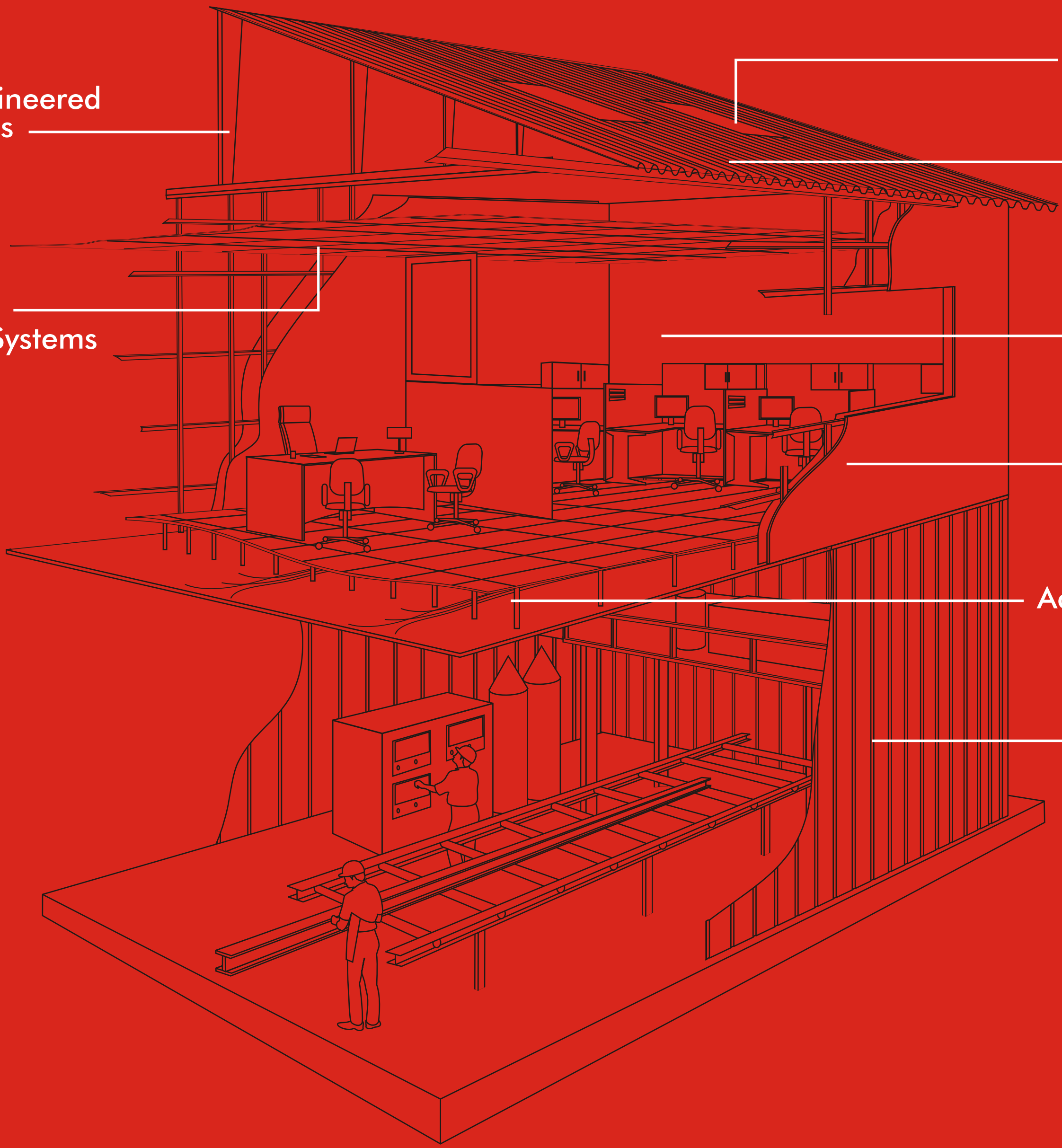
78TH ANNUAL REPORT 2010-11

EVEREST

Everest Industries Limited

COMPLETE BUILDING SOLUTIONS



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BOARD OF DIRECTORS

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

COMPANY SECRETARY

Neeraj Kohli

AUDITORS

M/s Deloitte Haskins & Sells
Chartered Accountants Gurgaon

BANKERS

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

REGISTERED OFFICE

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

HEAD OFFICE

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

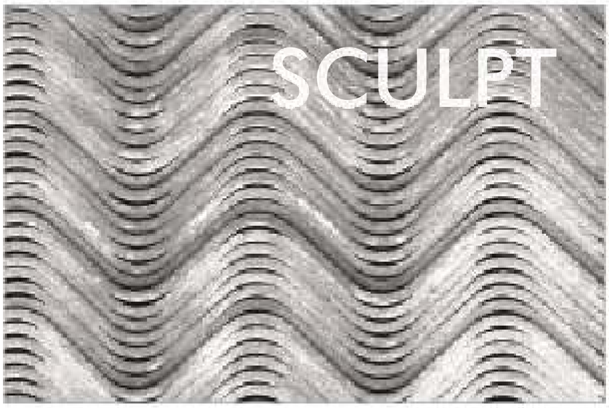
REGISTRAR AND SHARE TRANSFER AGENTS

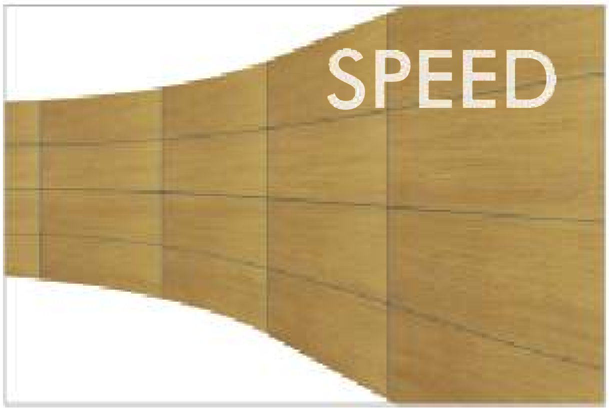
MCS Limited F-65 Okhla Industrial Area Phase - I New Delhi - 110 020

INSPIRING WORDS AT WORK

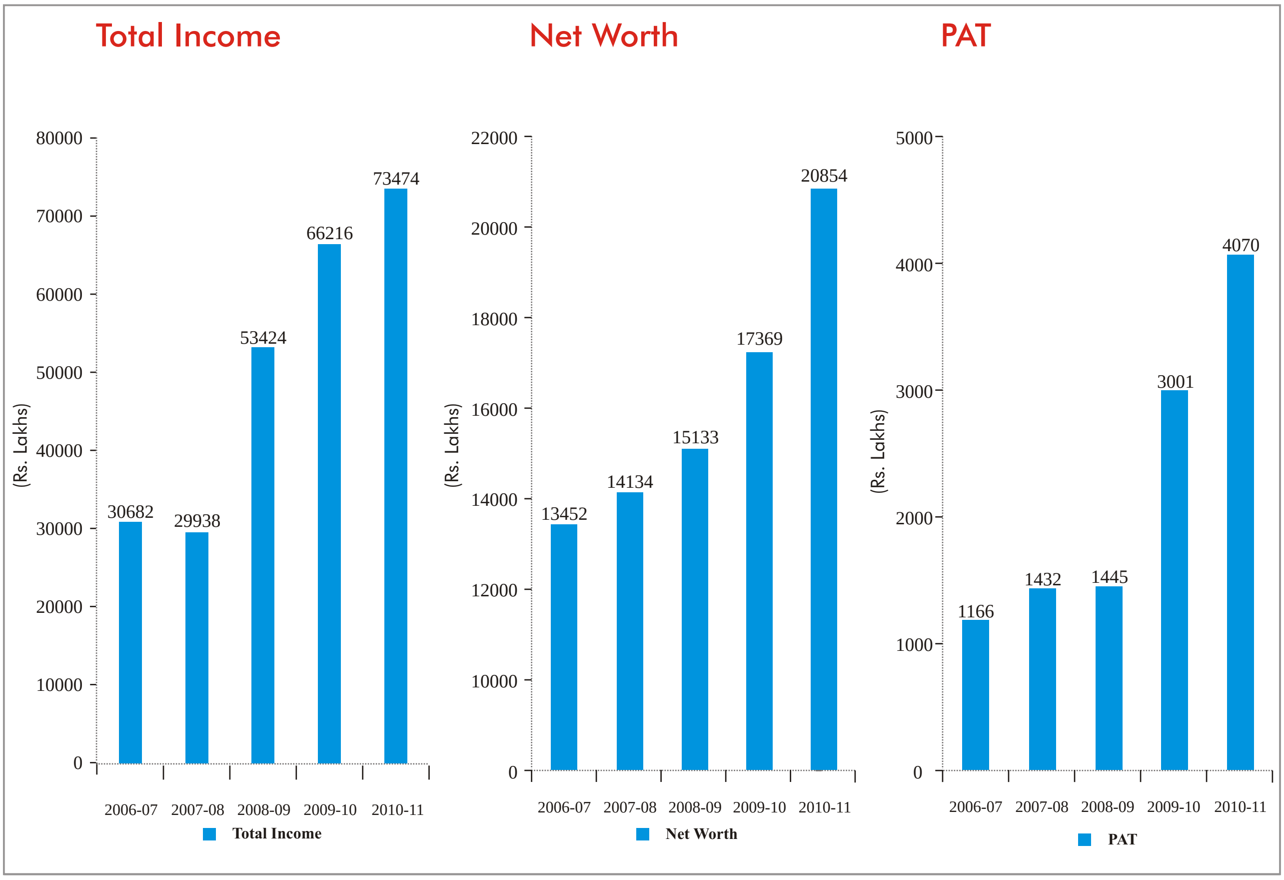
Some words motivate while others heal. Words can inspire a generation and stop wars. They can mobilize millions to come together for peace and harmony. If chosen rightly, words can invoke extraordinary and magical results. Words nest, in our hearts and souls, only to realize their true value when used at precious moments of our life.

At Everest, we believe in the power of words. At the core of our existence, as one of India's fastest growing building solution companies, these words turn to reality. Words like spark, sketch, sculpt, strength, speed and surge, underpin our work frame and belief system. The spark of an idea that keeps our nationwide network surging towards a common goal. The speed at which we convert a mere sketch into reality. The strength of our products, which allow us to sculpt the future of building solutions across the globe. The incessant support that we give and receive from our partners and customers. The flawless planning that leads to effortless execution of even the most complex projects. And the technology that enables us to constantly deliver the best. On time. Every time.

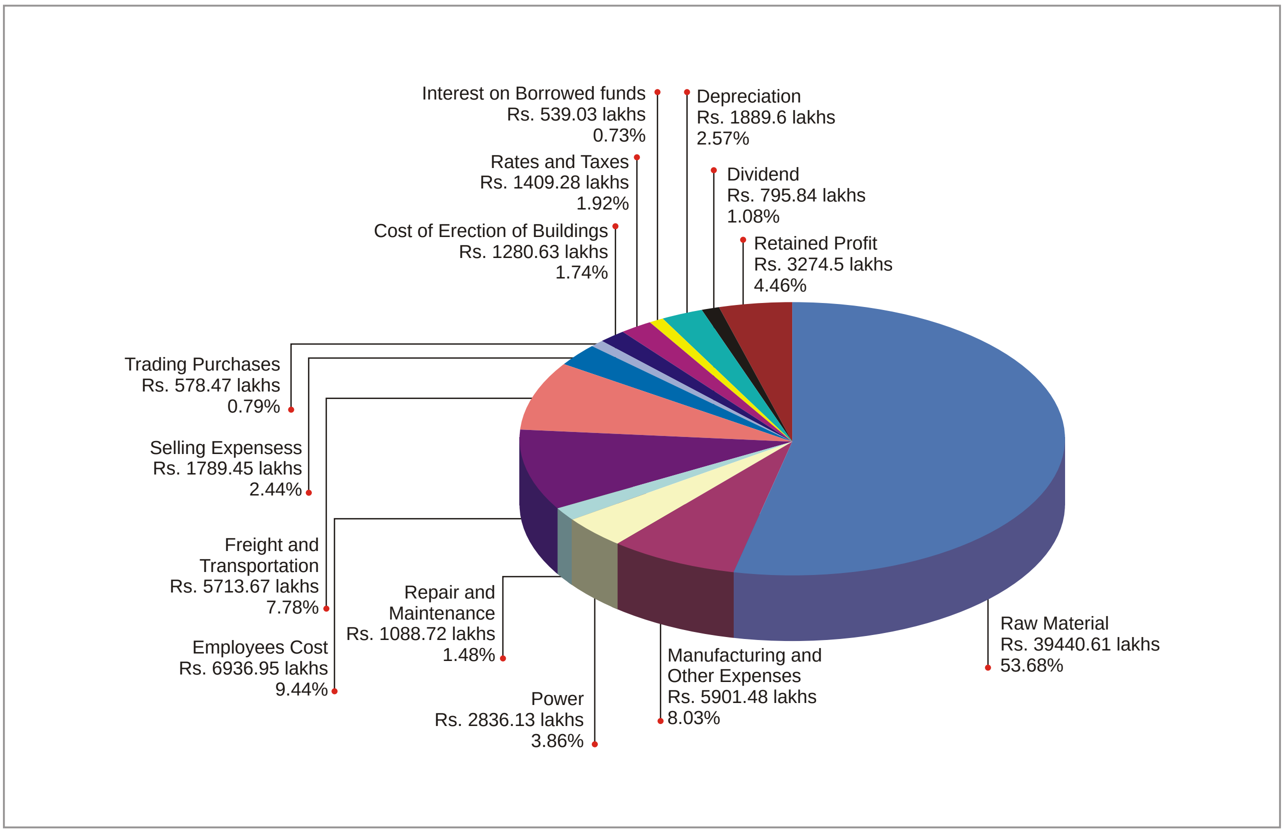




PERFORMANCE AT A GLANCE



DETAIL OF EXPENDITURE ON TOTAL EARNING DURING 2010-11



MANAGEMENT DISCUSSION AND ANALYSIS

The Indian economy has sustained its robust growth rate. The GDP grew by 8.60%* this year as compared with 8% * in the previous year.

The construction industry grew by 8%* this year accounting for 8%* of India's GDP. Industrial, Commercial and Residential segments collectively account for 46%** of the construction industry and the balance is the infrastructure spend. While the industrial sector witnessed a growth of 10%* over the previous year, the construction material and building products grew by 10%^.

High inflation ranging from 15%* during the start of the year to 8%* towards the end, caused prices of raw materials, food and fuel to touch an all-time high. The building materials industry too faced an increase in input prices and pressure on volumes from price sensitive segments.

The Government continued to provide an impetus to the construction industry by ensuring inclusive and sustained growth. These successful programs of the Government are likely to continue. Infrastructure spends in the next 5 year plan as outlined by the Planning Commission indicate that public construction activity will see sustained double digit growth.

Everest Industries Ltd. caters to the demands of the construction industry with a strong portfolio of products for industrial and commercial applications and rural housing. This year, your Company's turnover grew by 10.60%.

Sustained demand for Fibre Cement Roofing Sheets comes primarily from rural areas all over the country. Everest serves over 100,000 villages and 600 cities through 37 sales depots and 6000 retail counters. The Everest brand and its assurance of quality continues to command a price premium in the markets it serves.

Exposure to global aesthetics and modern construction techniques has expanded markets for our fibre cement products, Everest Boards and Solid Wall Panels. The market for modern ready-to-install products like acoustic ceilings, access flooring and dry walling techniques is growing. Your Company understands the needs of the Indian construction market and has introduced new products to cater to this growing demand. These emerging segments provide many opportunities.

Exports of fibre cement building material to various countries all over the globe continued to grow and Everest has been recognised as a Star Export House.

FINANCIAL RESULTS

Your Company's turnover increased to ₹721.59 crores from ₹652.53 crores in FY 10-11, a growth of 10.60%. This was a result of value growth of 6.20% in the Building Products division and 29.30% in the Steel Buildings division. The corresponding volume growth was 4.10% in Building Products division and 7.20% in the Steel Buildings division. Profit before Depreciation and Interest rose from ₹70.03 crores (10.70% of sales) to ₹77.47 crores (10.7% of Sales). PBT stood at ₹53.18 crores, an increase of 27.50%. PAT for the year is ₹40.70 crores, a 35.60% increase over last year. The return on Average Net Worth stood at 21.30% as compared with 18.50% in the previous year.

* Source Economic Survey 2010-11 **Source CIDC report
^ Market Estimates

FINANCIAL PERFORMANCE

The Balance Sheet of Everest Industries Ltd. continued to strengthen in this financial year. Net Worth of the Company stood at ₹208.54 crores as on March 31, 2011 as compared to ₹173.69 crores a year before, a growth of 20% during the year. Company's Borrowings reduced from ₹119.89 crores a year ago to ₹110.79 crores this year. The Debt Equity Ratio as on March 31, 2011 stood at 0.53 as compared with 0.69 on March 31, 2010. Reduction in borrowing due to improved cash flows during the year and optimisation of the sources of borrowing resulted in the reduction of interest costs from ₹9.95 crores in the previous year to ₹5.39 crores in the current year.

During the year, your Company sold a part of its land situated at Peenya Industrial Area, Bengaluru for ₹7.46 crores resulting in a capital gain of ₹6.94 crores.

Your Company entered into a few 'Principal Only Swap' (POS) derivative transactions in the year 2007, to restate a part of its External Commercial Borrowing from US Dollars (USD) to low interest bearing Japanese Yen (JPY) denomination. Due to unprecedented strengthening of JPY/USD, the Company incurred a cost of ₹4.63 crores in 2010-11. The total cost incurred over the life of all POS derivative transactions stands at ₹14.41 crores. All POS derivative contracts stand extinguished and there will be no further cost on this account in future.

During the year, Raw Material costs (including changes in inventory) stood at ₹386.21 crores (53.50% of sales) as compared to ₹357.97 crores (54.90% of sales) in the previous year.

Freight cost increased from ₹45.37 crores (6.90% of sales) in 2009-10 to ₹57.14 crores (7.90% of sales) in 2010-11 as a result of rising diesel prices and supply constraints of trucks in certain regions.

Key features of the Company's financial and operational performance

Amount (₹ in Lacs)

	2010-11	2009-10	Change over Previous Year
Net sales / income from operations	72159	65253	10.60%
Other income	1315	963	36.70%
Total income	**73474**	**66216**	**11.0%**
Expenditure			
Materials (including change in stock)	38621	35797	7.90%
Other expenses	27106	23416	15.80%
Total expenditure	65727	59213	11.00%
Profit before depreciation & interest	**7747**	**7003**	**10.60%**
(Percentage of sales)	10.70%	10.70%	
Depreciation	1890	1837	2.90%
Interest	539	995	-45.80%
Profit before tax	**5318**	**4171**	**27.50%**
(Percentage of sales)	7.40%	6.40%	
Tax expense (including Deferred tax net of MAT credit)	1248	1170	6.60%
Net profit after tax	**4070**	**3001**	**35.60%**
(Percentage of sales)	5.60%	4.60%	

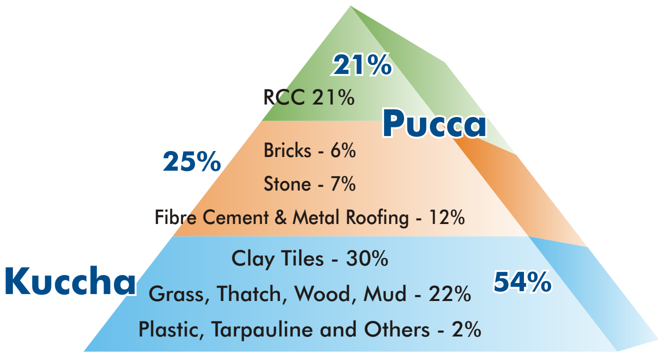
BUILDING PRODUCTS DIVISION

The government is targeting a sustained economic growth of over 9%* this year. This growth would include a 4% growth in the agricultural sector, 10.30% in industrial, 11% in construction and 9.60% in the services sector. Everest operates in these key sectors and will benefit from the anticipated thrust by the government. The demand for Everest Building Products is strong in rural, commercial and industrial sectors.

Roofing

Rural prosperity, sound agricultural policies and liquidity give long term strength to the roofing market. There are estimated 25 crore^ buildings in India. Of these, 46% are considered to have pucca roofs. The rest 54% are made of thatch (temporary kuchcha roofing) and clay tiles. Usage of clay tiles is shrinking due to non-availability of raw material. Amongst pucca buildings, less than half have RCC slabs. Majority are made with ready-to-use roofing products which include Fibre Cement Roofing and metal roofing. Some roofs are also made using bricks and stone. A kuccha roof owner has aspirations, seeks security and desires to graduate to a pucca roof.

Metal Roofing



The cost of a pucca roof using Fibre Cement Roofing is 1/3rd the cost of an RCC ceiling slab. The market for Fibre Cement Roofing today is estimated to be ₹3,500 crores and for metal roofing ₹3,600 crores. India's demand for housing and infrastructure continues to grow.

Acoustic Ceilings

The demand for Fibre Cement Roofing during the year was lower than the normal growth rate trend on account of erratic monsoon, delays in housing starts and CAPEX decisions. This year has seen an increase in agricultural production, good crop prices and a buoyant rural economy, which is likely to boost volume growth, to maintain the past trend of CAGR 14%.

Boards and Panels

In the backdrop of rising concerns for green house gas emissions and depleting fossil fuels, the concept of green buildings is gaining momentum in India. Trade acceptance for Fibre Cement Boards as a substitute for plywood and gypsum boards is growing. Increasingly, Fibre Cement Boards and panels are being recommended by architects, interior decorators and contractors due to energy efficient parameters (good sound & thermal insulation), high strength, dimensional stability in interior & exterior applications, and resistance against termite and moisture.

The Indian boards industry is highly fragmented. Boards made of different material such as wood, plywood, gypsum, calcium silicate and fibre cement have been introduced in the market within the last decade. Today, at ₹5000 crores**, the wood based product industry dominates the market.

* Source PMEAC
** Source www.fipp.org
^ Source Census data

Designer Ceilings

The usage of other kind of boards in India is yet at a very nascent stage - Fibre Cement Boards (₹225 crores**), Gypsum Boards (₹530 crores**) and Calcium Silicate (₹50 crores**). However, it is growing rapidly with new product variants being introduced everyday to cater to specific customer requirements.

Acceptance level of new age Everest Fibre Cement Boards is increasing against traditional brick wall system. Your company also makes Solid Wall Panels. These high-quality sandwich panels facilitate rapid construction and maximise space utilisation, while offering excellent durability. There is an increase in demand for Everest Fibre Cement Boards and Solid Wall Panels in Infrastructure projects, central & state driven low cost housing, slum rehabilitation, rural sanitation projects, high end hospitals, hotels, corporate buildings and retail segment.

Operations

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

During the year, your Company produced 508137 MT of roofing, an increase of 2.66% over last year. The production of Roofing Sheet line at Bhagwanpur Works, Roorkee was disrupted due to heavy rains for 28 days during September-October, 2010.

Everest Fibre Cement Boards are produced at Lakhmapur Works, Nashik, Maharashtra (West), and Bhagwanpur Works, Roorkee, Uttarakhand (North). There are four major players in the Fibre Cement Boards industry, and Everest is a major player. Our installed capacity for Boards and Panels is 1,36,000 MT and markets are expanding. This year witnessed an 11.60% growth in the sales of Boards over last year. The Solid Wall Panel sales grew by 106%.

Your Company received the CAPEXIL Award (Special Exports Award) during the FY2010-11.

Everest Industries Limited received the CAPEXIL Award in 2010-11 (Special Exports Award)

Cost of goods sold increased on account of the increase in fibre prices (10%). Increase in raw material costs was primarily on account of changes in product mix and input costs. Manpower cost during the year was ₹69.36 crores (9.61% of sales) as compared with ₹63.02 crores (9.66% of sales) in the previous year. Freight stood at ₹57.14 crores (7.92% of sales) as compared with ₹45.37 crores (6.95% of sales) in the previous year.

All plants undertook initiatives to improve productivity and reduce costs and rejections. During the year, upgradation of Roofing Line was started at Kymore works. The new Roofing Line will be commissioned by Dec, 2011 and will improve quality and productivity of the Line. Continuous process improvement and training of the workmen has resulted in an increase of production volume upto as high as 18% on some production lines.

Overall the building products division registered a revenue growth of 6.20%.

**Market estimates

Opportunities, Risks, Threats and Concerns

The construction industry accounts for 8% of India's GDP. It is a priority on the Government's agenda to increase industrialisation, infrastructure development and inclusive growth. This, as a result, will increase liquidity, rural prosperity and the demand for building products. Rapid industrialisation and the need for faster construction techniques are creating an opportunity for modern building products. Deeper penetration into these potential markets while encouraging the adoption of modern construction techniques provides unlimited opportunities to your Company. The industry expects stable growth in coming years. Cement, pulp, imported fibres and fly ash are the main raw materials for our fibre cement products. Raw materials form 70% of the cost of goods sold. Crysotile fibre is imported from CIS countries, Brazil and Canada, and witnessed a 10% increase in prices. Everest has a long standing healthy relationship with its raw material vendors to ensure regular and stable supplies.

Hi-Tech Roofing

Everest also manufactures Hi-Tech Roofing Sheets. These are made by substituting Crysotile fibre with imported synthetic fibre. The demand for Everest Hi-Tech Sheets continues to grow. The product requires special handling and erection techniques.

Our technical teams provide regular training to industry known contractors to familiarise them with new products.

To offer a large variety of roofing options to our consumers, we have widened our product portfolio by including polycarbonate sheets, coloured and bare galvanised metal roofing in various profiles, and roof

Siding

accessories. This has enabled our sales teams to offer a wider palette of roofing solutions to serve complex customer requirements. Growth in these products is dependent on new industrial projects and expansions. We expect them to gather momentum in the coming years.

Foreign exchange volatility impacts the cost price of our imported fibre. Last year saw a strengthening of INR/USD which reduced our import cost.

Everest exported goods worth ₹48.36 crores last year and we undertake simple currency hedging to prevent reduction in margins on exports.

There are many misconceptions about one of our raw materials, asbestos. We use white asbestos (Crysotile) fibre bound in a cement matrix while manufacturing AC Roofing. Crysotile is a naturally occurring mineral, mined and imported in pallets from developed and environmentally conscious 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. Your Company ensures the highest level of safety for its employees and the community.

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

A writ petition was filed in the Honourable Supreme Court under Article 32 of the Constitution of India in 2004 by Kalyaneshwari (a registered society) to immediately ban all use of asbestos in any manner whatsoever due to harmful effect of asbestos.

In its landmark judgement, the Honourable Supreme Court observed:

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

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

3. The court observed that this was instituted at the behest of rival industrial group which was interested in banning of the manufacturing of asbestos based product. A definite attempt was made to secure a ban on these activities with the ultimate intention of increasing the cast and ductile iron products market. Thus, it was litigation initiated with ulterior motive of causing industrial imbalance and financial loss to the asbestos product industry.

4. Asbestos based products are manufactured under the stringent norms of the Environment Protection Act, 1986, and work zone standards under the Factories Act, 1948.

The court also dismissed the petition and imposed penalties on the petitioner.

#Copy of the complete Supreme Court Judgement is available at www.everestind.com

Access Floor

STEEL BUILDINGS DIVISION

The Indian steel building industry grew by over 10% in 2010-11. The growth in Pre-engineered building industry was over 20%. Today, more Architects and Structural Consultants are recommending Pre-engineered buildings for their projects. The main benefit is erection of a strong long-lasting building with minimal on-site work and accelerated speed of construction as compared to conventional structures.

Pull Through Welding Machine

A Pre-engineered building is at least 50% faster than a conventional building. Infrastructure projects such as airports, cargo hubs, schools, metro rails (such as DMRC, Bangalore Metro, Chennai Metro), Indian Railways, power plants and power plants equipment manufacturers are increasingly using these buildings. Traditional industrial sectors like pharma, automobile engineering, FMCG industry are also increasing capacity. These high-growth segments will boost the demand for Pre-engineered buildings in coming years.

The growth in warehousing and cold storage industry has a positive impact on PEB industry. Warehousing accounts for 20% of the Indian logistics industry and has grown at a rate of 35%. India spends 15%-20% of its GDP on logistics. This is much higher as compared with an average of 8%-10% in other developing countries with better infrastructure. Public and private sector companies are now investing in better logistics support to reduce costs. This will generate further demand for Pre-engineered buildings.

The steel building segment of your Company grew by 29.30% and delivered an EBIT of ₹5.86 crores as compared with last year's loss of ₹8.16 crores. The division achieved a turnover of ₹161.23 crores as compared with ₹124.69 crores last year. Everest's market share in this segment is about 5%. During the year 2011-12, Everest Steel Buildings will hand over its 500th PEB building.

EIL was awarded the prestigious CIDC Vishwakarma Award 2010-11 for outstanding industry performance

Operations

There are over ten organised PEB manufacturers in India, of which the top 5 constitute 70% of the market. Demand has grown by 20% and is expected to accelerate in the coming years. Current industry capacity is 1.5 million MT which has rapidly expanded from 1 million MT in 2009 in anticipation of the growing demand. The division supplied 21,000 MT of steel buildings and components this year.

PEB Factory Building

Multi-torch Cutter Machine

Opportunities, Risks, Threats and Concerns

The PEB sector is growing at 20% due to strong demand from industrial and infrastructure sectors and from traditional users of RCC/structural steel buildings who are now converting to modern technologies like PEB. The emergence of new segments, logistics industry and Power plants will add to the demand of PEBs.

Volatility in steel prices poses a risk for the industry as most PEB contracts are fixed price contracts. Your company has strong purchasing and inventory policies to minimize the impact of changes in steel prices against building contracts undertaken. The division has developed strong vendor relationships to ensure regular supply of good quality material.

The high demand for PEBs and high growth rate of the industry has attracted new players in this segment. This increase in industry capacity has put pressure on pricing margins. Your company is geared to provide better service and higher quality of product to remain in the top choice set of customers.

The development of local vendors and higher quality indigenous raw material has reduced the import content of our finished product. This reduces the effect of foreign exchange volatility on the steel buildings business of your company.

EXPANSION AND GROWTH PLANS

This year, your Company will initiate more productivity and efficiency enhancement programs. With an improved ERP system and stronger process controls, we plan to further increase volumes and reduce costs.

Your Company has decided to set up a Fibre Cement Roofing plant in Balasore, Orissa with a capacity of 100,000 MT at a capex of ₹50 crores.

HUMAN RESOURCES

Skill based initiative and quality training has been the prime focus of HR initiatives in your company. Additional impetus was given for training front line sales, technical and field personnel for better customer interface. Leadership training programmes and internal trainer development has also been a focus. Officers are being sponsored for established Management Programmes in various reputed Institutes in the country. More emphasis has been laid on delegation and empowerment for achieving results. In addition to the Employee Stock Options Scheme, new programmes have been instituted to reward and recognize high performers who have significantly contributed to the growth of your company.

Rooflight

TOP MANAGEMENT APPOINTMENTS

On June 21, 2010, Mr. A V Somani was appointed Chairman of your company. Managing Director, Mr. M L Gupta, superannuated on September 30, 2010. Under his distinguished leadership Everest Industries Ltd. grew by leaps and bounds and we place on record his significant contribution. He will continue to guide the company and remain a member of the Board of Directors as Vice Chairman. Executive Director and COO, Mr. Manish Sanghi, was appointed as the Managing Director of Everest Industries Ltd. on October 1, 2010.

CORPORATE SOCIAL RESPONSIBILITY

The teams at Everest Plants and Everest Offices actively participate in the welfare and upliftment of their respective communities. On special occasions and commemorative days, programmes are organized to benefit members of the neighbourhood and provide internal satisfaction and joy to our people.

Everest employees distributing food packets to the medical staff

A few important projects undertaken by various plants and offices:

On the occasion of World Environment Week, tree plantation drives within factory premises and nearby areas. Providing shelter by supplying roofing sheets to less privileged villagers and tribals of Devtham Village, Distt. Nashik. Supporting the Nationwide Polio Immunisation Drive by providing hospitality to medical staff and doctors engaged for the camp. Blood Donation Camps, Anti Tobacco Camps and Health Checkups.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Everest is committed to ensure effective internal controls. Your Company strives to provide assurance on the efficiency and efficacy of operations and the security of assets.

The internal control environment across various functions and the status of compliance with operating systems, internal policies, accounting procedures and regulatory requirements, is continuously monitored to maintain adequacy and effectiveness. The Internal Audit department functions independently and reports to the Audit Committee which periodically reviews and implements the suggestions.

Solid Wall Panels

RISK MITIGATION

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

RESEARCH AND DEVELOPMENT

Everest supports research on improvement of product quality and new product development. Feedback from our sales teams in India and overseas enables them to understand changes in the market requirements and develop products to satisfy customer needs. The R & D department undertakes

Dry Walls

vigorous tests as per the international norms and standards to continually upgrade our offerings to the market. R & D initiatives in the last year have resulted in cost savings and product quality enhancement.

HEALTH AND SAFETY

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

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's expectations, objectives and industry outlook and

Everest Fibre Cement Boards Plant at Lakhmapur

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

PROJECTS


Everest Smart Steel Buildings used at Ansal IT Campus, Lucknow


Everest Fibre Cement Boards used in Cladding at Lavasa, Pune


Everest Fibre Cement Boards used for
Internal Wall Partitions at Baby Memorial Hospital, Calicut

Everest PEB used at Parksons Packaging, Pantnagar


Everest Fibre Cement Boards used for False Ceilings and Walls at Swissôtel, Kolkata


Everest Fibre Cement Boards used to make False Ceilings at Shreedharan Eye Hospital, Mumbai


Everest PEB used at Arvind Castings, Una


Everest Fibre Cement Boards used for False Ceilings at Space Mall, Calicut


Everest PEB used at MJ Logistics, Palwal

Notice

Notice is hereby given that the Seventy Eighth Annual General Meeting of the Members of Everest Industries Limited will be held at the Registered Office of the Company at GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra) on Friday, the 22nd July, 2011 at 11.30A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the financial year ended 31st March 2011, the Balance Sheet as at that date, the Auditors' Report and the Directors' Report thereon.
2. To declare dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. Mohanlal Bhandari, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sandeep Junnarkar, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Naga Veera Srinivasa Rao Yenduri (known as Mr. Y. Srinivasa Rao), who retires by rotation and, being eligible, offers himself for re-appointment.
6. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS

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

   "RESOLVED THAT in accordance with the provisions of Section 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, the Articles of Association of the Company and subject to all applicable approval(s) as may be required, the consent of the Company be and is hereby accorded to the payment of commission for a period of five years commencing from 1st April 2011, to the non executive Directors of the Company as may be decided by the Board from time to time provided that the total commission payable to the non executive Directors per annum shall not exceed one percent of the net profits of the Company as computed in the manner referred to under Section 198(1) of the Companies Act, 1956, with authority to the Board to determine the manner and the proportion in which the amount be distributed among the non executive Directors."

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

   "RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 [including any statutory modification(s) or re-enactment thereof] and other Regulations/Guidelines prescribed by the Securities and Exchange Board of India or any other relevant authority, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and in accordance with the provisions of the Articles of Association of the Company and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter to be referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to grant to such employees as are in the permanent employment of the Company in the management staff, at the time the grant is made including to the Managing /Whole-time Directors of the Company, as may be decided solely by the Board, not exceeding 180,000 (One Lac Eighty Thousand) Options under the Employees' Stock Option Scheme (ESOS-2011) during the financial year 2011-2012, each such Option being convertible into one Equity Share of face value of Rs.10/- each on payment of such exercise price as may be decided by the Board and therefore to issue or allot such number of Equity Shares of the Company, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions, as the Board may decide, provided that the Shares so allotted shall not exceed 180,000 (One Lac Eighty Thousand) Equity Shares in the Company.

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

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

9. 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 sub-section (2A) of Section 149 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the shareholders of the Company be and is hereby accorded for the commencement , at such time or times as the Board of Directors may deem fit, of all or any of the businesses stated in new sub-clause 16A of Clause III of the Memorandum of Association of the Company given below :

   (16A) To carry on the business of generation, distribution, trading and transmission of electrical power by conventional or non-conventional methods including coal, gas, lignite, oil, bio-mass, bio-fuel, waste, thermal, solar, hydel, geo-hydel, wind and tidal waves and to set up, establish and operate power plants whether for captive use or for commercial sale to industrial, commercial, residential or other consumers and to purchase, sell or otherwise deal in the supply of power directly or through transmission lines of State electricity boards, exchanges or other authorities by entering into appropriate arrangements including power purchase agreements and to apply for licenses and other permissions for generation, distribution, transmission and supply of electrical power."

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

Mumbai, 29th April, 2011

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business set out under the notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16.7.2011 to 22.7.2011(both days inclusive), in connection with the Annual General Meeting and payment of Dividend.
4. The dividend as recommended by the Board of Directors, if approved by the Shareholders at their 78th Annual General Meeting, shall be paid to those members whose names appear on the Register of Members of the Company on 15.7.2011. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on 15.7.2011 as per the details furnished by the respective Depositories for this purpose.
5. In accordance with the Circular issued by SEBI that the ECS facility should mandatorily be used by Companies for distribution of dividend to its members, your Company has sent the required forms and details to all the members on various occasions. Those members, who have not yet sent the duly filled in ECS form to avail of the benefits of this facility are once again requested to send the same at the earliest.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unpaid/unclaimed for a period of 7 years would be transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government and Member(s) would not be able to claim any amount of dividend so transferred to the Fund. As such, Member(s) who have not yet encashed his/their dividend warrant(s) is/are requested in his/their own interest to write to the Company immediately for claiming the outstanding dividend declared by the Company for the year ended 31.3.2005 and onwards.
7. As per the provisions of the Companies Act, 1956, the facility for making nominations is now available to the Shareholders in respect of the equity shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents, viz. M/s. MCS Ltd., F-65, Okhla Industrial Area, Phase-I, New Delhi-110020.
8. A brief resume, expertise, shareholding in the Company and other disclosures pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting, are given in the annexure to this Notice.
9. Members wishing to seek further information or clarification on the Annual Accounts or operations of the Company at the Meeting are requested to send their queries at least a week in advance of the date of the Meeting addressed to the Company Secretary & Head-Legal at the following address:

   Everest Industries Limited,
   'Genesis', G-1, A-32, Mohan Co-operative Industrial Area, Mathura Road, New Delhi - 110 044.
10. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies and has issued Circulars No.17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. The Company proposes to send the documents to its Members like notices, annual report, etc. in electronic form. Members are requested to provide their email ID to the depositories who are holding their shares in demat form and the members who are holding their shares in physical form may send the duly filled in form to our Registrar M/s MCS Ltd. at F- 65, Okhla Industrial Area, Phase-I, New Delhi- 110020 for sending the documents in electronic form. The form is enclosed with the Annual Report and also uploaded on the company's website www.everestiind.com.

EXPLANATORY STATEMENT

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

Item No. 7

In the current competitive business environment, the Directors are required to take far more complex business decisions than before and are required to commit their time and provide expertise for the Company's business.

In consideration of the contributions made by the Directors in furthering the interests of the Company by their expert advice and able guidance not only at the Board Meetings but also between Board Meetings, the members had, in the 73rd Annual General Meeting held on 26th July, 2006, authorized payment of a commission not exceeding 1% of the net profits of the Company to non executive Directors for a period of 5 years commencing from 1st April 2006.

In accordance with the provisions of Section 309 of the Companies Act, 1956 such approvals are renewable by the shareholders after the expiry of five years. Accordingly, the resolution is placed before you for your consideration.

All non-executive Directors may be considered to be interested in the passing of this resolution as it relates to the payment of commission to them.

Item No. 8

The Board of Directors of your Company has decided to introduce an Employees' Stock Option Scheme for the Financial Year 2011-2012 (ESOS-2011) in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereafter referred to as "SEBI Guidelines") with the objective of strengthening employee bonds with the Company and creating a sense of ownership. Your Board felt it appropriate to extend ESOS to management staff, including Managing Director and Whole-time Directors in order to motivate and retain the best talents.

Clause 6.1 of SEBI Guidelines requires the approval of the Company's Shareholders by means of a Special Resolution for allotment of shares to employees of the Company under ESOS. The Special Resolution is set out at Item No.8 of the Notice.

The information required as per Clause 6.2 of SEBI Guidelines for ESOS-2011, is given below :

(a) Total number of Options to be granted –

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

(b) Class of employees eligible for ESOS – 2011

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

(c) Vesting of Options –

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

(d) Exercise period and process of exercise –

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

(e) Exercise Price –

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

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

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

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

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

(h) Adjustments in case of Corporate Actions –

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

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

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

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

Monitoring and Administration:

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

The decision of the Remuneration Committee of Directors on all matters/issues pertaining to said ESOS-2011 scheme shall be final and binding on the concerned employees of the Company.

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the Subscribed Capital of a Company by the allotment of further shares, such further shares shall be offered to the persons who on the date of offer are holders of the Equity Shares of the Company in proportion to the paid-up capital unless the Members in General Meeting decide otherwise. The consent of the Members is, therefore, sought to authorize the Board of Directors to issue the Equity Shares in the manner set out in the Resolution at Item No.8 . The Special Resolution proposed to be passed is as per and in accordance with the said Guidelines.

The Board, therefore, commends the resolution set out in the Item No. 8 as Special Resolution.

The Managing Director and Whole-time Directors of the Company may be deemed to be concerned or interested in the Resolution at Item No.8 to the extent of the Equity Shares that may be offered to them under the said Scheme. None of the other Directors are concerned or interested in the said item of business.

Item No. 9

The rising power tariffs have significantly added to the Company's power costs. It is found that the cost of electricity is substantially high at the Company's works at Podanur in the State of Tamil Nadu, where the Company is presently engaged in the manufacture of fibre cement roofing sheets. The Board of Directors is of the view that it is in the larger long term interest of the Company to set up a power plant, primarily for captive use at or near its works' site at Podanur. The present proposal is to set up a 10MW power plant at Podanur, which will adequately serve the Company's estimated power needs at those works. In case there is surplus power generation, then the Company would consider selling the excess power to the State grid. The sale of surplus power will be regarded as a new business.

This line of business is set out in the new sub-clauses (16A) of Clause III sought to be inserted in the Objects clause of the Company's Memorandum of Association as set out in the Special Resolution at Item 1 of the Postal Ballot Notice dated 29.3.2011, the result of which shall be declared on 19th May, 2011. Accordingly, for commencement of this business, the Special Resolution at Item No. 9 of the Notice is proposed for consideration by the members, subject to new sub-clause 16A being passed by the requisite majority of votes of members through the aforesaid postal ballot on 19th May, 2011. The Board of Directors would decide the opportune time to embark on these business activities.

The said new business may not be regarded as germane to the existing business of the Company. Accordingly, in terms of Section 149(2A) of the Companies Act, 1956, it is necessary to pass a Special Resolution in general meeting to enable the Board of Directors to commence all or any of the said activities at an appropriate time.

The Board of Directors recommend the Special Resolution for acceptance by the members.

None of the Directors is, in any way, concerned or interested in the Special Resolution.

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

Mumbai, 29th April, 2011

ANNEXURE TO NOTICE DATED 29TH APRIL, 2011– ITEM NOS. 3, 4 & 5
DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE
FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

<table>
<tr><td>Name of Director</td><td>Mr. Mohanlal Bhandari</td><td>Mr. Sandeep Junnarkar</td><td>Mr. Naga Veera Srinivasa Rao Yenduri</td></tr>
<tr><td>Date of Birth</td><td>15.11.1948</td><td>02.07.1951</td><td>16.06.1963</td></tr>
<tr><td>Date of appointment</td><td>07.07.2004</td><td>07.11.2005</td><td>23.04.2007</td></tr>
<tr><td>Expertise in specific functional areas</td><td>Finance, Accounts & Taxation</td><td>Advocate & Solicitor</td><td>Manufacturing Operations</td></tr>
<tr><td>Qualifications</td><td>B.Com., FCA</td><td>B.Sc (Hon), LLB</td><td>B.Sc. Engg. (Mech)</td></tr>
<tr><td>List of Directorship held in other Companies as on 31st March, 2011</td><td>MGB Consulting Pvt. Ltd.</td><td>1. Excel Crop Care Limited
2. IL&FS Infrastructure Development Corporation Limited
3. Jai Corp. Limited
4. Jai Realty Ventures Limited
5. Reliance Industrial Infrastructure Limited
6. Reliance Industrial Investments & Holdings Limited
7. Reliance Ports and Terminals Limited
8. Sterlite Energy Limited
9. Sterlite Industries (India) Limited
10. Sunshield Chemicals Limited</td><td>Everest Building Solutions Ltd.</td></tr>
<tr><td>Chairman/Member of the Committees of the Board of Public Companies on which he is a Director as on 31st March, 2011 (Mandatory only).</td><td>None</td><td>1. Reliance Industrial Infrastructure Limited – Audit Committee (Member)
2. Sterlite Energy Limited - Audit Committee (Member)
3. Sterlite Industries (India) Limited - Audit Committee (Member)
4. Reliance Industrial Infrastructure Limited - Shareholders'/ Investors' Grievance Committee (Member)
5. Sterlite Energy Limited - Shareholders'/ Investors' Grievance Committee (Member)
6. Sterlite Industries (India) Limited - Shareholders'/ Investors' Grievance Committee (Chairman)</td><td>None</td></tr>
<tr><td>Shareholding in the Company as on 31.3.2011.</td><td>NIL</td><td>NIL</td><td>43538</td></tr>
<tr><td>Relationship with other Directors</td><td>None</td><td>None</td><td>None</td></tr>
</table>

To The Members of

Everest Industries Limited

Your Directors have pleasure in presenting their Seventy Eighth Annual Report together with the Audited Statement of Accounts for the financial year ended March 31, 2011.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Net Sales Turnover	72,158.77	65,253.42
Other Income	1,315.59	962.73
Profit before Depreciation & Interest	7,746.71	7,003.17
Less:		
– Depreciation	1,889.60	1,836.54
– Interest	539.03	995.20
Profit before Tax	5,318.08	4,171.43
Less:		
– Current Tax	1,318.69	708.94
– Deferred Tax	(70.95)	676.75
– MAT	–	(215.53)
Profit after Tax	4,070.34	3,001.27
Add: Surplus of earlier years brought forward	8,150.31	6,239.05
Profit available for Appropriation	12,220.65	9,240.32
Appropriations:		
General Reserve	410.00	310.00
Dividend	686.94	666.70
Tax on Distributed Profits	108.90	113.31
Surplus carried to Balance Sheet	11,014.81	8,150.31

DIVIDEND

Your Directors are pleased to recommend a dividend of 45% i.e. Rs.4.50 per equity share of Rs.10/- each. The total quantum of dividend, if approved by members, will be Rs. 679.09 Lacs, while Rs.110.16 Lacs will be paid by the Company towards dividend tax and surcharge on the same on the equity shares of the Company as at 31st March, 2011. Dividend will be tax free in the hands of the shareholders.

OPERATIONS REVIEW

Net Sales Turnover was Rs. 721.59 crores as compared to Rs.652.53 crores during the previous year. The profit after tax for during the year at Rs. 40.70 crores was higher as compared to the previous year.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) that in the preparation of the annual accounts for the year ended 31st March 2011, 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, 2011 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. Mohanlal Bhandari, Director, Mr. Sandeep Junnarkar, Director and Mr. Naga Veera Srinivasa Rao Yenduri, Executive Director (Operations), retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

FIXED DEPOSITS

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

AUDITORS

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

CORPORATE GOVERNANCE

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

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

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

PARTICULARS OF EMPLOYEES

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

EMPLOYEES' STOCK OPTION SCHEMES

Your Company has already implemented the ESOS-2006, ESOS-2007, ESOS-2008, ESOS-2009 & ESOS 2010. Details of these Employees' Stock Option Schemes, as required under the SEBI Guidelines, are set out in Annexure - C to the Directors' Report and forms an integral part of this Report.

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

MANISH SANGHI
Managing Director

Y. SRINIVASA RAO
Executive Director (Operations)

Mumbai, 29th April, 2011

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 Compressors, Pumps, Vacuum Pumps, Hydro-Pulper and Refiners installed
- Installed energy efficient lightings.
- Productivity improvement to bring down KWH/MT of production.

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

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

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

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

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

Form - A

A	Power and fuel consumption	2010-11	2009-10
1	Electricity		
	(a) Purchased (Units in Lakhs)	300.29	306.11
	Total amount (Rs. In Lakhs)	1545.69	1440.72
	Rate/unit	5.15	4.71
	(b) Own generation		
	(i) Through diesel generators (Units in Lakhs)	62.34	40.11
	Total amount (Rs. In Lakhs)	728.94	463.33
	Rate/unit	11.69	11.55
2	Furnance oil		
	Quantity (In Lakh k.Liters)	1110.00	1833.51
	Total amount (Rs. In Lakhs)	333.04	431.76
	Average rate (Rs/Liter)	30.00	23.55
3	Solid Fuel (Briquettes) :		
	Quantity (In Tonnes)	4164.75	624.82
	Total amount (Rs. In Lakhs)	166.33	24.43
	Average rate (Rs/Kg)	3.99	3.91
B	Consumption per unit of production		
	(a) CBS UT Roofing sheets		
	Electricity (kWh/000'm2n)*	379	363
	(b) Non-Asbestos Hitech Roofing sheets		
	Electricity (kWh/000'm2n)*	622	517
	(c) Flat Boards		
	Electricity (kWh/000'm2n)*	802	824
	Furnance oil (k Liters/000'm2n)*	0.099	0.166
	Solid Fuel [Briquettes] (MT / '000m2n)	0.375	0.475

*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:

- Fibre Cement boards for Special applications.

- Composite Panel for floor application for both domestic and international market.
- Paint coating systems for both corrugated and designer boards.
- High performance roofing sheets and fibre cement boards.
- Use of alternative raw materials to bring down the cost and improve characteristics of boards.

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

- Satisfied customers and improved brand image in the domestic market.
- Reduced rejects.
- Able to penetrate strongly into international market and also able to increase the sales volume in international market by meeting the various international specs.
- New products for new applications.
- Cost savings.

c) Future Plan of Action:

- Development of boards for needs of building industry for quicker construction.
- Development of High strength products.
- Development of high performance boards for wet area application.
- Use of new processing methods to improve raw material characteristics and their by improved strength in finished products.
- Development of new designer boards
- Use of new fibres for reinforcement.

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

		Current Year	Previous Year
(i)	Capital	2.09	4.26
(ii)	Recurring	73.84	91.53
(iii)	Total	75.93	95.79
(iv)	Total R & D expenditure as a percentage of total turnover	0.10 %	0.14 %

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

– Improved product quality and productivity of corrugated roofing sheets

– Improved product quality and productivity of Flat Boards.

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

– Product performance improvement

– Customer satisfaction.

– Cost reduction in the product.

– Help in building brand image.

3) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished

– None

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

During the year under review, export volumes have increased from the previous year by 25%.

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

	Current Year	Previous Year
Foreign Exchange Earnings	4,835.62	3,875.45
Foreign Exchange Used	18,130.52	14,579.53

For and on behalf of the Board

MANISH SANGHI
Managing Director

Y. SRINIVASA RAO
Executive Director (Operations)

Mumbai, 29th April, 2011

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, 2011.

1) Employed for full year and in receipt of remuneration of not less than Rs.60,00,000/- per year

Sr. No.	Name	Designation & Nature of duties	**Qualification**	Age in years	Experience in years	Remuneration Gross (Rs.)	Date of commencement of Employment	Last Employment / Designation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Sanghi Manish *	Managing Director	B.E. (Mech), PGDM (IIM)	48	25	1,40,10,220	16.01.2001	Delphi Automotive Systems Ltd. (General Manager-Marketing & Planning)
2.	Rao Y. Srinivasa	Executive Director (Operations)	B.Sc. Engg. (Mech)	47	25	1,50,66,900	20.08.1997	Samcor Glass Ltd. (Manager)
3.	Garg Manish Kumar	President (SBS)	Diploma in Engineering, AMIE	38	20	82,16,700	20.04.2007	Interarch Building Products P. Ltd. (General Manager-Marketing)

2) Employed for part year and in receipt of remuneration of not less than Rs.5,00,000/- per month.

Sr. No.	Name	Designation & Nature of duties	**Qualification**	Age in years	Experience in years	Remuneration Gross (Rs.)	Date of commencement of Employment	Last Employment / Designation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Somani A.V.	Chairman	M.Com, MBA	37	20	73,58,939	21.6.2010	White Knight Constructions India Pvt. Ltd. (Director)
2.	Gupta M.L. **	Managing Director	B.Tech. (Hons)	70	48	1,47,89,354	08.07.2002	ACC Ltd. (President)

* Mr. Manish Sanghi was COO & Director till 30.9.2010 and was appointed as Managing Director of the company w.e.f. 01.10.2010.

** Mr. M.L. Gupta was Managing Director of the company till 30.09.2010 and was appointed as Director designated as Vice Chairman w.e.f. 01.10.2010.

Notes :
(i) Gross Remuneration shown above is subject to tax and comprises of salary, allowances, incentives, monetary value of perquisites, company's contribution to provident fund, officer's superannuation fund, performance incentives/commission.
(ii) In addition to above remuneration, employees are entitled to gratuity, medical benefits etc. in accordance with the Company's rules.
(iii) All the above employments are contractual in nature.
(iv) None of the above employees are related to any Director of the Company.

For and on behalf of the Board

MANISH SANGHI
Managing Director

Y. SRINIVASA RAO
Executive Director (Operations)

Mumbai, 29th April, 2011

Annexure-C to Directors' Report

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

Pursuant to the Special Resolutions passed by the shareholders through Postal Ballot result of which was declared on 8th September, 2006, in the Annual General Meetings of the Company held on 27.07.2007, 25.07.2008, 29.07.2009 and 29.7.2010, the Remuneration Committee of the Directors have granted Stock Options to eligible employees and Wholetime Directors for the financial years 2006-2007, 2007-2008, 2008-2009, 2009-2010 and 2010-2011 respectively. The employees are entitled to get one equity share per option. The details of the Stock Options are given here below :

Sr. No.	Description	Particulars of ESOS-2006	Particulars of ESOS-2007	Particulars of ESOS-2008	Particulars of ESOS-2009	Particulars of ESOS-2010
A.	Options granted	1,47,420 options were granted to the employees and Directors of the Company as on 22.03.2007.	1,48,000 options were granted to the employees and Directors of the Company as on 30.01.2008.	1,44,850 options were granted to the employees and Directors of the Company as on 29.01.2009.	1,40,000 options were granted to the employees and Directors of the Company as on 27.01.2010.	1,47,705 options were granted to the employees and Directors of the Company as on 18.01.2011.
B.	Pricing formula	@ Rs.90/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/ NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.90/- per share, the closing price on BSE on March 21, 2007 was Rs. 89.75)	@ Rs.98/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/ NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.98/- per share, the closing price on BSE on January 29, 2008 was Rs. 98.00)	@ Rs.52/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/ NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.52/- per share, the closing price on BSE on January 28, 2009 was Rs. 51.95)	@ Rs.169/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/ NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.169/- per share, the closing price on BSE on January 25, 2010 was Rs. 168.55).	@ Rs.174/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/ NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.174/- per share, the closing price on BSE on January 17, 2011 was Rs. 173.35).
C.	Options vested	28,600	34,661	21,410	1,10,800	NIL
D.	Options exercised	81,250	92,924	1,09,980	NIL	NIL
E.	The total number of shares arising as a result of exercise of options.	81,250	92,924	1,09,980	NIL	NIL
F.	Options Lapsed	37,570	20,415	13,460	29,200	NIL
G.	Variation of terms of options	NIL	NIL	NIL	NIL	NIL
H.	Money realized by exercise of options.	Rs. 73,12,500	Rs. 91,06,552	Rs. 57,18,960	NIL	NIL
I.	Total number of options in force.	28,600	34,661	21,410	1,10,800	1,47,705
J.	Details of options granted to :					
	(i) Senior Managerial Personnel:					
	(a) Mr. Manish Sanghi, Managing Director	16,000	16,000	15,000	15,000	20,000
	(b) M. L. Gupta, Director	16,000	16,000	15,000	15,000	–
	(c) Mr. Y. Srinivasa Rao, Executive Director (Operations)	10,000	16,000	15,000	15,000	15,000
	(d) Mr. Manish Garg, President (ESBS)	–	10,000	10,000	7,000	7,000
	(e) Mr. Rakesh Kumar Gupta, Sr. Vice President (Finance)	–	–	5,000	5,000	7,500

<table>
<tr><td>Sr. No.</td><td>Description</td><td>Particulars of ESOS-2006</td><td>Particulars of ESOS-2007</td><td>Particulars of ESOS-2008</td><td>Particulars of ESOS-2009</td><td>Particulars of ESOS-2010</td></tr>
<tr><td></td><td>(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.</td><td>None</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td></td><td>(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.</td><td>None</td><td>None</td><td>None</td><td>None</td><td>None</td></tr>
<tr><td>K.</td><td>Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.</td><td colspan="5">Rs. 27.10</td></tr>
<tr><td>L.</td><td>i) Method of calculation of employee compensation cost.</td><td colspan="5">The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost as per the intrinsic value method for the financial year 2010-11.</td></tr>
<tr><td></td><td>ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.</td><td colspan="5">The employee compensation cost would have increased by Rs. 81.99 lakhs</td></tr>
<tr><td rowspan="8"></td><td rowspan="8">iii) The impact of this difference on Profits and on EPS of the Company.</td><td colspan="5">The effect of adopting the fair value method on the net income and earnings per share is presented below:</td></tr>
<tr><td colspan="3"></td><td colspan="2">(Rs. in lakhs)</td></tr>
<tr><td colspan="3">Net Income reported</td><td colspan="2">4,070.34</td></tr>
<tr><td colspan="3">Add: Intrinsic Value Compensation Cost
– Employees Stock Option Scheme 2009
– Employees Stock Option Scheme 2010
Less: Fair value Compensation Cost (Black Scholes Model)
– Employees Stock Option Scheme 2009
– Employees Stock Option Scheme 2010</td><td colspan="2">
–
–

62.17
19.82</td></tr>
<tr><td colspan="3">Adjusted Net Income</td><td colspan="2">3,988.35</td></tr>
<tr><td colspan="3">Earning Per share</td><td>Basic (Rs)</td><td>Diluted (Rs)</td></tr>
<tr><td colspan="3">As reported</td><td>27.10</td><td>27.10</td></tr>
<tr><td colspan="3">As adjusted</td><td>26.55</td><td>26.55</td></tr>
<tr><td>M.</td><td>Weighted average exercise price and weighted average fair value of Options for options whose exercise price either equals or exceeds or is less than the market price of the stock.</td><td>Options whose exercise price is equal to the market price:
Weighted average exercise price: Rs.90.00
Weighted average fair value: Rs.25.83</td><td>Options whose exercise price is equal to the market price:
Weighted average exercise price: Rs.98.00
Weighted average fair value: Rs.38.16</td><td>Options whose exercise price is equal to the market price:
Weighted average exercise price: Rs.52.00
Weighted average fair value: Rs. 16.17</td><td>Options whose exercise price is equal to the market price:
Weighted average exercise price: Rs.169.00
Weighted average fair value: Rs. 68.04</td><td>Options whose exercise price is equal to the market price:
Weighted average exercise price: Rs.174.00
Weighted average fair value: Rs. 66.18</td></tr>
</table>

Sr. No.	Description	Particulars of ESOS-2006	Particulars of ESOS-2007	Particulars of ESOS-2008	Particulars of ESOS-2009	Particulars of ESOS-2010
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:	7.97%	7.59%	6.15%	7.42%	8.06%
	(ii) expected life:	5 years	5 years	5 years	5 years	5 years
	(iii) expected volatility:	49.93%	54.83%	63.24%	53.30%	44.50%
	(iv) expected dividends :	7.80%	4.22%	7.87%	2.84%	2.60%
	(v) the price of the underlying share in market at the time of option grant:	Rs.89.75	Rs.94.85	Rs.50.85	Rs.158.60	Rs. 173.35

For and on behalf of the Board

MANISH SANGHI
Managing Director

Y. SRINIVASA RAO
Executive Director (Operations)

Mumbai, 29th April, 2011

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

1. The Board consists of 8 Directors out of whom three are Executive Directors and others being Non-Executive Directors. The day to day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors of the Company. None of the Directors is related with each other.
2. In the Financial Year ended 31.03.2011, the Board met 7 times [on 03.04.2010, 24.04.2010, 21.06.2010, 29.07.2010, 25.10.2010, 18.01.2011 and 29.03.2011] with clearly defined agenda, circulated well in advance before each meeting.
3. Attendance record of the Directors for the year ended 31.03.2011 and the number of Directorship and Committee Chairmanship/Membership held by them in other companies is as follows :

Name of Director	No. of Board Meetings attended	Attendance at previous AGM on 29.07.2010	No. of other Directorships held	No. of membership/ chairmanship in other Board/ Committees (Mandatory only)	Executive/ Non-Executive/ Independent
Mr. A.V. Somani *	7	Present	5	1	Executive
Mr. M.L. Gupta **	7	Present	1	Nil	Non Executive
Mr. Mohanlal Bhandari	7	Present	1	Nil	Independent Non Executive
Mr. Sandeep Junnarkar	5	Absent	10	6 (1 as Chairman)	Independent Non Executive
Mr. M.L.Narula	7	Present	5	1	Independent Non Executive
Mr. Amitabh Das Mundhra ***	4	Present	18	1 as Chairman	Independent Non Executive
Mr. Manish Sanghi ****	7	Present	1	Nil	Executive
Mr. Y. Srinivasa Rao	7	Present	1	Nil	Executive

* Mr. A.V. Somani was appointed as Wholetime Director designated as Chairman for a period of three years w.e.f 21.06.2010.

** Mr. M.L. Gupta was Managing Director of the company till 30.09.2010 and was appointed as Director designated as Vice Chairman w.e.f. 01.10.2010.

*** Mr. Amitabh Das Mundhra was appointed on the Board as Additional Director w.e.f. 21.06.2010.

**** Mr. Manish Sanghi was COO & Director of the company till 30.9.2010 and was appointed as Managing Director for a period of 3 years w.e.f. 01.10.2010.

4. <u>CODE OF BUSINESS CONDUCT AND ETHICS</u>

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

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

The Code is posted and available at the website of the Company (www.everestind.com). The declaration signed by the Managing Director to this effect that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2010-11 is appended to this Corporate Governance Report and forms part of the Annual Report.

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

(a) <u>INVESTOR GRIEVANCE / SHARE TRANSFER COMMITTEE</u>

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

Sr. No.	Dates on which Investor Grievance/Share Transfer Committee Meetings were held	Attendance Record of the Members		
		Mr. Mohanlal Bhandari	Mr. A.V. Somani	Mr. M.L. Gupta
1.	29th July, 2010	Attended	Attended	Attended
2.	18th January, 2011	Attended	Attended	Attended

The Committee approved through Resolution by Circulation transfers etc. 17 times in the financial year ended March 31, 2011 and there are no pending shares to be transferred. During the year April 01, 2010 to March 31, 2011, the Company received 8 complaints from shareholders & investors. All the complaints have been resolved to the satisfaction of the complainants except for disputed cases and sub-judice matters, which would be solved on final disposal by the courts. Mr. Neeraj Kohli, Company Secretary & Head-Legal is the Compliance Officer of the Company.

(b) <u>AUDIT COMMITTEE</u>

As on April 01, 2010, the Audit Committee of the Board comprised of Mr. Mohanlal Bhandari (Chairman), Mr. Sandeep Junnarkar (Member), Mr. A.V. Somani (Member) and Mr. M.L.Narula (Member). The following changes took place in the composition of the Audit Committee :

i) Mr. A.V. Somani ceased to be member of the Committee w.e.f. 25.10.2010.

ii) Mr.M.L.Gupta was appointed as member of the Committee w.e.f. 25.10.2010

The Audit Committee of the Board now consists of Mr.Mohanlal Bhandari (Chairman), Mr. Sandeep Junnarkar (Member), Mr.M.L.Narula (Member) and Mr.M.L.Gupta (Member) and all are financially literate, with Mr. Bhandari having accounting or related financial management expertise. Mr.Neeraj Kohli, Company Secretary & Head-Legal is the Secretary to the Committee.

The head of the finance function, head of internal audit and the representative of the statutory auditors, attend the meetings as invitees. The Audit Committee is responsible for the areas specified by Clause 49 of the Listing Agreement and Section 292-A of the Companies Act, 1956, besides other roles as may be referred by the Board of Directors. The dates on which the Audit Committee Meetings were held and the attendance of the Members at the said Meetings are as under :

Sr. No.	Dates on which Audit Committee Meetings were held	Attendance Record of the Members				
		Mr. Mohanlal Bhandari	Mr. Sandeep Junnarkar	Mr. A.V. Somani *	Mr. M.L. Narula	Mr. M.L. Gupta **
1.	3rd April, 2010	Attended	Absent	Attended	Attended	–
2.	24th April, 2010	Attended	Attended	Attended	Attended	–
3.	21st June, 2010	Attended	Attended	Attended	Attended	–
4.	29th July, 2010	Attended	Absent	Attended	Attended	–
5.	25th October, 2010	Attended	Attended	Attended	Attended	–
6.	18th January, 2011	Attended	Attended	–	Attended	Attended
7.	29th March, 2011	Attended	Attended	–	Attended	Attended

* Mr. A.V. Somani ceased to be member of the Committee w.e.f. 25.10.2010.

** Mr. M.L. Gupta was appointed as member of the Committee w.e.f. 25.10.2010.

(c) REMUNERATION COMMITTEE

As on April 01, 2010, the Remuneration Committee of the Board comprised of Mr.Mohanlal Bhandari (Chairman), Mr.Sandeep Junnarkar (Member), Mr. A.V. Somani (Member) and Mr.M.L.Narula (Member). The following changes took place in the composition of the Remuneration Committee :

i) Mr. A.V. Somani ceased to be Member of the Committee w.e.f. 25.10.2010.

ii) Mr.Amitabh Das Mundhra was appointed as Member of the Committee w.e.f. 25.10.2010.

The Remuneration Committee of the Board now consists of Mr.Mohanlal Bhandari (Chairman), Mr.Sandeep Junnarkar (Member), Mr.M.L.Narula (Member) and Mr. Amitabh Das Mundhra (Member).

The dates on which the Remuneration Committee Meetings were held and the attendance of the Members at the said Meetings are as under :

Sr. No.	Dates on which Remuneration Committee Meetings were held	Attendance Record of the Members				
		Mr. Mohanlal Bhandari	Mr. Sandeep Junnarkar	Mr. A.V. Somani *	Mr. M.L. Narula	Mr. Amitabh Das Mundhra **
1.	24th April, 2010	Attended	Attended	Attended	Attended	–
2.	18th January, 2011	Attended	Attended	–	Attended	Absent

* Mr. A.V. Somani ceased to be member of the Committee w.e.f. 25.10.2010.

** Mr. Amitabh Das Mundhra was appointed as member of the Committee w.e.f. 25.10.2010.

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

(d) BANKING FACILITY COMMITTEE

As on April 01, 2010, the Banking Facility Committee of the Board comprised of Mr. A.V. Somani (Chairman), Mr.M.L.Gupta (Member) and Mr.Manish Sanghi (Member). The following changes took place in the composition of the Banking Facility Committee:

i) Mr. M.L.Gupta ceased to be member of the Committee w.e.f. 25.10.2010.

ii) Mr.Y.Srinivasa Rao was appointed as member of the Committee w.e.f. 25.10.2010.

The Banking Facility Committee of the Board now consists of Mr. A.V. Somani (Chairman), Mr.Manish Sanghi (Member) and Mr.Y.Srinivasa Rao (Member).

The date on which the Banking Facility Committee Meetings was held and the attendance of the Members at the said Meeting is as under:

Sr. No.	Date on which Banking Facility Committee Meeting was held	Attendance Record of the Members		
		Mr. A.V. Somani	Mr. Manish Sanghi	Mr. Y. Srinivasa Rao
1.	3rd February, 2011	Attended	Attended	Attended

REMUNERATION OF WHOLE-TIME DIRECTORS :

Name and Designation	Mr. A.V. Somani* Chairman	Mr. M.L. Gupta** Vice-Chairman	Mr. Manish Sanghi *** Managing Director	Mr. Y.Srinivasa Rao Executive Director (Operations)
Tenure of Appointment	Current tenure is upto 20th June, 2013	N.A.	Current tenure is upto 30th September, 2013.	Current tenure is upto 22nd April, 2012
Salary (Rs.)	4,666,667	1,380,000	2,400,000	1,920,000
Perquisites/Allowances (Rs.)	2,692,272	1,725,000	3,000,000	2,400,000
Performance Incentive/ Commission (Rs.)	65,11,000	20,00,000	35,00,000	30,00,000
Contributions to Provident Fund/ Superannuation Fund (Rs.)	–	372,600	648,000	518,400
Perquisites value of ESOS (Rs.)	–	4,822,400	4,923,770	7,628,500
Other (Rs.)	–	3,089,354	38,450	–
Employee Stock Options Granted (ESOS-2010)	–	–	20,000	15,000

* Mr.A.V.Somani was appointed as Wholetime Director designated as Chairman for a period of three years w.e.f 21.06.2010.

** Mr.M.L.Gupta was Managing Director of the company till 30.09.2010 and was appointed as Director designated as Vice Chairman w.e.f. 01.10.2010.

*** Mr.Manish Sanghi was COO & Director of the company till 30.9.2010 and was appointed as Managing Director for a period of 3 years w.e.f. 01.10.2010.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Name	Mr. Mohanlal Bhandari	Mr. A.V. Somani*	Mr. Sandeep Junnarkar	Mr. M.L. Narula	Mr. M.L. Gupta**	Mr. Amitabh Das Mundhra***
Commission	6,50,000	–	5,00,000	5,00,000	2,50,000	4,00,000
Sitting fees (Rs.)	2,40,000	1,00,000	1,70,000	2,30,000	85,000	80,000
Total (Rs.)	8,90,000	1,00,000	6,70,000	7,30,000	3,35,000	4,80,000

* Mr. A.V.Somani was appointed as Wholetime Director designated as Chairman for a period of three years w.e.f. 21.06.2010.

** Mr. M.L.Gupta was appointed as Director designated as Vice Chairman w.e.f. 01.10.2010.

*** Mr. Amitabh Das Mundhra was appointed on the Board as Additional Director w.e.f. 21.06.2010.

Remuneration Policy

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

The Remuneration Committee of the Board, at its meeting held on 18th January, 2011, have granted 1,47,705 Stock Options under the ESOS-2010, to the eligible employees of the Company, at a price of Rs.174/- per option, which includes granting of 20,000 Stock Options to Mr. Manish Sanghi, Managing Director and 15,000 Stock Options to Mr.Y.Srinivasa Rao, Executive Director (Operations).

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

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

Shareholding of Non-Executive Directors

Mr. M.L. Gupta, Non Executive Director holds 1,10,000 equity shares in the company.

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

Year	AGM/EGM	Venue	Date	Time
2010	AGM	GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	29.07.2010	11.30 a.m.
2009	AGM	GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	29.07.2009	11.30 a.m.
2008	AGM	GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	25.07.2008	11.30 a.m.

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

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

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

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

(iii) At the 77th Annual General Meeting held on July 29, 2010, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2010 to the specified employees during the financial year 2010-2011.

Postal Ballot

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

7. DISCLOSURES

During the financial year ended March 31, 2011, there has been no materially significant transaction entered by the Company with any party, which is considered to have potential conflict with the interests of the Company at large.

No employee has been denied access to Audit Committee. The particulars of transactions between the Company and its related parties are as per the Accounting Standard 18 "Related Party Disclosure" prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Institute of Chartered Accountants of India (ICAI) are disclosed in the Annual Accounts (Note No.11 of "Notes to Accounts" – Schedule 19). However, these are not likely to have any conflict with the Company's interest.

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

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

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

8. MEANS OF COMMUNICATION

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

The Board of Directors of the Company approves and takes on record the Unaudited Financial Results in the proforma prescribed by the Stock Exchange within 45 days of the close of the quarter/half year and announces forthwith the results to all the Stock Exchanges where the shares of the Company are listed. The quarterly/half yearly results are published within 48 hours after the Board meeting in Newspapers as prescribed (Business Standard, Mumbai & Sakal, Nashik, Maharashtra). The Company publishes the Annual Audited Results within the stipulated period of 60 days as required by the listing agreement with the Stock Exchanges. These results are also uploaded on the Company's website (*www.everestind.com*). The Report on Management Discussion and Analysis (MDA) forms part of the Annual Report.

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

10. CEO / CFO CERTIFICATION

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

GENERAL SHAREHOLDER INFORMATION

1	Annual General Meeting, Day, Date, Time and Venue	Friday, the 22nd July, 2011 at 11.30 a.m. at GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)
2	Financial Year	1st April, 2010 to 31st March, 2011
3	Date of Book Closure	16.07.2011 to 22.07.2011 (both days inclusive)
4	Posting of Annual Report	On or before 27.06.2011
5	Dividend Payment date	Dividend, if any, declared in the forthcoming 78th Annual General Meeting will be paid within 30 days of the date of declaration.
6	Last date for receipt of proxy forms	20.07.2011 before 11.30 AM.
7	Unclaimed/Unpaid Dividend for the previous years.	All unclaimed/unpaid dividends upto the year ended March 31, 2004 have been either transferred to the General Revenue Account of the Central Government pursuant to Section 205A of the Companies Act, 1956 or transferred to the Investor Education & Protection Fund established and notified by the Central Government, in view of the amendments in Section 205A by the Companies (Amendment) Act, 1999. Members who have not encashed their dividend warrants for the year 2005 & onwards may approach the Company for obtaining demand drafts in lieu of unpaid dividend warrant.
8	Financial Calendar (Tentative)	
	a) Financial reporting for the quarter ending June 30, 2011, Quarter and half year ending September 30, 2011, Quarter and nine months period ending December 31, 2011.	Within 45 days from the end of each quarter as stipulated under the Listing Agreement.
	b) Financial reporting for the financial year ending March 31, 2012 (Audited).	Within 60 days from the end of the last quarter as stipulated under the Listing Agreement.
9	Listing of Equity Shares	Bombay Stock Exchange Limited & The National Stock Exchange of India Ltd. at Mumbai. The Listing fees for the Financial Year 2011-12 has been paid to the Exchanges.

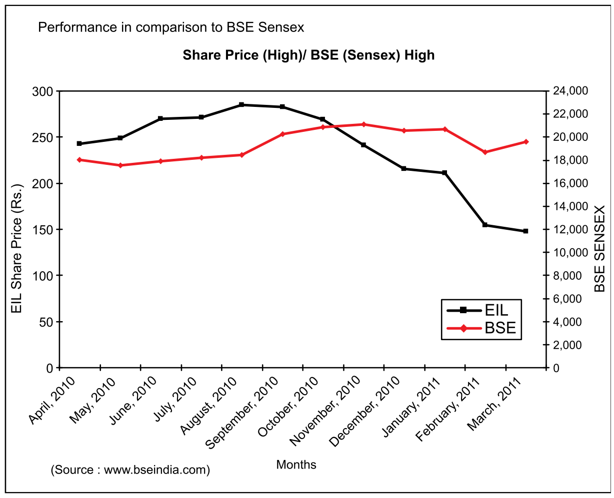
10. STOCK CODE

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

11. STOCK MARKET DATA

MONTHLY HIGH / LOW SHARE PRICE * (01.04.2010 TO 31.03.2011)

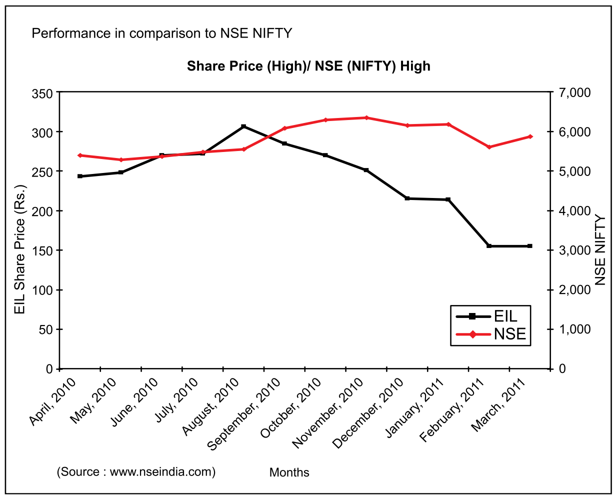
MONTH	Bombay Stock Exchange Ltd., (BSE)		BSE SENSEX	
	HIGH (RS.)	LOW (RS.)	HIGH	LOW
April, 2010	243.00	174.70	18,047. 86	17,276.80
May, 2010	248.50	185.00	17,536.86	15,960.15
June, 2010	270.00	198.15	17,919.62	16,318.39
July, 2010	271.50	227.05	18,237.56	17,395.58
August, 2010	284.90	250.15	18,475.27	17,819.99
September, 2010	282.40	250.10	20,267.98	18,027.12
October, 2010	269.00	223.05	20,854.55	19,768.96
November, 2010	241.50	181.10	21,108.64	18,954.82
December, 2010	215.50	180.60	20,552.03	19,074.57
January, 2011	211.40	141.35	20,664.80	18,038.48
February, 2011	154.15	127.55	18,690.97	17,295.62
March, 2011	147.95	131.20	19,575.16	17,792.17



* Based on Stock Exchange website.

MONTHLY HIGH / LOW SHARE PRICE * (01.04.2010 TO 31.03.2011)

MONTH	The National Stock Exchange of India Ltd. (NSE)		S&P CNX NIFTY INDEX	
	HIGH (RS.)	LOW (RS.)	HIGH	LOW
April, 2010	243.00	176.00	5399.65	5160.90
May, 2010	248.00	182.10	5278.70	4786.45
June, 2010	270.00	198.20	5366.75	4961.05
July, 2010	272.00	226.25	5477.50	5225.60
August, 2010	306.00	251.35	5549.80	5348.90
September, 2010	284.00	220.00	6073.50	5403.05
October, 2010	269.90	224.00	6284.10	5937.10
November, 2010	251.00	180.00	6338.50	5690.35
December, 2010	215.40	171.05	6147.30	5721.15
January, 2011	214.00	139.00	6181.05	5416.65
February, 2011	155.00	127.55	5599.25	5177.70
March, 2011	155.00	131.10	5872.00	5348.20



* Based on Stock Exchange website.

12. REGISTRAR AND SHARE TRANSFER AGENT

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

13. SHARE TRANSFER SYSTEM

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

14. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2011

The Company had a shareholders base of 12,389 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	10521	84.92	1505829	9.98
501 to 1000	1165	9.40	855762	5.67
1001 to 2000	360	2.91	529939	3.51
2001 to 3000	122	.98	310472	2.06
3001 to 4000	49	.40	173573	1.15
4001 to 5000	47	.38	219528	1.46
5001 to 10000	70	.57	518017	3.44
10001 to 50000	42	.34	900806	5.97
50001 to 100000	5	.04	324094	2.15
100001 and above	8	.06	9746154	64.61
Total	12,389	100.00	15084174	100.00

(1)(a) The shareholding pattern of the Company as on March 31, 2011 is as follows:

Name of the Company : EVEREST INDUSTRIES LIMITED	
Scrip Code : 508906 (BSE) / EVERESTIND (NSE)	Quarter ended: 31-March-2011

Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/ promoter group	NA	NA	NA
Held by public	NA	NA	NA
Total	NA	NA	NA
Outstanding convertible Securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/ promoter group	NA	NA	NA
Held by public	NA	NA	NA
Total	NA	NA	NA
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/ promoters group	0	0	.00
Held by public	0	0	.00
Total	0	0	.00
Total paid-up capital of the Company, assuming full conversion of warrants and convertible securities	15084174		

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	–	–	–	–	–	–	–
(b)	Central Government/ State Government(s)	–	–	–	–	–	–	–
(c)	Bodies Corporate	3	7520470	7520470	49.86	49.86	–	–
(d)	Financial Institutions/ Banks	–	–	–	–	–	–	–
(e)	Any Other (specify)	–	–	–	–	–	–	–
	Sub-Total (A)(1)	3	7520470	7520470	49.86	49.86	–	–
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	–	–	–	–	–	–	–
(b)	Bodies Corporate	–	–	–	–	–	–	–
(c)	Institutions	–	–	–	–	–	–	–
(d)	Any Other (specify)	–	–	–	–	–	–	–
	Sub-Total (A)(2)	–	–	–	–	–	–	–
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	3	7520470	7520470	49.86	49.86	–	–

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	9	1022046	1020946	6.78	6.78	–	–
(b)	Financial Institutions/ Banks	3	975	925	0.00	0.00	–	–
(c)	Central Government/ State Government(s)	1	200	–	0.00	0.00	–	–
(d)	Venture Capital Funds	–	–	–	–	–	–	–
(e)	Insurance Companies	3	742	555	0.00	0.00	–	–
(f)	Foreign Institutional Investors	8	316275	315000	2.10	2.10	–	–
(g)	Foreign Venture Capital Investors	–	–	–	–	–	–	–
(h)	Any Other (specify)	–	–	–	–	–	–	–
	Sub-Total (B)(1)	24	1340238	1337426	8.88	8.88	–	–
(2)	Non-institutions							
(a)	Bodies Corporate	508	1135942	1130615	7.53	7.53	–	–
(b)	i. Individuals - Individual shareholders holding nominal share capital up to Rs. 1 lakh.	11649	3488755	3129922	23.13	23.13	–	–
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	26	879455	879455	5.83	5.83	–	–
(c)	Any Other – Trusts & Foundations	4	494010	493960	3.28	3.28	–	–
	Non Resident Individuals	175	225304	224704	1.49	1.49	–	–
	Sub-Total (B)(2)	12362	6223466	5858656	41.26	41.26	–	–
	Total Public Shareholding (B)= (B)(1)+(B)(2)	12386	7563704	7196082	50.14	50.14	–	–
	TOTAL (A)+(B)	12389	15084174	14716552	100.00	100.00	–	–
(C)	Shares held by Custodians and against which Depository Receipts have been issued	–	–	–	–	–	–	–
1	Promoter and Promoter Group	0	0	0	0	0	NA	NA
2	Public	0	0	0	0	0	NA	NA
	GRAND TOTAL (A)+(B)+(C)	12389	15084174	14716552	100.00	100.00	–	–

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

Sr. No.	Name of the Shareholder	Total shares held		Shares pledged or otherwise encumbered		
		Number	As a % of grand total (A)+(B)+(C) .	Number	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (1)(a)
1.	Everest Finvest (India) Pvt. Ltd.	7373470	48.88	0	0	0
2.	Trapu Cans Pvt. Ltd.	137000	.91	0	0	0
3.	Falak Investment Pvt. Ltd.	10000	.07	0	0	0
	TOTAL	7520470	49.86	0	0	0

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

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	Reliance Capital Trustee Co. Ltd. – Reliance Longterm Equity Fund.	1016748	6.74
2.	Everest Staff Welfare Trust	493528	3.27
3.	India Optima Fund	250000	1.66
4.	Ramesh Damani	182864	1.21
5.	IL And FS Securities Services Limited	182544	1.21
	TOTAL	2125684	14.09

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

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

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

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

(II)(b) Statement showing Holding of Depository Receipts (DRs) where underlying shares held by 'promoter/promoter group' are in excess of 1% of the total number of shares

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

(III)(a) Statement showing the voting pattern of shareholders, if more than one class of shares/securities is issued by the issuer.

Sr. No.	Category of shareholder	Number voting Rights held in of each class of securities			Total Voting Rights (III+IV+V)	Total rights	Voting i.e.(VI)
		Class X	Class Y	Class Z		As a % of (A+B)	As a % of (A+B+C)
	NA	NA	NA	NA	NA	NA	NA

15. DEMATERILIZATION OF SHARES

The Equity Shares of the Company are available for dematerialization under the Depository System operated by Central Depository Services (India) Limited as well as National Securities Depository Limited. The percentage of shares in demat form as on 31.03.2011 is 97.56 % to total shareholding of the Company.

16. NOMINATION FACILITY FOR SHAREHOLDERS

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

17. PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE

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

18. LOCATION OF THE PLANTS OF THE COMPANY

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

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

Bhagwanpur Works
Khasra Nos.158 & 159, Village Lakesari,
Pargana Bhagwanpur, Tehsil Roorkee,
Distt. Haridwar - 247661 (Uttarakhand)

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

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

19. ADDRESS FOR CORRESPONDENCE

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

M/s. MCS Ltd, (Unit: Everest Industries Limited)
F–65, 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', G-1, A-32, Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi-110044.

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

20. The Company has adopted the following non-mandatory requirements of Annexure 1D of clause 49 of the Listing Agreement :

a) As per clause 1 of Annexure 1D, the tenure of Independent Directors has been fixed to a maximum period of nine years on the Board of the Company.

b) As per Clause 2 of Annexure 1D, the Company has set up a Remuneration Committee.

c) As per Clause 7 of Annexure 1D, the Company has formulated a Whistle Blower Policy.

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

For Everest Industries Limited

Place: Mumbai
Date : 29th April, 2011

MANISH SANGHI
Managing Director

Declaration of Compliance with Code of Conduct

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

The Members of
Everest Industries Limited

This is to certify that as provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have affirmed to the compliance with the Code of Conduct and Ethics for the twelve months period ended March 31, 2011.

For Everest Industries Limited

Place: Mumbai
Date : 29th April, 2011

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

RAKESH KUMAR GUPTA
Sr. Vice President (Finance)

MANISH SANGHI
Managing Director

Mumbai, 29th April, 2011

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 on 31 March, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the abovementioned Listing Agreement.

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

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

ALKA CHADHA
Partner
(Membership No. 93474)

Place : Mumbai
Date : 29th April 2011

TO THE MEMBERS OF EVEREST INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Everest Industries Limited ("the Company") as at 31 March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

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

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

      a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2011;

      b) in the case of the Profit and Loss Account, 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.

5. On the basis of the written representations received from the directors, as on 31 March, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2011 from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956.

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

ALKA CHADHA
Partner
(Membership No. 93474)

MUMBAI, 29 April, 2011

ANNEXURE TO THE AUDITORS' REPORT

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

i. Having regard to the nature of the Company's business/activities/result, clause 4(xiii) of the Order is not applicable.

ii. In respect of its fixed assets:

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

   b. The fixed assets were physically verified during the previous year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

   c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

iii. In respect of its inventory:

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

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

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

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

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

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

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

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

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

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

a. The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, 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, 2011 for a period of more than six months from the date they became payable.

c. Details of dues of Income-tax, Sales Tax, Excise Duty and Service Tax which have not been deposited as on 31 March, 2011 on account of disputes are given below:

Statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (Rs. / Lakhs)
Sales Tax Laws	Demand on account of non-collection of statutory forms etc.	Commissioner Appeals	1979 to 2004	578.77
		Appellate Tribunal	1997 to 2003	283.18
	Demand on account of stock transfers being considered as local sales	Madras High Court	1990 to 1991 1998 to 1999	486.59
	Demand on account of stock transfers being considered as inter-state sales	Appellate Tribunal	1979 to 1980 1994 to 1998	2,827.78
				4,176.32
The Central Excise Act, 1944	Demand on account of wrong availment of Cenvat credit	Commissioner Appeals	April, 2005 to September, 2006	155.95
		Superintendent (Audit)	2006 to 2008	18.04
				173.99
Income Tax Act, 1961	Demand on account of disallowances of certain claims	Commissioner Appeals	2006 to 2008	88.63
		Appellate Tribunal	2003 to 2004	86.13
				174.76

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

xi. The Company does not have any accumulated losses as at the year end and the Company has not incurred any cash losses during the current and immediately 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 granted loans and advances on the basis of security by the way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.

xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities and debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

xv. 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.

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

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

xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

xix. According to the information and explanations given to us, the Company has not issued any debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Order are not applicable to the Company.

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

xxi. 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
(Registration No. 015125N)

ALKA CHADHA
Partner
(Membership No. 93474)

MUMBAI, 29 April, 2011

Balance Sheet

As at 31 March 2011

	Schedule Reference	Rs./Lakhs	As at 31.03.2011 Rs./Lakhs	As at 31.03.2010 Rs./Lakhs
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
a. Share capital	1	1,508.41		1,481.56
b. Share application money pending allotment		3.90		–
c. Reserves and surplus	2	19,341.87		15,887.85
			20,854.18	17,369.41
2. LOAN FUNDS				
a. Secured loans	3	10,578.87		11,988.67
b. Unsecured loans	4	500.00		–
			11,078.87	11,988.67
3. STOCKISTS' DEPOSITS (UNSECURED)			1,189.74	829.74
4. DEFERRED TAX LIABILITY (Net) (see note 7)			2,408.45	2,479.40
			35,531.24	32,667.22
APPLICATION OF FUNDS				
1. FIXED ASSETS	5			
a. Gross block		34,644.66		33,529.40
b. Less: Accumulated depreciation		13,150.84		11,501.93
c. Net block		21,493.82		22,027.47
d. Capital work in progress (see note 12)		794.01		632.85
			22,287.83	22,660.32
2. INVESTMENTS	6		2.45	5.00
3. CURRENT ASSETS, LOANS AND ADVANCES				
a. Inventories	7	15,354.53		12,332.32
b. Sundry debtors	8	3,214.02		2,318.58
c. Cash and bank balances	9	1,866.38		1,920.69
d. Interest accrued but not due		3.75		2.73
e. Loans and advances	10	5,154.03		4,475.78
		25,592.71		21,050.10
4. LESS - CURRENT LIABILITIES AND PROVISIONS				
a. Current liabilities	11	10,863.61		9,636.65
b. Provisions	12	1,488.14		1,445.68
		12,351.75		11,082.33
5. NET CURRENT ASSETS			13,240.96	9,967.78
6. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT	13		–	34.13
			35,531.24	32,667.22
Notes forming part of the accounts	19			

The schedules referred to above are integral part of the Balance Sheet

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner

Mumbai
29 April, 2011

For and on behalf of the Board

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
29 April, 2011

EVEREST

Profit and Loss Account

For the year ended 31 March 2011

	Schedule Reference	Rs./Lakhs	Year ednded 31.03.2011 Rs./Lakhs	Year ended 31.03.2010 Rs./Lakhs
INCOME				
1. Sale of products and services	14	76,213.61		68,090.20
Less: Excise duty				
(including education cess) recovered		4,054.84		2,836.78
			72,158.77	65,253.42
2. Other income	15		1,315.59	962.73
			73,474.36	66,216.15
EXPENDITURE				
3. Manufacturing, operating and selling expenses	16	67,126.12		60,003.74
4. (Increase)/ decrease in inventory	17	(1,398.47)		(790.76)
5. Depreciation	5	1,889.60		1,836.54
6. Interest	18	539.03		995.20
			68,156.28	62,044.72
PROFIT BEFORE TAX			5,318.08	4,171.43
7. Provision for taxation				
a. Current tax (see note 8)		1,318.69		708.94
b. Minimum alternative tax credit entitlement		–		(215.53)
		1,318.69		493.41
c. Deferred tax (see note 7)		(70.95)		676.75
			1,247.74	1,170.16
PROFIT AFTER TAX			4,070.34	3,001.27
8. Balance brought forward from previous year			8,150.31	6,239.05
9. Amount available for appropriation			12,220.65	9,240.32
APPROPRIATIONS				
10. General reserve		410.00		310.00
11. Proposed dividend (see note 9)		686.94		666.70
12. Tax on distributed profits (see note 9)		108.90		113.31
			1,205.84	1,090.01
BALANCE CARRIED TO RESERVES AND SURPLUS			11,014.81	8,150.31
Earnings Per Equity Share (see note 16)				
[Face value - Rs. 10 per share]				
Basic and diluted earnings per share (Rupees)			27.10	20.28
Notes forming part of the accounts	19			

The schedules referred to above are integral part of the Profit and Loss account

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner

Mumbai
29 April, 2011

For and on behalf of the Board

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
29 April, 2011

Cash Flow Statement

For the year ended 31 March 2011

		Year ended 31.03.2011 Rs./Lakhs	Year ended 31.03.2010 Rs./Lakhs
A.	**Cash flow from operating activities –**		
	Net profit/ (loss) before tax	5,318.08	4,171.43
	Depreciation	1,889.60	1,836.54
	(Profit)/ loss on sale of other fixed assets (net)	(693.24)	1.70
	Interest income	(94.56)	(148.77)
	Interest expense	539.03	995.20
	Excess provisions made in previous years written back	(106.84)	(57.35)
	Unrealised foreign exchange gain/(loss) on External commercial borrowing	10.29	614.15
	Provision for compensated absences and gratuity	33.22	80.13
	Operating profit before working capital changes	6,895.58	7,493.03
	Adjustments for:		
	Trade receivables	(895.44)	65.77
	Inventories	(3,022.21)	624.20
	Other receivables	(642.32)	(175.01)
	Trade payables	1,834.99	1,682.72
	Miscellaneous expenditure	34.13	34.13
	Cash generated from operations	4,204.73	9,724.84
	Direct taxes (paid)	(1,354.62)	(1,507.51)
	Net cashflow from operating activities	2,850.11	8,217.33
B.	**Cash flow from investing activities-**		
	Purchase of fixed assets	(1,740.07)	(855.15)
	Sale of fixed assets	775.15	7.77
	Sale of long term investments	2.55	–
	Interest received	93.55	148.63
	Net cash used in investing activities	(868.82)	(698.75)
C.	**Cash flow from financing activities-**		
	Interest paid	(551.18)	(969.34)
	Proceeds from issuance of share capital on exercise of stock options	26.85	1.56
	Proceeds from share application money	3.90	–
	Share premium received	179.52	13.44
	Proceeds from/ (repayment of) short term borrowings	1,713.25	(2,647.22)
	Proceeds from/ (repayment of) long term borrowings	(2,623.05)	(3,827.50)
	Dividend paid	(672.85)	(364.06)
	Dividend tax paid	(112.04)	(62.88)
	Net cash used in financing activities	(2,035.60)	(7,856.00)
	Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(54.31)	(337.42)
	– Opening balance	1,920.69	2,258.11
	– Closing balance	1,866.38	1,920.69

Notes : Cash and cash equivalents as at the year end include restricted cash of Rs. 60.49 lakhs (Previous year Rs. 76.47 lakhs)

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner

Mumbai
29 April, 2011

For and on behalf of the Board

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
29 April, 2011

	Rs./Lakhs	As at 31.03.2011 Rs./Lakhs	As at 31.03.2010 Rs./Lakhs
SCHEDULE 1			
SHARE CAPITAL			
1. Authorised			
17,000,000 Equity shares of Rs. 10 each (previous year 17,000,000 equity shares of Rs. 10 each)		1,700.00	1,700.00
2. Issued			
15,084,174 Equity shares of Rs. 10 each (previous year 14,815,648 equity shares of Rs. 10 each)		1,508.41	1,481.56
3. Subscribed and paid up			
15,084,174 Equity shares of Rs. 10 each fully paid up (previous year 14,815,648 equity shares of Rs. 10 each fully paid up)		1,508.41	1,481.56
Of the above:			
a. 15,000 (previous year -15,000) equity shares are alloted as fully paid up pursuant to a contract without payment being received in cash			
b. 13,350,020 (previous year - 13,350,020) equity shares are alloted as fully paid up by way of bonus shares by capitalisation of general reserve			
SCHEDULE 2			
RESERVES AND SURPLUS			
1. Share premium account			
Opening balance	13.44		–
Add: Received during the year	179.52	192.96	13.44
			13.44
2. General reserve			
Opening balance	7,724.10		7,414.10
Add: Amount transferred from the Profit and Loss account	410.00		310.00
		8,134.10	7,724.10
3. Profit and Loss account		11,014.81	8,150.31
		19,341.87	15,887.85
SCHEDULE 3			
SECURED LOANS			
1. Loans from banks:			
– On cash credit account		1,644.63	2,511.43
– Term loans		–	1,693.75
– External commercial borrowing		3,161.20	4,090.50
– Others		5,773.04	3,692.99
		10,578.87	11,988.67

Notes :

a. Loans from banks on cash credit account of Rs. 1,644.63 lakhs (previous year Rs. 2,511.43 lakhs) are secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables and second pari-passu charge on all fixed assets, land and buildings both present and future, except land and building situated at Podanur plant (on which State Bank of India has an exclusive charge) and at Kolkata plant.

b. Term loans include :

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

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

c. External commercial borrowing (ECB) of Rs. 3,161.20 lakhs (previous year Rs. 4,090.50 lakhs) is secured by a first pari-passu charge to be created over all the immoveable and moveable fixed assets other than the immoveable fixed assets situated at Podanur plant and second pari-passu charge on all current assets of the Company.

d. Others include short term loans from bank aggregating to Rs. 5,773.04 lakhs (previous year Rs. 3,692.99 lakhs) by way of buyer's credit and are secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables and second pari-passu charge on all fixed assets, land and buildings both present and future, except land and building situated at Podanur plant (on which State Bank of India has an exclusive charge) and at Kolkata plant.

	As at 31.03.2011 Rs./Lakhs	As at 31.03.2010 Rs./Lakhs
SCHEDULE 4		
UNSECURED LOANS		
Commercial paper	500.00	–
[Maximum amount outstanding during the year - Rs. 2,500.00 lakhs (previous year - Rs. 2,000.00 lakhs)]		
	500.00	–

SCHEDULE 5

FIXED ASSETS

Rs./Lakhs

Particulars	Gross block				Depreciation				Net block	
	As at 1.04.2010	Additions	Deletions/ Adjustments	As at 31.03.2011	As at 1.04.2010	For the year	Deletions/ Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
TANGIBLE ASSETS										
LAND										
Land- Freehold	1,410.27	126.13	64.11	1,472.29	31.54	–	12.14	19.40	1,452.89	1,378.73
BUILDING										
Building- On freehold land	6,733.82	33.42	0.95	6,766.29	1,894.77	333.94	–	2,228.71	4,537.58	4,839.05
Building- On leasehold land	111.22	2.63	2.53	111.32	99.09	1.83	0.20	100.72	10.60	12.13
Leasehold improvement	143.53	20.84	–	164.37	48.76	14.45	–	63.21	101.16	94.77
Railway siding	1.39	–	1.39	–	1.39	–	1.39	–	–	–
Roads	220.06	5.94	–	226.00	59.47	7.49	–	66.96	159.04	160.59
PLANT AND MACHINERY	22,957.26	1,176.96	180.77	23,953.45	8,166.63	1,298.68	156.22	9,309.09	14,644.36	14,790.63
FURNITURE FIXTURE AND OFFICE EQUIPMENT	1,319.74	53.16	56.20	1,316.70	802.60	108.32	44.57	866.35	450.35	517.14
VEHICLES	146.26	21.10	20.82	146.54	104.78	17.96	20.11	102.63	43.91	41.48
INTANGIBLE ASSETS										
Computer software	236.10	7.97	6.12	237.95	96.47	71.10	6.06	161.51	76.44	139.63
Technical knowhow	249.75	–	–	249.75	196.43	35.83	–	232.26	17.49	53.32
Total	33,529.40	1,448.15	332.89	34,644.66	11,501.93	1,889.60	240.69	13,150.84	21,493.82	22,027.47
Previous year	33,356.67	1,029.36	856.63	33,529.40	9,898.40	1,836.54	233.01	11,501.93	22,027.47	23,458.27

Notes :
1. Cost of Land-Freehold as at 31 March, 2011 includes Rs. 102.43 lakhs (previous year Rs. 166.54 lakhs) representing Land -Freehold held for sale. This Freehold land costing Rs. 166.54 lakhs was revalued at Rs. 135.00 lakhs based on an independent valuation and accordingly Rs. 31.54 lakhs was provided for "Loss on impairment of fixed assets" in an earlier year. Of the above Freehold Land costing Rs. 64.11 lakhs was sold during the current year.
2. Deletions during the year of Rs. 332.89 lakhs (previous year Rs. 856.63 lakhs) includes Rs. 10.29 lakhs (previous year Rs. 614.15 lakhs) due to decapitalisation on account of exchange fluctuation on long term foreign exchange borrowings (see note 15)

	Rs./Lakhs	As at 31.03.2011 Rs./Lakhs	As at 31.03.2010 Rs./Lakhs
SCHEDULE 6			
INVESTMENTS (AT COST)			
Other investments, long term, unquoted			
1. Investment [24,500 (previous year 50,000) equity shares of Rs. 10 each fully paid up of M/s Everest Building Solutions Limited]		2.45	5.00
		2.45	5.00
SCHEDULE 7			
INVENTORIES			
1. Raw materials			
a. On hand	5,942.26		4,772.74
b. In transit	986.33		474.08
		6,928.59	5,246.82
2. Stores and spare parts			
a. Packing materials	30.80		28.79
b. Stores and spares	715.58		775.62
		746.38	804.41
3. Work-in-progress		5,282.11	3,912.74
4. Finished goods			
a. Manufactured products	2,036.61		2,086.10
b. Traded products	360.84		282.25
		2,397.45	2,368.35
		15,354.53	12,332.32

	Rs./Lakhs	As at 31.03.2011 Rs./Lakhs	As at 31.03.2010 Rs./Lakhs
SCHEDULE 8			
SUNDRY DEBTORS			
1. Debts exceeding six months (unsecured)			
– Considered good	399.82		329.39
– Considered doubtful	6.05		–
Less: Provision for doubtful debts	6.05		–
		399.82	329.39
2. Other debts			
– Secured considered good		1,969.61	1,192.61
– Unsecured considered good		844.59	796.58
		3,214.02	2,318.58
SCHEDULE 9			
CASH AND BANK BALANCES			
1. Cash on hand		7.31	7.10
2 Cheques on hand		1,005.81	804.14
3. Balances with scheduled banks			
– Current accounts [includes Rs. 48.00 lakhs (previous year Rs. 46.29 lakhs) as balance in unpaid dividend accounts]		840.77	1,079.27
– Deposit accounts [includes Rs. 12.49 lakhs (previous year Rs. 30.18 lakhs) as margin for bank guarantees/ letters of credit]		12.49	30.18
		1,866.38	1,920.69
SCHEDULE 10			
LOANS AND ADVANCES - (Unsecured, considered good)			
1. Balances with excise, customs and port trust authorities		680.40	554.43
2. Advances recoverable in cash or kind or for value to be received		2,112.74	1,741.94
3. Advances to suppliers		640.60	495.05
4. Advance taxes [Net of provision for current tax and fringe benefit tax- Rs. 6,006.12 lakhs (previous year Rs. 5,065.20 lakhs)]		1,631.52	1,250.62
5. Minimum alternative tax credit entitlement		88.77	433.74
		5,154.03	4,475.78

	Rs./Lakhs	As at 31.03.2011 Rs./Lakhs	As at 31.03.2010 Rs./Lakhs
SCHEDULE 11			
CURRENT LIABILITIES			
1. Sundry creditors			
a. Micro and small enterprises *			
– Due for more than 45 days	–		–
– Others	2.25		8.70
b. Others	6,661.85		6,124.80
		6,664.10	6,133.50
2. Advances from customers		3,145.22	1,898.50
3. Retention monies		202.35	185.69
4. Unpaid dividend **		48.00	46.29
5. Interest accrued but not due		44.96	57.11
6. Provision for MTM loss on derivative transactions		109.55	745.74
7. Other liabilities		649.43	569.82
		10,863.61	9,636.65

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

** Unpaid dividend does not include any amount outstanding as on 31 March, 2011 required to be credited to the Investor Education and Protection Fund.

	As at 31.03.2011 Rs./Lakhs	As at 31.03.2010 Rs./Lakhs
SCHEDULE 12		
PROVISIONS		
1 . Gratuity	303.87	287.73
2 . Compensated absences	395.02	377.94
3 . Proposed dividend	679.09	666.70
4. Provision for dividend distribution tax	110.16	113.31
	1,488.14	1,445.68

	As at 31.03.2011 Rs./Lakhs	As at 31.03.2010 Rs./Lakhs
SCHEDULE 13		
FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT		
(To the extent not written off or adjusted)		
1. Opening balance	34.13	68.27
2. Less: Amortised during the year	34.13	34.14
	–	34.13

Schedules Forming Part of the Profit & Loss Account

	Rs. / Lakhs	Year ended 31.03.2011 Rs. / Lakhs	Year ended 31.03.2010 Rs. / Lakhs
SCHEDULE 14			
SALE OF PRODUCTS AND SERVICES			
a. Revenue from building products		59,351.10	55,256.54
b. Revenue from steel buildings		16,122.54	12,468.75
c. Revenue from traded goods		739.97	364.91
		76,213.61	68,090.20
SCHEDULE 15			
OTHER INCOME			
a. Sale of scrap		105.44	131.16
b. Excess provisions made in earlier years written back		106.84	57.35
c. Profit on sale of fixed assets (net)		693.24	–
d. Interest from bank and others *		94.56	148.77
e. Foreign exchange gain (net)		174.74	437.98
f. Miscellaneous income		140.77	187.47
		1,315.59	962.73
* Income tax deducted at source Rs. 1.32 lakhs (previous year Rs. 1.50 lakhs)			
SCHEDULE 16			
MANUFACTURING, OPERATING AND SELLING EXPENSES			
1. Purchase of traded goods		578.47	327.74
2. Cost for erection of buildings		1,280.63	890.66
3. Consumption of raw materials		39,440.61	36,260.42
4. Payments to and provisions for employees			
a. Salaries, wages and bonus	5,984.61		5,460.77
b. Contributions to provident and other funds	522.45		493.23
c. Workmen and staff welfare expenses	429.89		348.11
		6,936.95	6,302.11
5. Operation and other expenses			
a. Consumption of stores, spares and consumables	2,419.77		2,238.61
b. Consumption of packing materials	674.56		489.36
c. Power and fuel	2,836.13		2,348.84
d. Repairs and maintenance			
- Building	251.50		269.12
- Machinery	656.90		693.44
- Others	180.32		148.90
e. Rent	642.15		554.16
f. Rates and taxes	140.38		155.46
g. Insurance	62.48		62.89
h. Depot handling expenses	266.69		238.33
i. Discount, rebates and allowances	9.59		6.86
j. Commission on sales	323.02		385.01
k. Travelling	822.89		656.10
l. Advertisement and sales promotion expenses	1,190.15		1,050.21
m. Bad debts written off	131.50		86.47
n. Loss from derivatives	462.80		362.93
o. Loss on sale of fixed assets	–		1.70
p. Other expenses	2,112.18		1,901.75
q. Outward freight charges on finished goods	5,713.67		4,537.21
r. Excise duties on stock transfer	21.16		68.59
		18,917.84	16,255.94
		67,154.50	60,036.87
Less: Stores and spares capitalised		28.38	23.62
Less: Pre-operative expenses transferred to capital work in progress		–	9.51
		67,126.12	60,003.74

	Year ended 31.03.2011 Rs. / Lakhs	Year ended 31.03.2010 Rs. / Lakhs
SCHEDULE 17		
(INCREASE)/ DECREASE IN INVENTORY		
1. Closing stocks -		
i. Stock - in - trade	2,397.45	2,368.35
ii. Work in progress	5,282.11	3,912.74
	7,679.56	6,281.09
2. Opening stocks -		
i. Stock - in - trade	2,368.35	1,499.54
ii. Work in progress	3,912.74	3,990.79
	6,281.09	5,490.33
	(1,398.47)	(790.76)
SCHEDULE 18		
INTEREST		
1. Term loans	108.02	411.84
2. Others	431.01	583.36
	539.03	995.20

SCHEDULE 19

NOTES FORMING PART OF THE ACCOUNTS

1. **Significant Accounting Policies**

(i) Accounting Convention

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

(ii) Use of Estimates

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

(iii) Fixed Assets and Depreciation

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

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

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

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

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

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

(iv) Revenue Recognition

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

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

(v) Investments

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

(vi) Inventories

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

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

(vii) Research and Development Costs

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

(viii) **Employee Benefits (See also Note 6)**

a. **Short-term employee benefits**

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

b. **Post-employment benefit plans**

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

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

The Company's 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 profit and loss account 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 profit & loss account for the period in which they occur. Past service cost is recognised to the extent the benefits are already vested, and otherwise is amortised on a straight-line method over the average period until the benefits become vested.

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

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

(ix) Borrowing Costs

Borrowing costs that are attributable to the acquisition, 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.

(x) Foreign Exchange Transactions

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

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

The Company 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 15).

(xi) Taxation (See also Note 7)

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

(xii) Earnings Per Share (See also Note 16)

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

(xiii) Impairment of Assets

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

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

(xiv) Contingencies/ Provisions

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

(xv) Employee Stock Option Scheme (See also Note 22)

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 profit and loss account on straight line basis over the vesting period of the options.

(xvi) Leases (See also Note 14)

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and loss account on a straight – line basis over the lease term.

Finance Lease

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease liability and interest component is charged to profit and loss account.

2. Contingent Liabilities

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

Particulars	As at 31.03.2011 (Rs. /Lakhs)	As at 31.03.2010 (Rs. /Lakhs)
i. Sales tax matters	4,244.18	4,176.11
ii. Customs, excise and service tax matters	173.99	2,598.36
iii. Income Tax matters	2,236.61	2,149.02
Total	6,654.78	8,923.49
iv. Advance paid against above	2,129.71	1,591.81

b) Guarantees issued by bank have been secured by a first pari-passu charge on the entire current assets, present and future, including receivables of the Company and second pari-passu charge on all fixed assets, land and buildings present and future, except land and building situated at Podanur (on which State Bank of India has exclusive charge) and at Kolkata, to the extent of Rs. 1,814.91 lakhs (previous year Rs. 2,606.56 lakhs).

c) Estimated amount of contracts to be executed on capital account – Rs. 424.26 lakhs (net of advances – Rs. 342.40 lakhs), [previous year – Rs. 326.35 lakhs (net of advances Rs. 136.58 lakhs)].

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

Particulars	Year ended 31.03.2011 (Rs. /Lakhs)	Year ended 31.03.2010 (Rs. /Lakhs)
Audit fees (including fees for limited review)	25.00	25.00
Fees for other services	4.79	4.80
Reimbursement of expenses	4.00	5.11
	33.79	34.91

4. Construction Contracts

a. Sales of products and services – revenue from steel buildings include Rs. 669.44 lakhs (previous year Rs. Nil) recognised as contract revenue for the year ended 31 March, 2011.

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

Particulars	Year ended 31.03.2011 (Rs. /Lakhs)	Year ended 31.03.2010 (Rs. /Lakhs)
Cost incurred and revenue profits	1,085.97	–
Retentions	51.74	–
Amount due from customers	398.33	–

5. Foreign Exchange Disclosure

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

Particulars	Amount in Indian Rupees		Currency	Amount in Foreign Currency	
	As at 31.3.2011 (Rs./Lakhs)	As at 31.3.2010 (Rs./Lakhs)		As at 31.3.2011 (In Lakhs)	As at 31.3.2010 (In Lakhs)
Receivables	571.84	336.30	USD	12.91	7.40
Payables	6,396.59	4,403.96	USD	141.64	96.89
	162.48	75.33	EURO	2.53	1.23
ECB Loan	3,161.20	4,090.50	USD	70.00	90.00

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

a. **Defined contribution plan**

The Company's contributions of Rs. 266.94 Lakhs (previous year Rs. 266.98 Lakhs) towards provident fund and Rs. 102.05 Lakhs (previous year Rs. 98.64 Lakhs) towards superannuation fund are charged to Profit and Loss account. The contributions payable to the plan by the Company are at a rate specified in rules to the schemes.

b. **Defined Benefit plan**

The Company's contribution towards its gratuity liability is a defined benefit retirement plan. The Company makes contributions to the trust from time to time which in turn makes contributions to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 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, 2011:

(i) Movement in net liability

Particulars		As at 31.03.2011 (Rs./Lakhs)	As at 31.03.2010 (Rs./Lakhs)
Present value of obligations as on 01.04.2010	(A)	1,039.03	936.43
Adjustment for increase in opening provision for retirement benefits	(B)	–	–
Liabilities assumed on transfer of employees from holding company	(C)	–	–
Interest cost	(D)	80.56	72.52
Current service cost	(E)	97.16	91.18
Benefits paid	(F)	(89.00)	(59.76)
Actuarial (gain)/loss on obligations	(G)	(5.25)	(1.34)
Present value of obligations as on 31.03.2011 (H=A+B+C+D+E+F+G)	(H)	1,122.50	1,039.03

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

Particulars		As at 31.03.2011 (Rs./Lakhs)	As at 31.03.2010 (Rs./Lakhs)
Present value of funded defined benefit obligations as on 31.03.11	(A)	1,122.50	1,039.03
Present value of unfunded obligation	(B)	–	–
Estimated fair value of plan assets	(C)	818.63	751.30
Net liability/ (asset) (D=A+B-C)	(D)	303.87	287.73
Amounts in the Balance Sheet			
a. Liabilities		303.87	287.73
b. Assets		–	–
c. Net liability/ (asset)		303.87	287.73
Amount charged to Profit and Loss Account			
Service cost	(E)	97.16	91.18
Interest cost	(F)	80.56	72.52
Expected return on plan assets	(G)	69.39	63.91
Net Actuarial (gain)/ loss	(H)	(5.49)	(1.60)
Expense recognised in the Profit and Loss account (I=E+F-G+H)	(I)	102.84	98.19

(iii) Principal actuarial assumptions

Assumptions	Year ended 31.03.2011 Rate (%)	Year ended 31.03.2010 Rate (%)
Discount rate	8.10%	8.10%
Rate of return on plan assets	9.25%	9.25%
Salary escalation	8.00%	8.00%

(iv) Fair value of plan assets

Particulars		As at 31.03.2011 (Rs./Lakhs)	As at 31.03.2010 (Rs./Lakhs)
Fair value of plan assets at the beginning of the year	(A)	751.30	694.65
Expected return on plan assets	(B)	69.39	63.91
Contributions	(C)	–	52.24
Benefits paid	(D)	(2.30)	(59.76)
Actuarial gain/ (loss) on plan assets	(E)	0.24	0.26
Fair value of plan assets at the end of the year (F=A+B+C+D+E)	(F)	818.63	751.30

(v) Actual return on plan assets

Particulars		As at 31.03.2011 (Rs./Lakhs)	As at 31.03.2010 (Rs./Lakhs)
Expected return on plan assets	(A)	69.39	63.91
Actuarial gain/ (loss) on plan assets	(B)	0.24	0.26
Actual return on plan assets (C =A+B)	(C)	69.63	64.17

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

Particulars	As at 31.03.2010
Government of India Securities	51.00%
Debt Instruments	41.00%
Equity Shares	6.00%
Other Deposits	2.00%
	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, 2011 has not been provided by the Life Insurance Corporation of India.

7. Deferred Taxation

Particulars	As at 01.04.2010 (Rs. /Lakhs)	Charged/ (Credited) to P&L (Rs. /Lakhs)	As at 31.03.2011 (Rs. /Lakhs)
a. Deferred tax assets			
Tax impact of:			
i. Expenditure covered by Section 43B of Income-tax Act, 1961	249.07	2.38	251.45
ii. Excess of voluntary retirement expenses (VRS) provided in accounts over expenses allowable in Income-tax Act, 1961	0.68	(0.68)	–
Total deferred tax assets	249.75	1.70	251.45
b. Deferred tax liabilities			
Tax impact of:			
i. Excess of depreciation allowable under Income-tax Act, 1961 over depreciation provided in accounts	2,717.62	(57.72)	2,659.90
ii. Foreign Exchange Monetary Translation Reserve.	11.53	(11.53)	–
Total deferred tax liability	2,729.15	(69.25)	2,659.90
Net deferred tax liability	2,479.40	(70.95)	2,408.45
Net deferred tax liability (previous year)	1,802.65	676.75	2,479.40

8. Current tax is net off excess provision of earlier years written back Rs. 86.20 lakhs (previous year Rs. Nil).

9. Proposed dividend includes Rs. 7.85 lakhs pertaining to the previous year. Tax on distributed profits includes Rs. 1.30 lakhs pertaining to the previous year and is net off Rs. 2.56 lakhs reversed during the year.

10. Managerial Remuneration

a. Remuneration paid to directors:

Particulars	Year ended 31.03.2011 (Rs. /Lakhs)	Year ended 31.03.2010 (Rs. /Lakhs)
Whole time directors		
1. Salaries and perquisites	203.22	139.45
2. Retirement benefits paid	30.89	–
3. Contributions to provident and superannuation fund	15.39	16.69
4. Performance incentive to whole time directors	150.11	90.00
	399.61	246.14
Non-executive directors		
5. Commission/ performance incentive to non executive directors	23.00	16.50
6. Sitting fees	9.05	6.30

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

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

Particulars	Year ended 31.03.2011 (Rs. /Lakhs)	Year ended 31.03.2010 (Rs. /Lakhs)
Profit before tax as per Profit and loss account	5,318.08	4,171.43
Add:		
Managerial remuneration	399.61	246.14
Commission/performance incentive to non executive directors	23.00	16.50
Directors sitting fees	9.05	6.30
Depreciation as per books of account	1,889.60	1,836.54
Loss on sale of fixed assets	–	1.70
Total	7,639.34	6,278.61

Particulars	Year ended 31.03.2011 (Rs. /Lakhs)	Year ended 31.03.2010 (Rs. /Lakhs)
Less:		
Depreciation as envisaged under Section 350 of the Companies Act, 1956 *	1,889.60	1,836.54
Profit on sale of fixed assets	693.24	–
Total	2,582.84	1,836.54
Net profit for calculation on which remuneration payable	5,056.50	4,442.07
Maximum remuneration payable to whole time directors under Section 309 of the Companies Act, 1956 @ 10% of net profit	505.65	444.21
Actual remuneration paid to whole time directors	399.61	246.14
Maximum commission payable to non-executive directors under Section 309 of the Companies Act, 1956 @ 1% of net profit	50.57	44.42
Actual commission/ performance incentive paid to non-executive directors	23.00	16.50

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

11. Related Party Disclosures

a. List of related parties

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

ii. Enterprise exercising significant influence
   - M/s Everest Finvest (India) Private Limited (with effect from 26 March, 2010)

iii. Subsidiary company
   - M/s Everest Building Solutions Limited (till 13 April, 2010)

iv. Associate company *
   - M/s Everest Building Solutions Limited (with effect from 14 April, 2010)

v. Key management personnel
   - Mr. Aditya Vikram Somani, Chairman with effect from 21 June, 2010
   - Mr. Manish Sanghi (COO and Director till 30 September, 2010), Managing Director with effect from 1 October, 2010
   - Mr. M.L. Gupta (Managing Director till 30 September, 2010)
   - Mr. Y. Srinivasa Rao, Executive Director (Operations)

*Has not commenced operations

b. Transactions with related parties during the year:

S. No.	Particulars	Year ended 31.03.2011 (Rs. /Lakhs)	Year ended 31.03.2010 (Rs. /Lakhs)
i.	Dividend paid to holding company M/s Everest Finvest (India) Private Limited	–	185.34
ii.	Dividend paid to enterprise exercising significant influence M/s Everest Finvest (India) Private Limited	331.81	–
iii.	Remuneration to key management personnel		
	Mr. Aditya Vikram Somani	139.70	–
	Mr. Manish Sanghi	95.86	83.32
	Mr. M. L. Gupta	85.67	94.48
	Mr. Y. Srinivasa Rao	78.38	68.34
iv.	Dividend paid to key management personnel		
	Mr. Aditya Vikram Somani	0.02	0.01
	Mr. Manish Sanghi	0.72	–
	Mr. M. L. Gupta	5.49	–
	Mr. Y. Srinivasa Rao	2.02	0.00

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

S. No.	Particulars	As at 31.03.2011 (Rs. /Lakhs)	As at 31.03.2010 (Rs. /Lakhs)
i.	Share capital from enterprise exercising significant influence M/s Everest Finvest (India) Private Limited	737.35	737.35
ii.	Investment in equity of subsidiary company M/s Everest Building Solutions Limited	–	5.00
iii.	Investment in equity of associate company M/s Everest Building Solutions Limited	2.45	–
iv.	Performance incentive due to key management personnel		
	a Mr. Aditya Vikram Somani	65.11	–
	b Mr. Manish Sanghi	35.00	30.00
	c Mr. M. L. Gupta	20.00	34.00
	d Mr. Y. Srinivasa Rao	30.00	26.00

12. Capital Work in Progress and Pre-operative Expenditure

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

a. Capital work in progress

	Particulars	As at 31.03.2011 (Rs. /Lakhs)	As at 31.03.2010 (Rs. /Lakhs)
i.	Project assets	742.51	456.93
ii.	Capital advances	47.34	166.41
iii.	Unallocated project pre-operative expenditure (see b below)	4.16	9.51
		794.01	632.85

b. Pre-operative expenditure

Particulars	As at 1.04.2010 (Rs. /Lakhs)	Additions (Rs. /Lakhs)	Deletions (Rs. /Lakhs)	As at 31.03.2011 (Rs. /Lakhs)
Repairs and maintenance – Others	8.26	–	8.26	–
Travelling	1.25	–	1.25	–
Others	–	4.16	–	4.16
Unallocated preoperative expenditure	9.51	4.16	9.51	4.16

13. Segment Information

a. Business Segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" notified under Companies (Accounting Standard) Rules, 2006. The Company's business segments include 'Building products' and 'Steel buildings'.

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

Steel buildings consists 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 level expenses.

ii. Segment assets and liabilities:

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

Information about business segments:

Particulars	Building products (Rs. /Lakhs)		Steel buildings (Rs. /Lakhs)		Total (Rs. /Lakhs)	
	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010
1. Segment Revenue						
External sales (Net of excise duty)	56,036.23	52,784.67	16,122.54	12,468.75	72,158.77	65,253.42
Other operating income	151.00	159.24			151.00	159.24
Total Revenue	56,187.00	52,943.91	16,122.54	12,468.75	72,309.77	65,412.66
2. Segment Results	7,712.64	9,023.01	585.70	(816.12)	8,298.34	8,206.89
Unallocated expenses (net of income)					2,441.23	3,040.26
Operating Profit					5,857.11	5,166.63
Interest expense					539.03	995.20
Profit before tax					5,318.08	4,171.43
Provision for taxation					1,247.74	1,170.16
Net Profit					4,070.34	3,001.27
3. Other Information						
A. Assets						
Segment assets	36,571.65	32,975.24	8,567.98	7,990.76	45,139.63	40,966.00
Unallocated assets					2,743.37	2,783.55
Total Assets	36,571.65	32,975.24	8,567.98	7,990.76	47,883.00	43,749.55
B. Liabilities						
Segment liabilities	7,265.67	5,408.70	4,231.87	3,717.36	11,497.54	9,126.06
Share capital and reserves					20,854.18	17,369.41
Secured and unsecured loans					11,078.87	11,988.67
Unallocated liabilities					4,452.41	5,265.41
Total Liabilities	7,265.67	5,408.70	4,231.87	3,717.36	47,883.00	43,749.55
C. Others						
Capital expenditure	1,408.16	696.14	141.18	150.25		
Depreciation	1,528.31	1,489.82	264.68	240.85		
Non – cash expenses other than depreciation	4.20	30.00	127.30	86.47	131.50	116.47

14. Lease Commitments

Operating Lease

The Company has taken property on cancellable and non-cancellable operating leases and has recognised rent of Rs. 642.15 lakhs (previous year Rs. 554.16 lakhs). The total of future minimum lease payments under non-cancellable operating lease are set out as below:

Particulars	Year ended 31.03.2011 (Rs. /Lakhs)	Year ended 31.03.2010 (Rs. /Lakhs)
Not later than one year	163.67	163.15
Later than one year but not later than five years	762.75	719.58
Later than five years	994.83	1,201.68

15. Changes in Foreign Exchange Rates

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

In accordance with the said notification, the Company during the current year has de-capitalised Rs. 10.29 lakhs (previous year Rs. 614.15 lakhs) from the cost of fixed assets and transferred Rs. Nil (previous year Rs. Nil) to FCMITDA. The aforesaid amounts are being depreciated over the remaining useful life of the fixed assets and the balance in the FCMITDA account is being amortised over the period 1 April, 2008 to 31 March, 2011 which is shorter of the maturity period of the monetary items or 31 March, 2011.

16. Earnings per share

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
a. Number of equity shares of Rs. 10 each fully paid up at the year beginning	14,815,648	14,800,020
b. Number of equity shares of Rs. 10 each fully paid up at the year end	15,084,174	14,815,648
c. Weighted average number of equity shares used in computing earning per share	15,020,084	14,802,760
d. Weighted average number of options granted under options	343,176	500,192
e. Adjustment for number of options granted at fair value	343,176	500,192
f. Net profit for the year – (Rs. / lakhs)	4,070.34	3,001.27
g. Basic earnings per share (Rupees)	27.10	20.28
h. Diluted earnings per share (Rupees)	27.10	20.28
i. Nominal value of equity shares (Rupees)	10.00	10.00

17. Capacity, Production and Sales

Particulars	Year ended 31.03.2011 (Tonnes)	Year ended 31.03.2010 (Tonnes)
(a) Licensed capacity	Not applicable	Not applicable
(b) Installed capacity		
– Building products	710,000	710,000
– Steel buildings	30,000	30,000
(certified by the management, being a technical matter)		
(c) Production		
– Building products	625,002	584,015
– Steel buildings	19,301	18,087
(c) Sales		
– Building products *	586,539	563,603
– Steel buildings *	19,320	18,024

* Includes 39,088 tonnes (previous year 12,239 tonnes) on account of net breakages/ salvages and materials used for internal consumption/ capitalised, and 663 tonnes (previous year 657 tonnes) of steel scrap sold.

18. Inventories

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
	Quantity (Tonnes)	Amount (Rs. /Lakhs)	Quantity (Tonnes)	Amount (Rs. /Lakhs)
a. Closing stock				
i. Own products	25,137	2,036.61	25,763	2,086.10
ii. Resale materials		360.84		282.25
		2,397.45		2,368.35
iii. Work-in-progress		5,282.11		3,912.74
		7,679.56		6,281.09
b. Opening stock				
i. Own products	25,763	2,086.10	17,410	1,280.45
ii. Resale materials		282.25		219.09
		2,368.35		1,499.54
iii. Work-in-progress		3,912.74		3,990.79
		6,281.09		5,490.33

19. Raw Materials Consumed

Particulars	Year ended 31.03.2011		Year ended 31.03.2010	
	Quantity (Tonnes)	Amount (Rs. /Lakhs)	Quantity (Tonnes)	Amount (Rs. /Lakhs)
Raw fibre	43,163	14,254.49	42,622	13,689.81
Cement	253,140	9,232.28	231,209	8,728.56
Steel	20,188	8,876.93	18,841	8,051.29
Other materials		7,076.91		5,790.76
		39,440.61		36,260.42

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

Particulars	Year ended 31.03.2011 (Rs. /Lakhs)	%	Year ended 31.03.2010 (Rs. /Lakhs)	%
a. Raw materials				
(i) Imported	16,633.86	42.17	16,294.97	44.94
(ii) Indigenous	22,806.75	57.83	19,965.45	55.06
	39,440.61	100.00	36,260.42	100.00
b. Stores, spare parts and consumables (including packing materials)				
(i) Imported	13.15	0.42	24.10	0.88
(ii) Indigenous	3,081.18	99.58	2,703.87	99.12
	3,094.33	100.00	2,727.97	100.00

21. Other Additional Information

Particulars	Year ended 31.03.2011 (Rs. /Lakhs)	Year ended 31.03.2010 (Rs. /Lakhs)
a. Imports (CIF) value		
(i) Raw materials	16,009.94	12,892.48
(ii) Traded items	345.84	237.36
(iii) Capital goods (including capital work-in-progress)	529.85	218.54
(iv) Stores and spares	62.68	16.38
b. Expenditure in foreign currency (on cash basis)		
(i) Travelling expenses	59.13	47.14
(ii) Interest	78.46	117.34
(iii) Repayment of external commercial borrowing	919.01	938.35
(iv) Others	125.61	111.94
c. Earnings in foreign exchange		
FOB value of goods exported	4,835.62	3,875.45

22. Employee Stock Option Scheme

The Company has granted 147,705 options (previous year 140,000 options) during the year ended 31 March, 2011. The exercise price per option shall be the average of the two weeks high and low price of the share preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that stock exchange on the date prior to the date of grant of options, whichever is less. Options granted shall vest with the grantee after a period of one year from the date of grant. The exercise period of the options is a period of four years after the vesting of the options.

Particulars	ESOS (2006)	ESOS (2007)	ESOS (2008)	ESOS (2009)	ESOS (2010)
Year in which scheme was established	2006 – 07	2007 – 08	2008 – 09	2009 – 10	2010-11
Number of options authorised and granted	147,420	148,000	144,850	140,000	147,705
Exercise price	Rs. 90	Rs. 98	Rs. 52	Rs. 169	Rs. 174
Vesting date	After one year from the date of grant of option				
Vesting requirement	One year service from the date of grant of option				
Exercise period	During four years after vesting date				

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

Particulars	ESOS (2006)	ESOS (2007)	ESOS (2008)	ESOS (2009)	ESOS (2010)
i. Opening balance	108,300	118,002	133,890	140,000	–
	117,370	*133,238*	*144,850*	–	–
ii. Granted during the year	–	–	–	–	147,705
	–	–	–	*140,000*	–
iii. Exercised during the year	77,340	81,206	109,980	–	–
	3,910	*11,718*	–	–	–
iv. Forfeited during the year	–	–	–	–	–
	–	–	–	–	–

Particulars	ESOS (2006)	ESOS (2007)	ESOS (2008)	ESOS (2009)	ESOS (2010)
v. Expired during the year	(2,360)	(2,135)	(2,500)	(29,200)	–
	(5,160)	*(3,518)*	*(10,960)*	–	–
vi. Outstanding at the year end	28,600	34,661	21,410	110,800	147,705
	108,300	*118,002*	*133,890*	*140,000*	–
vii. Options exercisable at the year end	28,600	34,661	21,410	110,800	147,705
	108,300	*118,002*	*133,890*	*140,000*	–
viii. Remaining contractual life (years) at the year end	0.98	1.84	2.83	3.82	4.80
	1.98	*2.84*	*3.83*	*4.82*	–

Previous year figures are in italics.

The Company has accounted the above options using the intrinsic value method. As noted by the Compensation Committee, the exercise price has been determined at Rs. 174 and thus 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 March 31, 2011 would have been lower by Rs. 81.99 lakhs (previous year Rs. 35.56 lakhs) and the basic and diluted EPS would have been revised to Rs. 26.55 (previous year Rs. 20.03) and Rs. 26.55 (previous year Rs. 20.03) respectively. The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 5 years, an expected dividend yield of 2.60% (previous year 2.84%) on the underlying equity shares, volatility in the share price of 44.50% (previous year 53.30%) and a risk free rate of interest of 8.06% (previous year 7.42%). 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.

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

For and on behalf of the Board

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
29 April, 2011

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

I. Registration Details

Registration No.	2093	State Code	11
Balance Sheet Date	31 - 03 - 11 (Date, Month, Year)		

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

Public Issue: NIL	Rights Issue: NIL
Bonus Issue: NIL	Private Placement: NIL
	Others: 2685

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

Total Liabilities: 3553124	Total Assets: 3553124

Sources of Funds

Paid-Up Capital: 150841	Reserves and Surplus: 1934577
Secured Loans: 1057887	Unsecured Loans*: 168974

* *(Stockist's Deposits)*

Deferred Tax Liability (Net): 240845	

Application of funds

Net Fixed Assets: 2228783	Investments: 245
Net Current Assets: 1324096	Miscellaneous Expenditure: NIL

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

Turnover (Including other income): 7347436	Total Expenditure: 6815628
Profit/(Loss) Before Tax: 531808	**Profit/(Loss) After Tax**: 407034
Earning Per Share in Rs.: 27.10	Dividend Rate (%): 45%

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

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

For and on behalf of the Board

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
29 April, 2011

EVEREST

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

From : 　　　　　　　　　　　　　　　　　　　　Date:

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

Dear Sirs,

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

Folio No.									

Name of
First Holder

Bank Name

Branch Name

Bank & Branch Code

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

Account Type		Savings		Current		Cash Credit	

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

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

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

Signature of the first holder

EVEREST

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