Contributions	(C)	-	200.00
Benefits paid	(D)	-	(2.89)
Actuarial gain/ (loss) on plan assets	(E)	-	1.10
Fair value of plan assets at the end of the year (F=A+B+C+D+E)	**(F)**	**1,293.96**	**1,184.40**

(vi) Actual return on plan assets

(₹ in lacs)

Particulars		As at 31.03.2014	As at 31.03.2013
Expected return on plan assets	(A)	109.56	91.84
Actuarial gain/ (loss) on plan assets	(B)	-	-
Actual return on plan assets (C =A+B)	**(C)**	**109.96**	**91.84**

(vii) The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	As at 31.03.2013	As at 31.03.2012
Government of India securities	42.31%	45.95%
Debt instruments	37.52%	39.33%
Equity shares	4.69%	4.76%
Other deposits	15.48%	9.96%
	100.00%	100.00%

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, 2014 has not been provided by the Life Insurance Corporation of India.

2.30 Deferred Taxation

(₹ in lacs)

Particulars	As at 01.04.2013	Charged/ (Credited) to Statement of Profit and Loss	As at 31.03.2014
a. Deferred tax assets			
Tax impact of:			
i. Expenditure covered by Section 43B of the Income-tax Act, 1961	354.15	(109.69)	244.46
ii. Unabsorbed depreciation	-	115.66	115.66
ii. Provision for doubtful debts	6.87	13.21	20.08
Total deferred tax assets	**361.02**	**19.18**	**380.20**
b. Deferred tax liabilities			
Tax impact of:			
Excess of depreciation allowable under the Income-tax Act, 1961 over depreciation provided in financial statements	2,817.58	394.37	3,211.95
Total deferred tax liability	**2,817.58**	**394.37**	**3,211.95**
Net deferred tax liability	**2,456.56**	**375.19**	**2,831.75**
Net deferred tax liability(previous year)	*2,389.59*	*66.97*	*2,456.56*

Previous year figures are in italics.

2.31 Managerial Remuneration

a. Remuneration paid to directors:

(₹ in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Whole time directors		
1. Salaries and perquisites (See note below)	270.12	240.66
2. Contributions to provident and superannuation fund	17.82	15.49
3. Commission to whole time directors	18.00	105.00
4. Performance incentive to whole time directors	52.00	74.00
	357.94	**435.15**
Non-executive directors		
5. Commission / performance incentive to non executive directors	30.50	37.50
6. Sitting fees	7.20	7.10
	37.70	**44.60**
Total	**395.64**	**479.75**

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:

(₹ in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Profit before tax as per the Statement of Profit and Loss	1,290.15	7,890.15
Add:		
Managerial remuneration	357.94	435.15
Commission/performance incentive to non executive directors	30.50	37.50
Directors sitting fees	7.20	7.10
Depreciation and amortisation as per books of account	2,672.04	2,205.24
Loss on sale of fixed assets	-	21.94
Total	**4,357.83**	**10,597.08**
Less:		
Depreciation as envisaged under Section 350 of the Companies Act, 1956 *	2,672.04	2,205.24
Profit on sale of fixed assets	0.23	-
Total	**2,672.27**	**2,205.24**
Net profit for calculation on which remuneration payable	**1,685.56**	**8,391.84**
Maximum remuneration payable to whole time directors under Section 309 of the Companies Act, 1956 @ 10% of net profit	168.56	839.18
Actual remuneration paid to whole time directors	357.94	435.15
Maximum commission payable to non-executive directors under section 309 of the Companies Act, 1956 @ 1% of net profit	16.86	83.92
Actual commission/ performance incentive paid to non-executive directors	30.50	37.50

* The Company depreciates fixed assets based on estimated useful lives that are equal to or lower 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.

Note:

Managerial remuneration forming part of employee benefits expenses exceeds the limits prescribed under Section 198 read with Section 309 and Schedule XIII to the Companies Act, 1956 by ₹282 lakhs and is subject to approval of shareholders and Central Government.

2.32 Related Party Disclosures

a. List of related parties

i. Enterprise exercising significant influence

- M/s Falak Investment Private Limited

ii. Subsidiary companies

- M/s Everest Building Products, Mauritius ** (with effect from 9 September, 2013)
- M/s Everestind FZE, United Arab Emirates (UAE)* (with effect from 18 December, 2013) –subsidiary of Everest Building Products

ii. Associate company*

- M/s Everest Building Solutions Limited (upto 23 March, 2014)

iii. Key management personnel

- Mr. Aditya Vikram Somani, Chairman
- Mr. Manish Sanghi, Managing Director
- Mr. Y. Srinivasa Rao, Executive Director (Operations)

* Has not commenced operations

** Has not commenced commercial operations

b. Transactions with related parties during the year:

(₹ in lacs)

S. No	Particulars	Year ended 31.03.2014	Year ended 31.03.2013
i.	Dividend paid to enterprise exercising significant influence		
	M/s Falak Investment Private Limited	553.76	516.84
ii.	Share application money paid during the year		
	M/s Everest Building Products	62.42	-
iii.	Remuneration to key management personnel		
	Mr. Aditya Vikram Somani	137.05	215.11
	Mr. Manish Sanghi	122.30	121.90
	Mr. Y. Srinivasa Rao	98.59	98.14
iv.	Dividend paid to key management personnel		
	Mr. Aditya Vikram Somani	0.04	0.04
	Mr. Manish Sanghi	4.22	5.74
	Mr. Y. Srinivasa Rao	0.01	3.12

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

(₹ in lacs)

S. No	Particulars	As at 31.03.2014	As at 31.03.2013
i.	Share capital from enterprise exercising significant influence		
	M/s Falak Investment Private Limited	738.35	738.35
ii.	Investment in equity of associate company		
	M/s Everest Building Solutions Limited	0.95	2.45
iii.	Investment in equity of subsidiary company including share application money pending allotment		
	M/s Everest Building Products	62.42	-
iv.	Commission due to key management personnel		
	a. Mr. Aditya Vikram Somani	18.00	105.00
v.	Performance incentive due to key management personnel		
	a. Mr. Manish Sanghi	28.00	40.00
	b. Mr. Y. Srinivasa Rao	24.00	34.00

Note: Amounts payable to key managerial personnel on account of performance incentive are subject to the approval of the shareholders and the Central Government.

2.33 Capital Work in Progress and Pre-operative Expenditure

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

a. Capital work in progress

(₹ in lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
i. Project assets	5,845.81	3,333.06
ii. Unallocated project pre-operative expenditure (see b below)	258.99	378.40
	6,104.80	**3,711.46**

b. Pre-operative expenditure

(₹ in lacs)

Particulars	As at 1.04.2013	Additions	Deletions	As at 31.03.2014
Cost of materials consumed	2.14	764.68	723.64	43.18
Salaries and wages	110.71	195.48	211.41	94.78
Contributions to provident and other funds	6.03	7.29	12.32	1.00
Staff welfare expenses	1.62	14.60	15.88	0.34
Consumption of stores and spare parts	8.45	92.07	100.52	-
Power and fuel	25.37	51.17	76.46	0.08
Repairs and maintenance – Others	6.25	38.35	44.60	-
Rent	8.47	12.39	19.57	1.29
Rates and taxes	46.80	34.69	81.40	0.09
Insurance	5.03	2.02	7.05	-
Travelling	18.31	138.61	49.97	106.95
Advertisement and sales promotion expenses	0.20	0.31	0.30	0.21
Miscellaneous expenses	139.02	169.68	215.93	92.77
Interest expense on borrowing	-	326.43	326.43	-
Sub Total (a)	**378.40**	**1,847.77**	**1,885.48**	**340.69**
Less :				
Transfer of inventory produced during trial run production	-	316.41	316.41	-
Realisation from sale of trial run production	-	570.41	488.71	81.70
Sub Total (b)	**-**	**886.82**	**805.12**	**81.70**
Unallocated preoperative expenditure (a-b)	**378.40**	**960.95**	**1,080.36**	**258.99**
Previous year	*92.73*	*285.67*	-	*378.40*

2.34 Segment Information

a. Business segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting", the Company's business segments include 'Building products' and 'Steel buildings'.

Building products include roofing, ceiling, wall, floor solutions and its accessories.

Steel buildings consist of manufacture and supply of pre – engineered and smart steel buildings and its accessories.

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 the 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 a 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 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. Segment assets and liabilities do not include fixed deposits, advance income tax, borrowings and deferred income tax etc.

Information about business segments:

(₹ in lacs)

Particulars	Building products		Steel buildings		Total	
	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2014	Year ended 31.03.2013
1. Segment Revenue						
External revenue (Net of excise duty)	75,071.09	76,690.72	27,249.11	24,122.38	102,320.20	100,813.10
Other operating income	819.53	164.30	385.43	435.89	1,204.96	600.19
Total Revenue	75,890.62	76,855.02	27,634.54	24,558.27	103,525.16	101,413.29
2. Segment Results	3,589.64	8,760.52	906.07	1,409.61	4,495.71	10,170.13
Unallocated expenses (net of income)					1,948.66	1,721.99
Operating Profit	3,589.64	8,760.52	906.07	1,409.61	2,547.05	8,448.14
Finance costs					1,256.90	557.99
Profit before tax					1,290.15	7,890.15
Provision for taxation					375.19	2,640.18
Net Profit					**914.96**	**5,249.97**

Particulars	Building products		Steel buildings		Total	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
3. Other Information						
A. Assets						
Segment assets	49,605.76	49,835.52	21,386.22	11,602.10	70,991.98	61,437.62
Unallocated assets					11,760.60	8,688.67
Total Assets	49,605.76	49,835.52	21,386.22	11,602.10	82,752.58	70,126.29
B. Liabilities						
Segment liabilities	12,262.48	11,104.28	8,442.69	7,080.62	20,705.17	18,184.90
Unallocated liabilities					32,594.70	22,964.14
Total Liabilities	12,262.48	11,104.28	8,442.69	7,080.62	53,299.87	41,149.04

Particulars	Building products		Steel buildings	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
C. Others				
Capital expenditure	3,628.95	2,467.37	4,737.78	702.40
Depreciation	1,832.43	1,679.07	514.82	423.97
Non – cash expenses other than depreciation	-	9.40	38.87	109.02

2.35 Lease Commitments

Operating lease

The Company has taken property on cancellable and non-cancellable operating leases and has recognised rent of ₹587.92 lakhs (previous year ₹576.16 lakhs). The total of future minimum lease payments under non-cancellable operating lease are set out as below:

(₹ in lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
Not later than one year	-	117.55
Later than one year but not later than five years	-	523.33
Later than five years	-	57.55

2.36 Changes in Foreign Exchange Rates

The Company had changed its policy on accounting for fluctuation on foreign exchange based on notification F. F.No.17/33/2008/CL-V dated 31 March, 2009 and subsequent amendment thereto, issued by the Ministry of Corporate Affairs, which was effective 7 December 2006, allowing capitalisation of exchange differences arising on restatement 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. In accordance with the said notification, the Company has during the current year capitalised ₹143.80 lakhs (previous year ₹122.52 lakhs) to the cost of fixed assets. The aforesaid amounts so capitalised are being depreciated over the remaining useful life of the fixed assets.

2.37 Earnings per Share

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
a. Number of equity shares of ₹10 each fully paid up at the beginning of the year	15,187,290	15,112,713
b. Number of equity shares of ₹10 each fully paid up at the year end	15,194,665	15,187,290
c. Weighted average number of equity shares used in computing earnings per share	15,189,961	15,130,985
d. Weighted average number of options granted at fair value	393,775	458,765
e. Weighted average number of options post adjustment for number of options granted at fair value	393,775	458,765
f. Net profit for the year – (₹/ lakhs)	914.96	5,249.97
g. Basic earnings per share (Rupees)	6.02	34.70
h. Diluted earnings per share (Rupees)	6.02	34.70
i. Nominal value of equity shares (Rupees)	10.00	10.00

2.38 Cost of Materials Consumed

(₹ in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Opening stock	12,227.43	7,370.58
Add: Purchases	56,057.54	63,885.46
	68,284.97	71,256.04
Less: Closing stock	10,825.58	12,227.43
Cost of materials consumed *	57,459.39	59,028.61
Materials consumed comprises:*		
Raw fibre	20,526.49	22,350.35
Cement	9,993.24	12,019.22
Steel	18,228.91	13,686.05
Other items	8,710.75	10,972.99
	57,459.39	**59,028.61**

* excludes Pre-operative expenses transferred to capital work in progress ₹764.68 lakhs (previous year ₹2.14 lakhs).

2.39 Purchases of Stock- in-Trade

(₹ in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Polycarbonate roofing	924.68	263.66
Metal Roofing	516.60	-
Access floors	338.20	191.70
Smart steel	100.22	358.73
Other items	925.86	779.01
	2,805.56	**1,593.10**

2.40 Details of finished goods and work- in progress

(₹ in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
a. Work in progress		
i. Building products	5,968.57	7,260.20
ii. Steel buildings	452.80	179.49
	6,421.37	7,439.69
b. Finished goods		
i. Building products	3,338.55	3,276.31
ii Steel buildings	686.88	575.31
	4,025.43	**3,851.62**

2.41 Consumption of Imported/Indigenous Raw Materials, Stores and Spare Parts

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
	(₹/lacs)	%	(₹/lacs)	%
a. Raw materials*				
i. Imported	22,270.77	38.76	23,468.69	39.76
ii. Indigenous	35,188.62	61.24	35,559.92	60.24
	57,459.39	**100.00**	**59,028.61**	**100.00**
b. Stores and spare parts (including packing materials)**				
i. Imported	68.42	1.37	144.47	3.47
ii. Indigenous	4,916.79	98.63	4,026.96	96.53
	4,985.21	**100.00**	**4,171.43**	**100.00**

* excludes Pre-operative expenses transferred to capital work in progress Rs. 764.68 lakhs (previous year Rs. 2.14 lakhs).

** excludes Pre-operative expenses transferred to capital work in progress Rs. 92.07 lakhs (previous year Rs. 8.45 lakhs).

2.42 Other Additional Information

(₹ in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
a. Imports (CIF) value		
i. Raw materials	18,834.05	24,140.59
ii. Stock-in-trade	16.09	581.21
iii. Capital goods (including capital work-in-progress)	787.28	13.57
iv. Stores and spares	152.26	136.78
b. Expenditure in foreign currency (on cash basis)		
i. Travelling expenses	102.20	63.47
ii. Interest	677.02	531.06
iii. Others	417.51	138.05
c. Earnings in foreign exchange		
FOB value of goods exported	5,904.85	5,611.01

2.43 Reconciliation of the number of shares

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
a. Number of equity shares outstanding at the year beginning	15,187,290	15,112,713
b. Number of options exercised during the year	7,375	74,577
c. Number of equity shares outstanding at the year end	15,194,665	15,187,290

2.44 Number of shares held by each share holder holding more than 5% shares

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
	(No. of shares)	%	(No. of shares)	%
a. Falak Investment Private Limited	7,383,470	48.59	7,383,470	48.62
b. Reliance Capital Trustee Co Ltd	966,748	6.36	966,748	6.36

2.45 Employee Stock Option Scheme

The Company has granted Nil options (previous year 160,945 options) during the year ended 31 March, 2014. 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 (2007)	ESOS (2008)	ESOS (2009)	ESOS (2010)	ESOS (2011)	ESOS (2012)
Year in which scheme was established	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Number of options authorised and granted	148,000	144,850	140,000	147,705	150,720	160,945
Exercise price	₹98	₹52	₹169	₹174	₹126	₹268
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 (2007)	ESOS (2008)	ESOS (2009)	ESOS (2010)	ESOS (2011)	ESOS (2012)
i. Opening balance	-	10,150	72,040	98,920	116,710	160,945
	23,747	*14,360*	*100,660*	*132,330*	*150,720*	-
ii. Granted during the year	-	-	-	-	-	-
	-	-	-	-	-	*160,945*
iii. Exercised during the year	-	5,900	-	-	1,475	-
	9,337	*2,740*	*19,220*	*23,115*	*20,165*	-
iv. Forfeited during the year	-	-	(6,720)	(9,545)	(15,580)	(21,520)
	-	-	-	-	-	-
v. Expired during the year	-	(4,250)	-	-	-	-
	(14,410)	*(1,470)*	*(9,400)*	*(10,295)*	*(13,875)*	-
vi. Outstanding at the year end	-	-	65,320	89,375	99,655	139,425
	-	*10,150*	*72,040*	*98,920*	*116,710*	*160,945*
vii. Options exercisable at the year end	-	-	65,320	89,375	99,655	139,425
	-	*10,150*	*72,040*	*98,920*	*116,710*	*160,945*
viii. Remaining contractual life	-	-	0.82	1.80	2.81	3.81
(years) at the year end	-	*0.83*	*1.82*	*2.80*	*3.81*	*4.81*

Previous year figures are in italics.

The Company has accounted the above options using the intrinsic value method at the exercise price from time to time and there is no stock compensation expense 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 31 March, 2014 would have been lower by ₹124.76 lakhs (previous year ₹88.83 lakhs) and the basic and diluted EPS would have been revised to ₹5.20 (previous year ₹34.11) and ₹5.20 (previous year ₹34.11) 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 Nil (previous year 2.60%) on the underlying equity shares, volatility in the share price of Nil (previous year 35.32%) and a risk free rate of interest of Nil (previous year 7.91%). 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

2.46 As per information available with the Company, none of its creditors comprises micro, small and medium enterprises as defined under the MSMED Act, 2006 which comprise amounts outstanding for more than 45 days as at the Balance Sheet date. Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 in the current year is ₹Nil (Previous year Nil) and no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.

2.47 Expenditure on Research and Development

(₹ in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Capital nature	-	15.43
Revenue nature	164.39	144.31

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

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
30 April, 2014

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF

EVEREST INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Everest Industries Limited** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31 March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associate referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2014;

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

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

Emphasis of Matter

We draw attention to Note 2.31 to the consolidated financial statements wherein it is mentioned that the managerial remuneration for the year is in the excess of the limits of the Companies Act, 1956 by ₹282 lakhs and is subject to approval of shareholders and Central government.

Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets (net) of ₹54.68 lakhs as at 31 March, 2014, total revenues of ₹0.01 lakhs and net cash outflows amounting to ₹30.03 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹Nil for the year ended 31 March, 2014, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and associate, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Alka Chadha
(Partner)
(Membership No. 93474)

MUMBAI, 30 April, 2014

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2014

(₹ in lacs)

	Note Reference	As at 31.03.2014
I. Equity and liabilities		
1. Shareholder's funds		
a. Share capital	2.01	1,519.47
b. Reserves and surplus	2.02	27,918.45
		29,437.92
2. Non-current liabilities		
a. Long-term borrowings	2.03	5,132.70
b. Deferred tax liabilities (Net)	2.30	2,831.75
c. Long-term provisions	2.04	607.88
		8,572.33
3. Current liabilities		
a. Short-term borrowings	2.05	16,555.48
b. Trade payables	2.06	12,293.15
c. Other current liabilities	2.07	12,916.00
d. Short-term provisions	2.08	2,969.96
		44,734.59
Total		**82,744.84**
II. Assets		
1. Non-current assets		
a. Fixed assets		
i. Tangible assets	2.09	26,914.76
ii. Intangible assets	2.09	1,259.13
iii. Capital work in progress	2.33	6,104.80
		34,278.69
b. Non-current investments	2.10	0.95
c. Long-term loans and advances	2.11	7,450.53
d. Other non-current assets	2.12	29.05
		41,759.22
2. Current Assets		
a. Inventories	2.13	24,208.84
b. Trade receivables	2.14	8,070.81
c. Cash and bank balances	2.15	2,546.69
d. Short-term loans and advances	2.16	6,104.45
e. Other current assets	2.17	54.83
		40,985.62
Total		**82,744.84**
See accompanying notes forming part of the financial statements	1 & 2	

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Mumbai
30 April, 2014

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
30 April, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in lacs)

		Note Reference	Year ended 31.03.2014
1.	Revenue from operations (gross)	2.18	109,467.57
	Less : Excise duty		5,942.41
	Revenue from operations (net)		**103,525.16**
2.	Other income	2.19	1,233.70
3.	**Total revenue (1+2)**		**104,758.86**
4.	**Expenses**		
	a. Cost of materials consumed	2.20	57,459.39
	b. Purchases of stock-in-trade (traded goods)		2,805.56
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	70.52
	d. Employee benefits expense	2.22	9,696.49
	e. Finance costs	2.23	1,256.90
	f. Depreciation and amortisation expense	2.09	2,672.04
	g. Other expenses	2.24	29,520.68
	Total expenses		**103,481.58**
5.	**Profit before tax (3-4)**		**1,277.28**
6.	**Tax expense**		
	a. Current tax expense		278.57
	b. Minimum alternative tax credit entitlement		(278.57)
	c. Net current tax expense		-
	d. Deferred tax (see note 2.30)		375.19
	e. Net tax expense		375.19
7.	Profit for the year before Share of profit/(loss) of associate		902.09
8.	Share of profit/(loss) of associate		-
9.	**Profit after tax**		**902.09**
	Earnings per equity share (see note 2.37) [Face value - ₹ 10 per share]		
	Basic and diluted earnings per share (₹)		5.94
	See accompanying notes forming part of the financial statements	1 & 2	

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Mumbai
30 April, 2014

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
30 April, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in lacs)

		Year ended 31.03.2014
A. Cash flow from operating activities*		
Net profit before tax		**1,277.28**
Adjustments for:		
Depreciation and amortisation expense		2,672.04
Finance costs		1,256.90
Interest income		(438.75)
Loss/ (profit) on sale of fixed assets (net)		(0.23)
Liabilities / provisions no longer required written back		(687.48)
Provision for doubtful debts		38.87
Net unrealised (gain)/loss on exchange rate fluctuation		(103.77)
Operating profit before working capital changes		**4,014.86**
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets:		
Inventories		1,207.76
Trade receivables		(2,894.59)
Short-term loans and advances		(1,230.17)
Other non-current assets		(14.83)
Long-term loans and advances		(425.45)
Other current assets		30.24
Adjustment for increase/(decrease) in operating liabilities:		
Trade payables		2,067.37
Other current liabilities		2,151.32
Short-term provisions		0.94
Long-term provisions		(149.70)
Cash generated from operations		**4,757.75**
Net income tax paid		(608.46)
Net cash flow from / (used in) operating activities	**[A]**	**4,149.29**
B. Cash flow from investing activities*		
Capital expenditure on fixed assets, including capital advances		(11,794.86)
Proceeds from sale of fixed assets		0.90
Proceeds from sale of long term investments		1.50
Bank balances not considered as Cash and cash equivalents		
- Placed (deposits and unclaimed dividend accounts)		(19.70)
- Matured (deposits)		1,200.00
Interest received		476.07
Net Cash used in investing activities	**[B]**	**(10,136.09)**

(₹ in lacs)

		Year ended 31.03.2014
C. Cash flow from financing activities*		
Proceeds from issue of equity shares		0.74
Share premium received		4.19
Proceeds from long-term borrowings		1,890.00
Repayment of long-term borrowings		(1,950.50)
Proceeds/(repayment) of short-term borrowings		7,035.36
Finance costs		(1,224.61)
Dividends paid		(1,133.12)
Tax on dividend		(193.58)
Net Cash flow from / (used) in financing activities	**[C]**	**4,428.48**
Net increase in cash and cash equivalents	**[A+B+C]**	**(1,558.32)**
Cash and cash equivalents as at 01.04.2013***		3,838.02
Cash and cash equivalents as at 31.03.2014 **		**2,279.70**
****** Comprises:**		
a. Cash on hand		10.55
b. Cheques on hand		907.44
c. Balances with banks		
— Current accounts		1,361.71
		2,279.70

* The Cash Flow Statement of the Company and its subsidiaries has been combined on a line-by-line basis.

*** Pertains to Company.

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Mumbai
30 April, 2014

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
30 April, 2014

NOTE 1.1

Significant Accounting Policies

(i) Basis of accounting

The consolidated financial statements of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

(ii) Principles of consolidation

The consolidated financial statements relate to Everest Industries Limited (the 'Company'), its subsidiaries companies and the Group's share of profit / loss in its associate. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the entities that are consolidated are drawn upto the same reporting date as that of the Company i.e., 31 March, 2014.

b) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.

c) The consolidated financial statements include the share of profit / loss of the associate company which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements.

d) Following subsidiary companies and associate have been considered in the preparation of the consolidated financial statements.

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary 31 March, 2014
M/s Everest Building Products (w.e.f., 9 September, 2013)	Subsidiary	Mauritius	Company	100
M/s Everestind FZE (w.e.f., 18 December, 2013)	Subsidiary	United Arab Emirates (UAE)	Everest Building Products	Note-1
M/s Everest Building Solutions Limited (upto 23 March, 2014)	Associate	India	Company	Nil

Note 1: Everestind FZE, was incorporated on 18 December, 2013 as a free zone establishment with a limited liability as a wholly owned subsidiary of Everest Building Products. Share capital in respect thereof is yet to be subscribed and paid up.

e) The consolidated financial statements have been prepared using uniform accounting policies in the same manner as the Company's separate financial statements.

(iii) Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to the differences between these estimates and the actual results and the differences are recognised in the periods in which these differences are known / materialise.

(iv) Fixed Assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price, any import duties and other taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress:

Projects under which fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(v) Depreciation / Amortisation

Depreciation on assets is charged proportionately from the month of acquisition/ installation on a straight line basis as per the rates prescribed in Schedule XIV of the Companies Act, 1956 except in respect of the following categories of assets, where higher rates are used based on the life of the assets as determined by the Group:

Buildings	5%
Pallets used for autoclaving (included in plant and equipment)	20%
Furniture and fixtures, office equipment (except data processing equipment)	10%
Vehicles	20%
Roads	3.34%

Leasehold land and leasehold 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 the useful life i.e. over a period of 3 years.

(vi) Revenue Recognition

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

Revenue from fixed price pre-engineered buildings contracts (Contracts) is recognised in accordance with the percentage of completion method based on the work performed and when it is probable that the economic benefits associated with the contract will flow to the Group. The stage of completion of a contract is determined based on the proportion that contract costs incurred for work performed upto the reporting date bear to the total estimated contract costs. If a loss is projected on any of the contracts in process, the entire projected loss is recognised.

(vii) Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

(viii) Inventories

Inventories are valued at cost or net realisable value after providing for obsolescence and other losses 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 progress and Finished goods	-	Material cost plus appropriate share of labour, manufacturing and other overheads.
Stock in trade	-	Weighted average

(ix) Research and Development Costs

Research and development costs of revenue nature are charged to the Consolidated Statement of Profit and Loss when incurred. Expenditure of capital nature is capitalised and depreciated in accordance with the rates set out in Note 2 (iv) above.

(x) Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

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 recognised by the Income-tax authorities.

The Company's contributions towards provident fund are deposited in a trust 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 superannuation scheme and the employee's provident fund scheme are defined contribution schemes. The Company's contribution paid/ payable under these schemes are recognised as expenses in the Statement of Profit and Loss during the period in which the employee renders the related service. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall as at the Balance Sheet date, if any, is provided for.

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 Consolidated balance sheet date. Actuarial gains and losses are recognised in full in the Consolidated Statement of Profit and Loss 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 Consolidated 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 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 Consolidated Statement of Profit and Loss.

(xi) Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production 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.

(xii) Foreign Exchange Transactions

Initial recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group are carried at historical cost.

In case of foreign subsidiaries which are non- integral, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end whereas income and expense items have been translated into Indian Rupees at the average exchange rate for the reporting period. The resultant translation exchange differences are accumulated in "Foreign currency translation reserve" to be recognised as income or expense in the period in which net investment in concerned foreign subsidiary is disposed off.

Treatment of exchange differences

The Company had 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 2.36). In other cases, the exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Consoliated Statement of Profit and Loss.

Accounting for forward contracts

Premium / discount on forward exchange contracts are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

Derivative contracts

The Company enters into derivative contracts in the nature of interest rate swaps and forward contracts with an intention to hedge its existing assets and liabilities and firm commitments. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Exchange Transactions.

All derivative contracts are marked-to-market and losses are recognised in the Consolidated Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

(xiii) Taxation

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. Deferred tax on unabsorbed depreciation and carried forward losses are recognised on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

(xiv) Earnings Per Share

The Group 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.

(xv) 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 assets is estimated in order to determine the extent of impairment loss. Recoverable amount is 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 Consolidated Statement of Profit and Loss.

(xvi) Provisions and contingencies

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 (excluding employee benefits) 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. Contingent assets are not recognised in the financial statements.

(xvii) Employee Stock Option Scheme

Stock options granted by the Company 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 two 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 Statement of Profit and Loss on straight line basis over the vesting period of the options.

(xviii) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis.

(xix) Export Incentives

Export benefits are accounted for in the year of exports based on eligibility and there is no uncertainty in receiving the same.

(xx) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

(xxi) Cash and cash equivalents (for purposes of Consolidated Cash Flow Statement)

Cash and cash equivalents in Consolidated Cash Flow Statement comprises of cash on hand, bank balances and short-term deposits with banks with an original maturity of three months or less.

(xxii) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and reasonable certainty exists in availing / utilising the credits.

(xxiii) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2

(₹ in lacs)

	As at 31.03.2014
2.01 Share capital	
1. Authorised	1,700.00
17,000,000 equity shares of ₹ 10 each	
2. Issued	
15,194,665 equity shares of ₹ 10 each	1,519.47
3. Subscribed and fully paid up (see note 2.38 and 2.39)	
15,194,665 Equity shares of ₹ 10 each	**1,519.47**

	As at 31.03.2014
2.02 Reserves and surplus	
1. Capital reserve	30.00
2. Securities premium account	
Opening balance*	315.57
Add: Premium on shares issued during the year	4.19
Closing balance	319.76
3. General reserve	
Opening balance*	9,189.10
Add: Transferred from surplus in statement of profit and loss	91.90
Closing balance	9,281.00
4. Foreign currency translation reserve	
Opening balance*	-
Less: Effect of foreign exchange rate variations during the year	1.92
Closing balance	(1.92)
5. Surplus in Statement of Profit and Loss	
Opening balance*	17,923.85
Add: Profit for the year	902.09
Less: Dividends proposed to be distributed to equity shareholders	379.87
Tax on dividend	64.56
Transferred to general reserve	91.90
Closing balance	18,289.61
	27,918.45

* Pertains to Company

(₹ in lacs)

		As at 31.03.2014
2.03	**Long-term borrowings**	
	Term loans from banks (secured)	5,132.70
		5,132.70

Note:

External Commercial Borrowing (ECB) from ICICI Bank Limited of ₹ 601.00 lakhs is secured by a first pari-passu charge 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. The ECB is repayable in 12 half yearly instalments of USD 1,000,000; the last instalment is due in July 2014. The rate of interest is Libor+1.03% per annum.

External Commercial Borrowing (ECB) from DBS Bank Limited of ₹ 5,366.40 lakhs is secured by first pari-passu charges on all the immoveable and movable fixed assets other than the immovebale fixed assets situated at Podanur and Kolkata and second pari passu charge on all present and future current assets of the Company. The ECB is repayable in 15 quarterly instalments of USD 800,000; the last instalment is due in April 2017. The rate of interest is 10.40% per annum.

Term Loan from HDFC Bank Limited of ₹ 1,795.50 lakhs to be secured by exclusive charge over the immovable property situated at Noida of the Company. The loan is repayable in 20 quarterly instalments of ₹ 94.50 lakhs; the last instalment is due in November 2018. The rate of interest is 12.00% per annum.

2.04	**Long-term provisions**	
	Provision for employees benefits:	
	- Provision for gratuity (See note 2.29)	119.70
	- Provision for compensated absences	488.18
		607.88
2.05	**Short-term borrowings**	
	a. Loans from banks (Secured)	
	i. Cash credit	4,392.11
	ii. Working capital demand loan	5,000.00
	iii. Buyer's credit	7,163.37
		16,555.48

Note:
Loans from banks 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 Kolkata plant.

2.06	**Trade payables**	
	Trade payables - other than acceptances	12,293.15
		12,293.15
2.07	**Other current liabilities**	
	a. Current maturities of long-term debt (secured)	
	- Term loans from banks (see note 2.03)	2,630.20
	b. Interest accrued but not due on borrowings	173.32
	c. Unpaid dividends	40.18
	d. Other payables	
	i. Payables in respect of statutory dues	1,286.80
	ii. Payables for purchase of fixed assets	433.70
	iii. Stockists'and other deposits	2,399.25
	iv. Advances from customers	5,651.24
	v. Provision for mark to market loss on derivative transactions	7.65
	vi. Retention monies	293.66
		12,916.00
2.08	**Short-term provisions**	
	a. Provision for employee benefits:	
	- Provision for compensated absences	14.75
	b. Provision - Others:	
	i. Provision for tax [(net of advance tax ₹ 5,373.25 lakhs	2,510.78
	ii. Provision for proposed equity dividend	379.87
	iii. Provision for tax on proposed dividend	64.56
		2,969.96

2.09 Fixed assets

(₹ in lacs)

Particulars	Gross block					Accumulated depreciation				Net block
	Balance as at 1.04.2013*	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at 31.03.2014	Balance as at 1.04.2013*	Deprecia-tion / amortisa-tion expense for the year	Eliminated on disposal of assets	Balance as at 31.03.2014	Balance as at 31.03.2014
Tangible assets										
Land										
Freehold	1,387.86	-	-	-	1,387.86	-	-	-	-	1,387.86
Leasehold	238.54	2,186.50	-	-	2,425.04	6.73	9.11	-	15.84	2,409.20
Buildings										
On freehold land	7,268.72	237.94	-	13.31	7,519.97	2,920.10	367.14	-	3,287.24	4,232.73
On leasehold land	164.28	1,372.36	-	-	1,536.64	107.95	47.21	-	155.16	1,381.48
Plant and equipment	26,063.28	4,419.43	106.77	128.40	30,504.34	12,163.09	1,623.07	106.17	13,679.99	16,824.35
Furniture and fixtures	465.29	48.42	3.19	-	510.52	288.51	41.47	3.12	326.86	183.66
Vehicles	208.40	-	13.51	-	194.89	127.81	23.02	13.51	137.32	57.57
Office equipment	1,056.78	53.18	6.85	2.09	1,105.20	808.30	72.01	6.85	873.46	231.74
Leasehold improvements	169.63	-	-	-	169.63	94.06	11.81	-	105.87	63.76
Others										
Roads	226.00	5.93	-	-	231.93	81.97	7.55	-	89.52	142.41
Sub total	**37,248.78**	**8,323.76**	**130.32**	**143.80**	**45,586.02**	**16,598.52**	**2,202.39**	**129.65**	**18,671.26**	**26,914.76**
Intangible assets										
Computer software	921.61	1,243.78	-	-	2,165.39	436.61	469.65	-	906.26	1,259.13
Technical knowhow	249.75	-	-	-	249.75	249.75	-	-	249.75	-
Sub total	**1,171.36**	**1,243.78**	**-**	**-**	**2,415.14**	**686.36**	**469.65**	**-**	**1,156.01**	**1,259.13**
Total	**38,420.14**	**9,567.54**	**130.32**	**143.80**	**48,001.16**	**17,284.88**	**2,672.04**	**129.65**	**19,827.27**	**28,173.89**

* Pertain to Company

(₹ in lacs)

	As at 31.03.2014
2.10 Non-current investments (at cost)	
Other investments in equity instruments, long term, unquoted	
[9,500 equity shares of ₹ 10 each fully paid up	0.95
of M/s Everest Building Solutions Limited]	
	0.95
2.11 Long-term loans and advances	
(Unsecured, considered good)	
a. Capital advances	645.57
b. Security deposits	825.40
c. Advance tax	
[Net of provision for current tax - ₹ 3,032.42 lakhs	5,489.72
d. Minimum alternative tax credit entitlement	278.57
d. Other loans and advances	
Balances with excise, customs and port trust authorities	211.27
	7,450.53
2.12 Other non-current assets	
(Unsecured, considered good)	
Bank balances in earmarked accounts	
Balances held as margin money (deposit accounts)	29.05
	29.05

(₹ in lacs)

	As at 31.03.2014
2.13 Inventories	
(See note 1.1(viii)) (At lower of cost and net realisable value)	
a. Raw materials	
i. On hand	9,950.82
ii. In transit	874.76
	10,825.58
b. Work-in-progress	6,421.37
c. Finished goods	4,025.43
d. Stock-in-trade	1,481.77
e. Stores and spares	1,394.02
f. Packing materials	60.67
	24,208.84
2.14 Trade receivables	
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment	
- Unsecured, considered good	863.59
- Doubtful	59.09
Less: Provision for doubtful trade receivables	59.09
	863.59
b. Other trade receivables	
- Secured, considered good	4,959.25
- Unsecured, considered good	2,247.97
	8,070.81
2.15 Cash and bank balances	
Cash and cash equivalents	
a. Cash on hand	10.55
b. Cheques on hand	907.44
c. Balances with banks	
- Current accounts	1,361.71
Cash and cash equivalents	2,279.70
Other bank balances	
Earmarked accounts	
- Unpaid dividend (current accounts)	40.18
- Balances held as margin money (deposit accounts)	226.81
Other bank balances	266.99
	2,546.69
2.16 Short-term loans and advances	
(Unsecured, considered good)	
a. Loans and advances to employees	109.70
b. Prepaid expenses	597.44
c. Balances with government authorities	
i. Balances with excise, customs and port trust authorities	674.42
ii. VAT credit receivable	1,049.37
d. Advance to suppliers	3,426.32
e. Other loans and advances	247.20
	6,104.45
2.17 Other current assets	
a. Interest accrued but not due	37.31
b. Insurance claims	17.52
	54.83

(₹ in lacs)

	Year ended 31.03.2014
2.18 Revenue from operations (see note 1.1 (vi))	
a. Revenue from sale of products	81,583.91
b. Revenue from contracts	27,249.11
c. Other operating revenues	
i. Sale of scrap	664.75
ii. Export incentives	76.90
iii. Others	463.31
	1,204.96
Less: Realisation from sale of trial run production transferred to CWIP (see note 2.33)	570.41
	109,467.57

2.19 Other income	
a. Interest income	
i. Interest from banks on deposits	142.76
ii. Interest on income tax refund	246.63
iii. Other interest	49.36
	438.75
b. Other non-operating income	
i. Profit on sale of fixed assets (net)	0.23
ii. Liabilities / provisions no longer required written back	687.48
iii. Miscellaneous income	107.24
	794.95
	1,233.70

2.20 Cost of materials consumed	
Cost of materials consumed	58,224.07
Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	764.68
	57,459.39

2.21 Changes in Inventories of finished Goods, work-in-progress and stock -in-trade	
Inventories at the end of the year:	
Finished goods	4,025.43
Work-in-progress	6,421.37
Stock-in-trade	1,481.77
	11,928.57
Inventories at the beginning of the year:*	
Finished goods	3,851.62
Work-in-progress	7,439.69
Stock-in-trade	707.78
	11,999.09
	70.52

* Pertains to Company

(₹ in lacs)

		Year ended 31.03.2014
2.22	**Employee benefits expense**	
	a. Salaries and wages	9,028.30
	b. Contributions to provident and other funds	368.22
	c. Staff welfare expenses	517.34
		9,913.86
	Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	217.37
		9,696.49
2.23	**Finance costs**	
	a. Interest expense on borrowings	1,551.43
	b. Other borrowing costs	31.90
		1,583.33
	Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	326.43
		1,256.90
2.24	**Other expenses**	
	a. Consumption of stores and spare parts	4,060.96
	b. Consumption of packing materials	1,016.32
	c. Power and fuel	3,327.95
	d. Repairs and maintenance	
	- Building	187.77
	- Machinery	561.29
	- Others	372.65
	e. Rent	587.92
	f. Rates and taxes	304.40
	g. Insurance	173.40
	h. Travelling	1,515.26
	i. Advertisement and sales promotion expenses	1,711.75
	j. Cost for erection of buildings	1,498.97
	k. Net loss on foreign currency transactions and translation	664.72
	l. Outward freight charges on finished goods	9,101.76
	m. Miscellaneous expenses	4,974.85
		30,059.97
	Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	539.29
		29,520.68

2.25 Contingent Liabilities

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

(₹ in lacs)

Particulars	As at 31.03.2014
i. Sales tax matters	2,192.81
ii. Customs, excise and service tax matters	2,882.05
iii. Income Tax matters	7,919.37
Total	**12,994.23**
iv. Advance paid / adjusted by Income Tax authorities against above	4,579.53

b) Guarantees aggregating to ₹ 4,040.65 lakhs issued by banks 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 Kolkata.

c) Estimated amount of contracts to be executed on capital account – ₹ 1,994.88 lakhs (net of advances – ₹ 645.57 lakhs).

d) Export Obligation: The Company has purchased fixed assets under the 'Export Promotion Capital Goods Schemes'. As per the terms of the license granted under the scheme, the Company had undertaken to achieve an export commitment of ₹ 8,131.30 lakhs over a period of 6-8 years.

During the current year, the Company has filed for satisfaction of its export obligations of ₹ 452.91 lakhs. The Company would be liable to pay customs duty of ₹ 985.32 lakhs and interest on the same in the event of non-fulfillment of the balance export obligation. However the Company does not expect any liability to arise based on its export performance.

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

(₹ in lacs)

Particulars	Year ended 31.03.2014
Audit fee	32.50
For other services (including fees for limited review)	9.90
Reimbursement of expenses	4.69
	47.09

2.27 Construction Contracts [see note 1.1(vi)]

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

(₹ in lacs)

Particulars	Year ended 31.03.2014
Cost incurred and recognised profits	13,960.05
Retentions	156.28
Amounts due from customers	2,744.66

2.28 Foreign Exchange Disclosure

Outstanding forward exchange contracts as on 31 March, 2014:

Particulars	Currency	As at 31.03.2014 Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)
Payables	USD	85.46	5,136.36
	EURO	2.26	219.98
ECB Loan	USD	104.00	5,366.40

Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows

Particulars	Currency	As at 31.03.2014 Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)
Receivables	USD	13.46	808.75
Payables	USD	49.11	2,951.42
ECB Loan	USD	10.00	601.00

2.29 Disclosure of Retirement Benefits under Accounting Standard 'AS15-Employee Benefits'

a. Defined contribution plan

The Company's contributions of ₹ 330.07 lakhs towards provident fund and ₹ 90.37 lakhs towards superannuation fund are charged to Consolidated Statement of Profit and Loss. The contributions payable to the plan by the Company are at rates 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 fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five 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 Group's financial statements as at 31 March, 2014:

(i) Movement in net liability

(₹ in lacs)

Particulars		As at 31.03.2014
Present value of obligations as on 01.04.2013 *	(A)	1,439.36
Interest cost	(B)	113.23
Current service cost	(C)	141.60
Benefits paid	(D)	(83.04)
Actuarial (gain)/loss on obligations	(E)	(197.49)
Present value of obligations as on 31.03.2014 (F=A+B+C+D+E)	(F)	**1,413.66**

* Pertains to Company.

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

(₹ in lacs)

Particulars		As at 31.03.2014
Present value of funded defined benefit obligations as on 31.03.14	(A)	1,413.66
Estimated fair value of plan assets	(B)	1,293.96
Net liability / (asset) (C=A-B)	(C)	**119.70**
Amounts in the Consolidated Balance Sheet		
a. Liabilities		119.70
b. Assets		-
c. Net liability / (asset)		119.70
Amount charged to Consolidated Statement of Profit and Loss		
Service cost	(E)	141.60
Interest cost	(F)	113.23
Expected return on plan assets	(G)	109.56
Net Actuarial (gain) / loss	(H)	(197.49)
Expense recognised in the Consolidated Statement of Profit and Loss (I=E+F-G+H)	(I)	**(52.22)**

(iii) Principal actuarial assumptions

Assumptions	Year ended 31.03.2014 Rate (%)
Discount rate	9.25%
Rate of return on plan assets	9.25%
Salary escalation	9.00%
Mortality rate	IALM (2006-08) (modified)
Withdrawal rate	
Upto 30 years	3.00%
Ages from 31 to 44 years	2.00%
Above 44 years	1.00%

The discount rate is based on the Government bond yields as at 31 March, 2014.

(iv) Experience adjustments

(₹ in lacs)

Particulars	31.03.2014
Defined benefit obligation	(1,413.66)
Plan assets	1,293.96
Funded status	(119.70)
Experience gain / (loss) adjustments on plan liabilities	37.08
Experience gain / (loss) adjustments on plan assets	-

The Company expects the benefit payout of ₹ 50.23 lakhs to the gratuity fund for the year ended 31 March, 2015.

(v) Fair value of plan assets

(₹ in lacs)

Particulars		As at 31.03.2014
Fair value of plan assets at the beginning of the year*	(A)	1,184.40
Expected return on plan assets	(B)	109.56
Contributions	(C)	-
Benefits paid	(D)	-
Actuarial gain/ (loss) on plan assets	(E)	-
Fair value of plan assets at the end of the year (F=A+B+C+D+E)	**(F)**	**1,293.96**

* Pertains to Company.

(vi) Actual return on plan assets

(₹ in lacs)

Particulars		As at 31.03.2014
Expected return on plan assets	(A)	109.56
Actuarial gain/ (loss) on plan assets	(B)	-
Actual return on plan assets (C =A+B)	**(C)**	**109.96**

(vii) 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 Parent with respect to its gratuity plan. Information on categories of plan assets as at 31 March, 2014 has not been provided by the Life Insurance Corporation of India.

2.30 Deferred Taxation

(₹ in lacs)

Particulars	As at 01.04.2013*	Charged/ (Credited) to Consolidated Statement of Profit and Loss	As at 31.03.2014
a. Deferred tax assets			
Tax impact of:			
i. Expenditure covered by Section 43B of the Income-tax Act, 1961	354.15	(109.69)	244.46
ii. Unabsorbed depreciation	-	115.66	115.66
ii. Provision for doubtful debts	6.87	13.21	20.08
Total deferred tax assets	**361.02**	**19.18**	**380.20**
b. Deferred tax liabilities			
Tax impact of:			
Excess of depreciation allowable under the Income-tax Act, 1961 over depreciation provided in financial statements	2,817.58	394.37	3,211.95
Total deferred tax liability	**2,817.58**	**394.37**	**3,211.95**
Net deferred tax liability	**2,456.56**	**375.19**	**2,831.75**

*Pertains to Company.

2.31 Managerial Remuneration

a. Remuneration paid to directors:

(₹ in lacs)

Particulars	Year ended 31.03.2014
Whole time directors	
1. Salaries and perquisites (See note below)	270.12
2. Contributions to provident and superannuation fund	17.82
3. Commission to whole time directors	18.00
4. Performance incentive to whole time directors	52.00
	357.94
Non-executive directors	
5. Commission / performance incentive to non executive directors	30.50
6. Sitting fees	7.20
	37.70
Total	**395.64**

Note:

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

b. Managerial remuneration forming part of employee benefits expenses exceeds the limits prescribed under Section 198 read with Section 309 and Schedule XIII to the Companies Act, 1956 by ₹ 282 lakhs and is subject to approval of shareholders and Central Government.

2.32 Related Party Disclosures

a. List of related parties

i. Enterprise exercising significant influence
- M/s Falak Investment Private Limited

ii. Key management personnel
- Mr. Aditya Vikram Somani, Chairman
- Mr. Manish Sanghi, Managing Director
- Mr. Y. Srinivasa Rao, Executive Director (Operations)

b. Transactions with related parties during the year:

(₹ in lacs)

S. No	Particulars	Year ended 31.03.2014
i.	Dividend paid to enterprise exercising significant influence	
	M/s Falak Investment Private Limited	553.76
iii.	Remuneration to key management personnel	
	Mr. Aditya Vikram Somani	137.05
	Mr. Manish Sanghi	122.30
	Mr. Y. Srinivasa Rao	98.59
iv.	Dividend paid to key management personnel	
	Mr. Aditya Vikram Somani	0.04
	Mr. Manish Sanghi	4.22
	Mr. Y. Srinivasa Rao	0.01

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

(₹ in lacs)

S. No	Particulars	As at 31.03.2014
i.	Share capital from enterprise exercising significant influence	
	M/s Falak Investment Private Limited	738.35
ii.	Commission due to key management personnel	
	Mr. Aditya Vikram Somani	18.00
iv.	Performance incentive due to key management personnel	
	a. Mr. Manish Sanghi	28.00
	b. Mr. Y. Srinivasa Rao	24.00

Note:

Amounts payable to key managerial personnel on account of performance incentive are subject to the approval of the share holders and the Central Government.

2.33 Capital Work in Progress and Pre-operative Expenditure

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

a. Capital work in progress

(₹ in lacs)

Particulars	As at 31.03.2014
i. Project assets	5,845.81
ii. Unallocated project pre-operative expenditure (see b below)	258.99
	6,104.80

b. Pre-operative expenditure

(₹ in lacs)

Particulars	As at 1.04.2013*	Additions	Deletions	As at 31.03.2014
Cost of materials consumed	2.14	764.68	723.64	43.18
Salaries and wages	110.71	195.48	211.41	94.78
Contributions to provident and other funds	6.03	7.29	12.32	1.00
Staff welfare expenses	1.62	14.60	15.88	0.34
Consumption of stores and spare parts	8.45	92.07	100.52	-
Power and fuel	25.37	51.17	76.46	0.08
Repairs and maintenance – Others	6.25	38.35	44.60	-
Rent	8.47	12.39	19.57	1.29
Rates and taxes	46.80	34.69	81.40	0.09
Insurance	5.03	2.02	7.05	-
Travelling	18.31	138.61	49.97	106.95
Advertisement and sales promotion expenses	0.20	0.31	0.30	0.21
Miscellaneous expenses	139.02	169.68	215.93	92.77
Interest expense on borrowing	-	326.43	326.43	-
Sub Total (a)	**378.40**	**1,847.77**	**1,885.48**	**340.69**
Less :				
Transfer of inventory produced during trial run production	-	316.41	316.41	-
Realisation from sale of trial run production	-	570.41	488.71	81.70
Sub Total (b)	**-**	**886.82**	**805.12**	**81.70**
Unallocated preoperative expenditure (a-b)	378.40	960.95	1,080.36	258.99

* Pertains to Company

2.34 Segment Information

a. Business segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting", the Group's business segments include 'Building products' and 'Steel buildings'.

Building products include roofing, ceiling, wall, floor solutions and its accessories.

Steel buildings consist of manufacture and supply of pre – engineered and smart steel buildings and its accessories.

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 the 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 a 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 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. Segment assets and liabilities do not include fixed deposits, advance income tax, borrowings and deferred income tax etc .

Information about business segments:

(₹ in lacs)

Particulars	Building products	Steel buildings	Total
	Year ended 31.03.2014	Year ended 31.03.2014	Year ended 31.03.2014
1. Segment Revenue			
External revenue (Net of excise duty)	75,071.09	27,249.11	102,320.20
Other operating income	819.53	385.43	1,204.96
Total Revenue	75,890.62	27,634.54	103,525.16
2. Segment Results	3,589.64	906.07	4,495.71
Unallocated expenses (net of income)			1,961.53
Operating Profit	3,589.64	906.07	2,534.18
Finance costs			1,256.90
Profit before tax			1,277.28
Provision for taxation			375.19
Net Profit			**902.09**

Particulars	Building products As at 31.03.2014	Steel buildings As at 31.03.2014	Total As at 31.03.2014
3. Other Information			
A. Assets			
Segment assets	49,605.76	21,386.22	70,991.98
Unallocated assets			11,752.86
Total Assets	49,605.76	21,386.22	82,744.84
B. Liabilities			
Segment liabilities	12,262.48	8,442.69	20,705.17
Unallocated liabilities			32,601.75
Total Liabilities	12,262.48	8,442.69	53,306.92
C. Others			
Capital expenditure	3,628.95	4,737.78	
Depreciation	1,832.43	514.82	
Non – cash expenses other than depreciation	-	38.87	

2.35 Lease Commitments

Operating lease

The Group has taken property on cancellable and non-cancellable operating leases and has recognised rent of ₹ 587.92 lakhs. The total of future minimum lease payments under non-cancellable operating lease are set out as below:

(₹ in lacs)

Particulars	As at 31.03.2014
Not later than one year	-
Later than one year but not later than five years	-
Later than five years	-

2.36 Changes in Foreign Exchange Rates

The Company had changed its policy on accounting for fluctuation on foreign exchange based on notification F. F.No.17/33/2008/CL-V dated 31 March, 2009 and subsequent amendment thereto, issued by the Ministry of Corporate Affairs, which was effective 7 December 2006, allowing capitalisation of exchange differences arising on restatement 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. In accordance with the said notification, the Company has during the current year capitalised ₹ 143.80 lakhs to the cost of fixed assets. The aforesaid amounts so capitalised are being depreciated over the remaining useful life of the fixed assets.

2.37 Earnings per Share

Particulars	Year ended 31.03.2014
a. Number of equity shares of ₹ 10 each fully paid up at the beginning of the year	15,187,290
b. Number of equity shares of ₹ 10 each fully paid up at the year end	15,194,665
c. Weighted average number of equity shares used in computing earnings per share	15,189,961
d. Weighted average number of options granted at fair value	393,775
e. Weighted average number of options post adjustment for number of options granted at fair value	393,775
f. Net profit for the year – (₹ / lakhs)	902.09
g. Basic earnings per share (Rupees)	5.94
h. Diluted earnings per share (Rupees)	5.94
i. Nominal value of equity shares (Rupees)	10.00

2.38 Reconciliation of the number of shares

Particulars	Year ended 31.03.2014
a. Number of equity shares outstanding at the year beginning	15,187,290
b. Number of options exercised during the year	7,375
c. Number of equity shares outstanding at the year end	15,194,665

2.39 Number of shares held by each share holder holding more than 5% shares

Particulars	Year ended 31.03.2014	
	(No. of shares)	%
a. Falak Investment Private Limited	7,383,470	48.59
b. Reliance Capital Trustee Co Ltd	966,748	6.36

2.40 Employee Stock Option Scheme

The Company has granted Nil options during the year ended 31 March, 2014. 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 (2008)	ESOS (2009)	ESOS (2010)	ESOS (2011)	ESOS (2012)
Year in which scheme was established	2008-09	2009-10	2010-11	2011-12	2012-13
Number of options authorised and granted	144,850	140,000	147,705	150,720	160,945
Exercise price	₹ 52	₹ 169	₹ 174	₹ 126	₹ 268
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 (2008)	ESOS (2009)	ESOS (2010)	ESOS (2011)	ESOS (2012)
i. Opening balance	10,150	72,040	98,920	116,710	160,945
ii. Granted during the year	-	-	-	-	-
iii. Exercised during the year	5,900	-	-	1,475	-
iv. Forfeited during the year	-	(6,720)	(9,545)	(15,580)	(21,520)
v. Expired during the year	(4,250)	-	-	-	-
vi. Outstanding at the year end	-	65,320	89,375	99,655	139,425
vii. Options exercisable at the year end	-	65,320	89,375	99,655	139,425
viii. Remaining contractual life	-	0.82	1.80	2.81	3.81

The Company has accounted the above options using the intrinsic value method at the exercise price from time to time and there is no stock compensation expense 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 Consolidated profit for the year ended 31 March, 2014 would have been lower by ₹ 124.76 lakhs and the basic and diluted EPS would have been revised to ₹ 5.12 and ₹ 5.12 respectively. The fair value of stock based awards to the employees of Company 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 on the underlying equity shares, volatility in the share price and a risk free rate of interest. 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

2.41 Expenditure on Research and Development

(₹ in lacs)

Particulars	Year ended 31.03.2014
Revenue nature	164.39

2.42 Disclosure of information in respect of the subsidiaries pursuant to Section 212(8) of the Companies Act, 1956 and General Circular No: 2/2011 No: 51/12/2007-CL-III dated 8 February, 2011 of the Ministry of Corporate Affairs.

(₹ in lacs)

Name of the subsidiary	Everest Building Products	Everestind FZE**
1. Capital	0.00*	-
2. Reserves	(14.79)	-
3. Total assets	54.68	-
4. Total liabilities	54.68	-
5. Detail of investments (except in case of investments in subsidiaries)	-	-
6. Turnover (including other income)	0.01	-
7. Profit/ (Loss) before tax	(12.87)	-
8. Profit/ (Loss) after tax	(12.87)	-
9. Proposed dividend	-	-

* Capital is ₹ 62.42.

** Everestind FZE, was incorporated on 18 December, 2013 as a free zone establishment with a limited liability as a wholly owned subsidiary of Everest Building Products. Share capital in respect thereof is yet to be subscribed and paid up.

2.43 Consolidated financials includes results of wholly owned subsidiaries. As these subsidiaries were incorporated during the year previous year's figures are not applicable.

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
30 April, 2014

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ATTENDANCE SLIP

EVEREST INDUSTRIES LIMITED

CIN : L74999MH1934PLC002093
Regd. Office: GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.
Phone : 02557-250375/462, Fax : 02557-250376, E-mail Id: compofficer@everestind.com

I/We ....R/o .... hereby record my/our presence at the 81st Annual General Meeting of the Company held on Wednesday, the 30th July, 2014 at 11:30 a.m. at GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.

DPID * : ____________________	Folio No. : ________________________________
Client Id * : __________________	No. of Shares : ____________________________

* Applicable for investors holding shares in electronic form.

Signature of shareholder/ proxy

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

EVEREST INDUSTRIES LIMITED

CIN : L74999MH1934PLC002093
Regd. Office: GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.
Phone : 02557-250375/462, Fax : 02557-250376, E-mail Id: compofficer@everestind.com

Name of the Member(s) : Registered address :		E-mail Id : Folio No. : *Client ID : *DPID :	

I/We, being the members(s) of .... shares of Everest Industries Limited, hereby appoint :

1)..of .... having e-mail id .... or failing him

2)..of .... having e-mail id .... or failing him

3)..of .... having e-mail id .... or failing him

and whose signature(s) are appended below as my/ our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 81st Annual General Meeting of the Company, to be held on Wednesday, 30th July, 2014 at 11:30 a.m. at Gat 152, Lakhmapur, Taluka Dindori, Nashik - 422202, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below :

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended 31st March, 2014 and Audited Consolidated Financial Statements .		
2. Declaration of dividend on Equity Shares.		
3. Re-appointment of Mr. Y. Srinivasa Rao who retires by rotation.		
4. Appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as the Auditors of the Company.		
5. Appointment of Mrs. Bhavna G. Doshi as an Independent Director.		
6. Appointment of Mr. Sandeep H. Junnarkar as an Independent Director.		
7. Appointment of Mr. M.L. Narula as an Independent Director.		
8. Appointment of Mr. Amitabh Das Mundhra as an Independent Director.		
9. Appointment of Mr. B.L. Taparia as an Independent Director.		
10. Approval of remuneration of Mr. Aditya Vikram Somani, Whole Time Director designated as Chairman.		

* Applicable for investors holding shares in electronic form.

11. Approval of remuneration of Mr. Manish Sanghi, Managing Director.		
12. Approval of remuneration of Mr. Y. Srinivasa Rao, Executive Director (Operations).		
13. Approval for waiver of recovery of excess remuneration paid to Mr. Aditya Vikram Somani, Whole Time Director designated as Chairman during the Financial Year 2013-14.		
14. Approval for waiver of recovery of excess remuneration paid to Mr. Manish Sanghi, Managing Director during the Financial Year 2013-14.		
15. Approval for waiver of recovery of excess remuneration paid to Mr. Y. Srinivasa Rao, Executive Director (Operations) during the Financial Year 2013-14.		
16. Approval for payment of commission to Non Executive Directors for the Financial Year 2013-14.		
17. Approval for determination of the office of Mr. Aditya Vikram Somani, Whole Time Director designated as Chairman of the Company, as liable to retire by rotation.		
18. Adoption of new Articles of Association of the Company.		
19. Approval of the Remuneration of the Cost Auditors.		
20. Approval for authorizing the Board for further issue of shares to employees under Employees Stock Option Scheme -2014.		
21. Approval for authorising Board to mortgage/create charge on properties of the Company.		

*Signed this .... day of .... 2014.

Affix a 15 Paise Revenue Stamp and sign across the stamp

....

Signature of Shareholder

_____________________________ _______________________________ _____________________________

Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

NOTES:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Notes:

Notes:

Caution regarding forward-looking statements - In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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