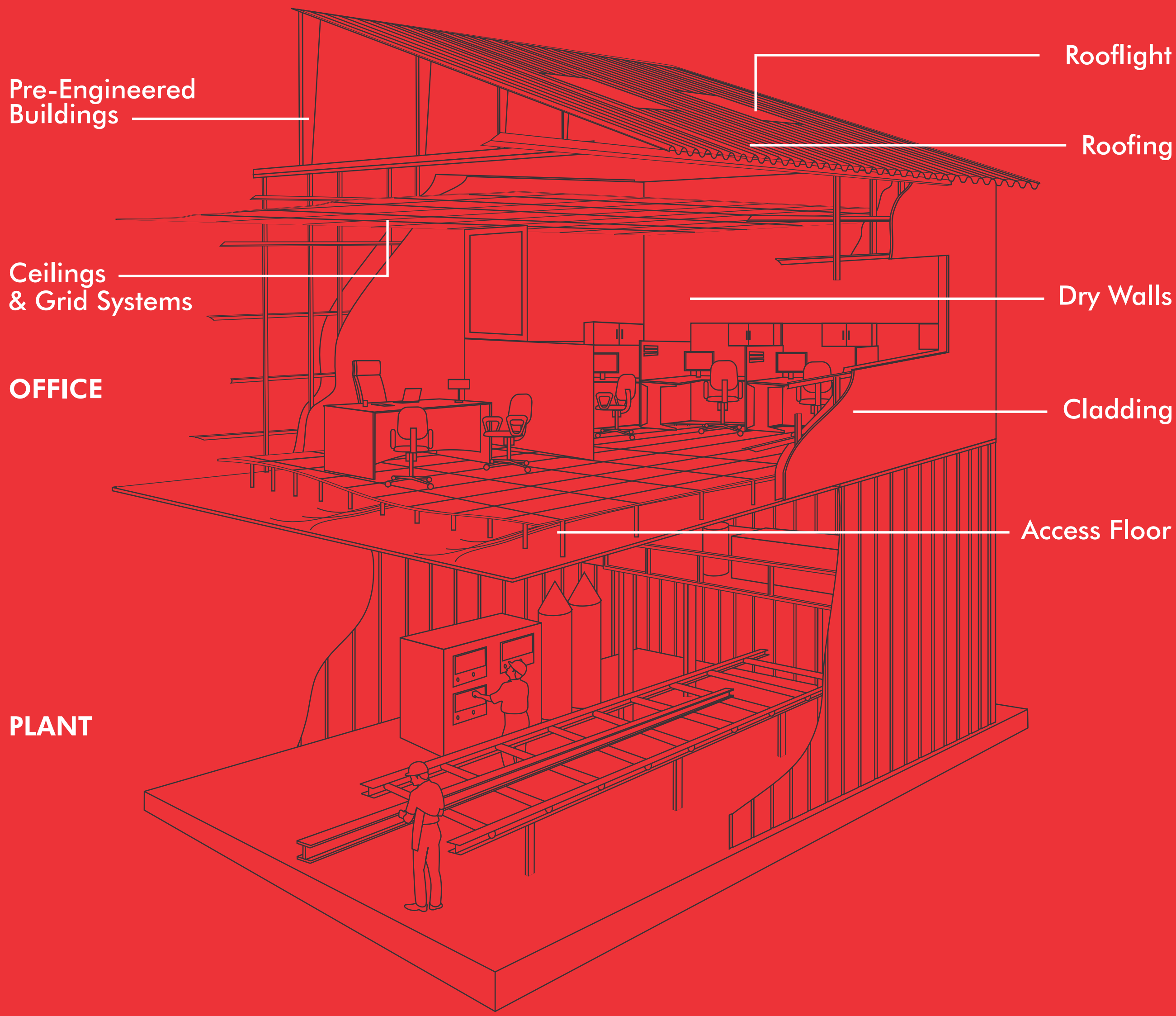
79TH ANNUAL REPORT 2011-12

EVEREST

EVEREST INDUSTRIES LIMITED

COMPLETE BUILDING SOLUTIONS



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EVERST

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

ICICI Bank Limited

Axis Bank Limited

HDFC Bank Limited

Kotak Mahindra Bank Limited

REGISTERED OFFICE

Gat No. 152 Lakhmapur Taluka Dindori

Nashik - 422 202 Maharashtra

CORPORATE OFFICE

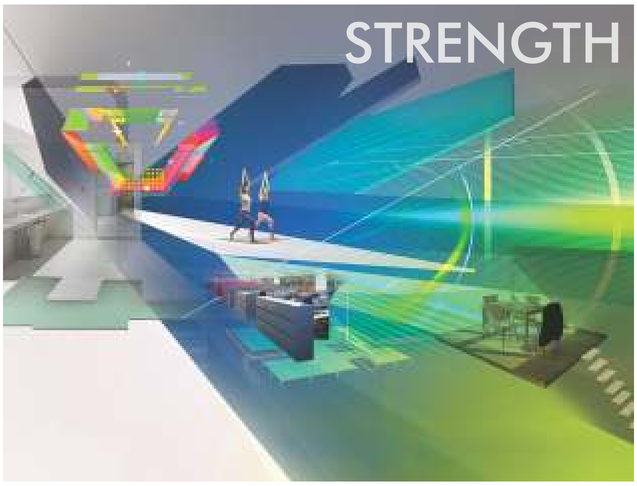
Genesis A-32 Mohan Co-operative Industrial Estate Mathura Road New Delhi - 110 044

REGISTRAR AND SHARE TRANSFER AGENTS

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

BUILDING A STRONGER INDIA, FASTER.

India is growing rapidly. Surging with youthful zest and passion, India shines on the global map. With stories of enterprise, achievement and success, Everest is committed to building India on a foundation of Strength, and that too at unprecedented Speed. Providing security and Safety to over a billion Indians, Everest is one of India's fastest growing building solutions companies, and is proud to be a part of the great Indian growth story in this landscape of progress and style. Architects, Interior Designers and Builders in India and 25 other countries trust Everest's sustainable and ready-to-build products for industrial, commercial and residential applications.



MANAGEMENT DISCUSSION AND ANALYSIS

The Indian economy grew 6.9% this year and remained strong amidst a global slowdown. It is expected to grow at 7.6% in 2012[1] led by an increase in consumption in the large middle class, a growing labour force and strong rural demand.

Rural demand and the Agriculture sector play an important role in the growth of our economy. 70% of our population lives in rural India and consumes more than 40% of consumer products and durables. Agricultural sector continued to perform well and contributed 13.9% to India's GDP. Food grain production at 250 million MT this year was the highest ever and disposable income in rural areas increased. Government initiatives for inclusive growth and employment guarantee gave an impetus to greater productivity, higher disposable income and spending in rural India.

The Indian industrial sector faced high input costs due to inflation and high interest rates. Depreciation of the Indian Rupee against the US Dollar significantly increased cost of imports and freight due to higher fuel prices. Even in such global uncertainty and volatility, India's strong fundamentals made her one of the fastest growing economies in the world.

Changing trends In Building Products

Infrastructure and construction segments are fundamental to economic development and normally grow at twice the rate of GDP. The Indian consumer prefers better quality building materials and needs faster construction methods due to fast economic growth, greater disposable income and high exposure to media. In the construction industry there is rapid migration from conventional techniques and products. Modern products of superior quality and technology are being adopted. They enable faster speed, greater strength and higher safety.

Everest caters to the growing demand of the building and construction industry with a strong portfolio of products for industrial and commercial applications and rural housing. From a single product roofing manufacturer, Everest is evolving into a building solutions company with 40% of revenues derived from products other than fibre cement roofing.

Everest's fibre cement roofing is preferred in rural and agriculture based housing markets as an affordable and durable roofing solution. Dry wall construction methods using Everest fibre cement boards and solid wall panels are being specified by architects and interior designers in commercial establishments, malls and hotels. Everest pre-engineered and smart steel buildings provide superior design, faster speed and a high degree of certainty for project completion. They are replacing conventional construction methods for warehouses and factory sheds. High performance products like access floors, polycarbonate roofing and fixing accessories are being adopted by builders and contractors.

Your company offers a range of ready-to-use high quality products and superior services for the construction industry. Everest is proud to be an integral part of the strong Indian growth story.

[1] *Economic Survey 2011-12*

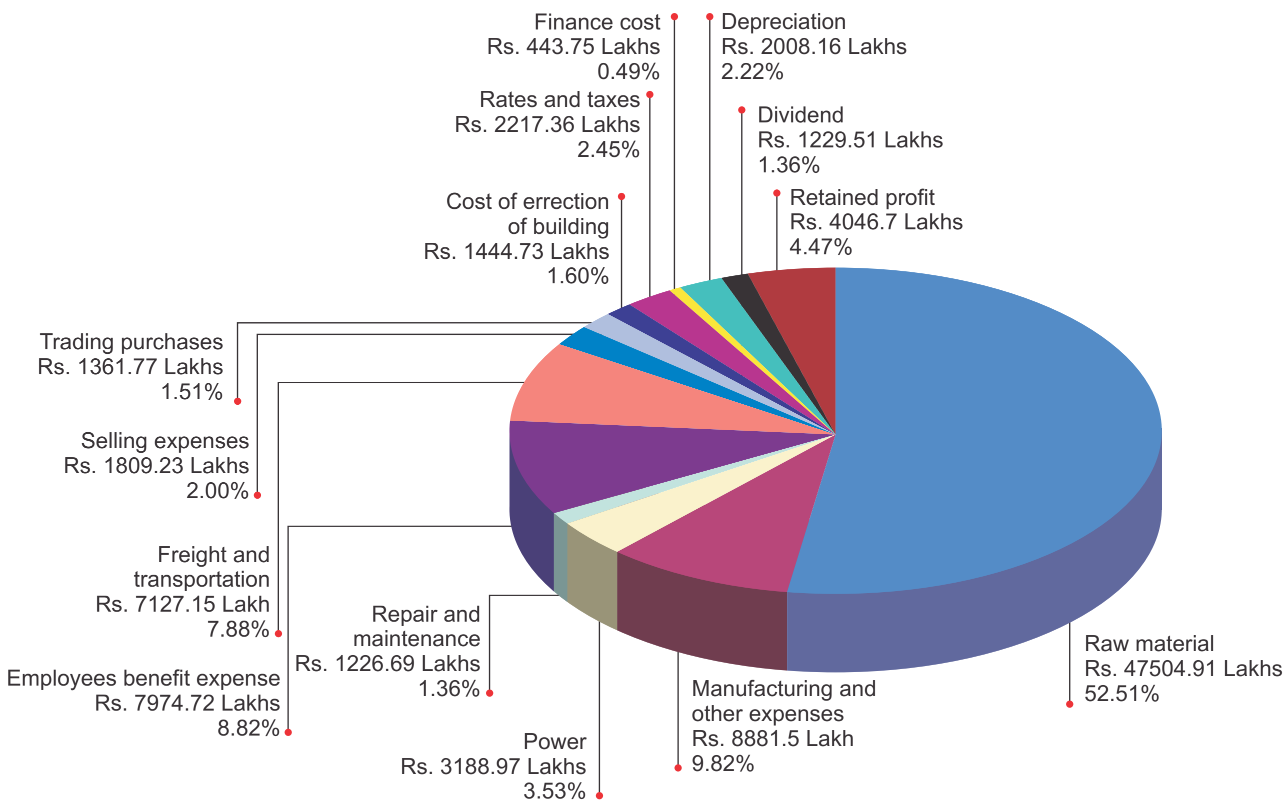
Financial Results

Your Company's Net Sales increased to ₹881.54 crores from ₹721.59 crores in FY 11-12, a growth of 22.2%. Building Products Division contributed 75% of the total turnover while Steel Buildings contributed 25%. Building Product Division registered 11.1% volume growth and strong pricing in the market led to 18.1% growth in value terms. Steel Buildings Division registered 36.2% value growth with 21.2% volume growth. Operating Profit rose from ₹77.70 crores (10.8 % of sales) to ₹98.55 crores (11.2% of Sales). PAT for the year was ₹52.76 crores, a 29.6 % increase from ₹40.70 crores last year. The return on net worth was 21.1% as compared to 19.5% in the previous year.

Raw material cost (including changes in inventory) was ₹489.85 crores (55.6% of sales) as compared to ₹386.21 crores (53.5% of sales) in the previous year. Cost of goods sold were impacted by an increase in cement prices across the country and higher cost of imported fibre. Manpower cost during the year was ₹79.75 crores (9.05% of sales) as compared to ₹69.36 crores (9.61% of sales) in the previous year. Freight charges were ₹71.27 crores (8.08% of sales) as compared to ₹57.14 crores (7.92% of sales) last year, a result of rising freight rates and fuel prices.

The Balance Sheet of Everest Industries Ltd. continues to strengthen. Net worth of the Company stood at ₹249.51 crores as on March 31, 2012 as compared to ₹208.54 crores a year before, a growth of 19.6%. Your Company's borrowings reduced from ₹101.76 crores to ₹70.66 crores this year.

DETAIL OF EXPENDITURE ON TOTAL EARNING DURING 2011-12



Key Features of the Company's Financial and Operational Performance

Amount (₹ in Lacs)

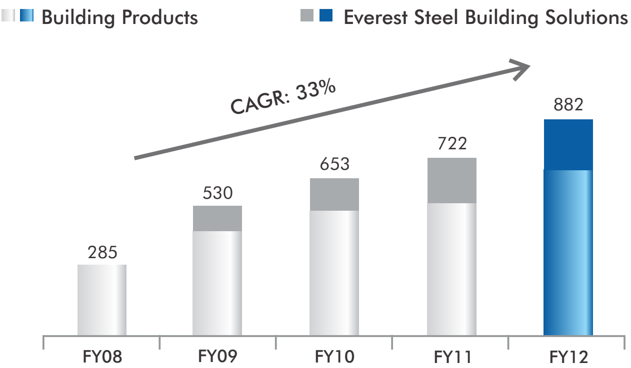
	2011-12	2010-11	Change over Previous Year
Net Sales / Income from operations	88154	72159	22.2%
Other Operating Income	2311	1315	75.7%
Total Income	**90465**	**73474**	**23.1%**
Expenditure			
Materials (including change in stock)	48985	38621	26.8%
Other expenses	31625	27083	16.7%
Total expenditure	80610	65704	22.6%
Profit from operations before depreciation & Finance Cost	9855	7770	26.8%
% to sales	**11.2%**	**10.8%**	
Depreciation	2008	1890	6.3%
Finance Cost	444	562	-21.0%
Profit from ordinary activities before tax	7403	5318	39.2%
% to sales	**8.4%**	**7.4%**	
Tax expense	2127	1248	70.5%
Net Profit from ordinary activities after tax	5276	4070	29.6%
% to sales	**6.0%**	**5.6%**	

Cement Planks

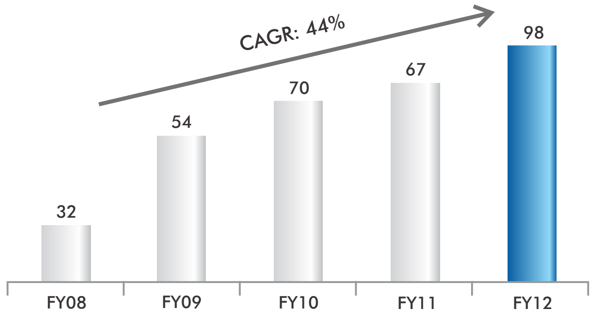
Consistent Financial Performance

The performance of Everest Industries Ltd has been consistent and growth oriented over several years. The following graphs represent the compounded annual growth rate of key performance parameters over last 5 years:

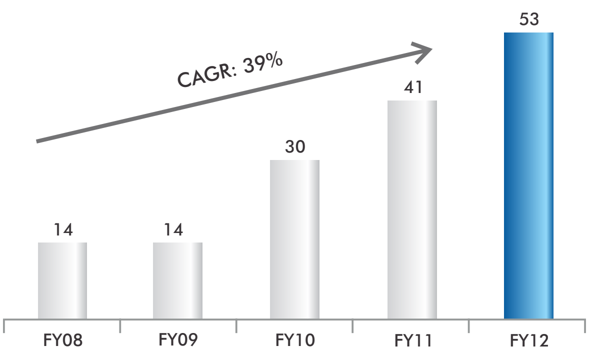
Sales Revenue (₹ in crores)



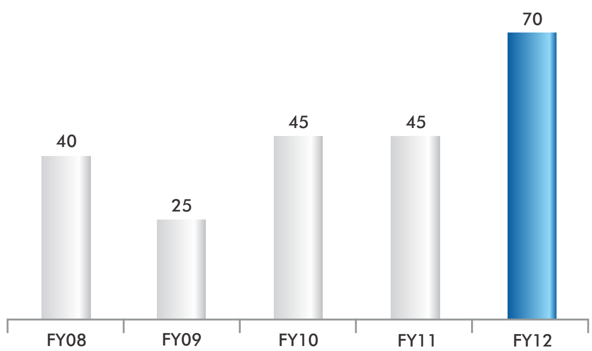
EBITDA (₹ in crores)



Net Profit (₹ in crores)

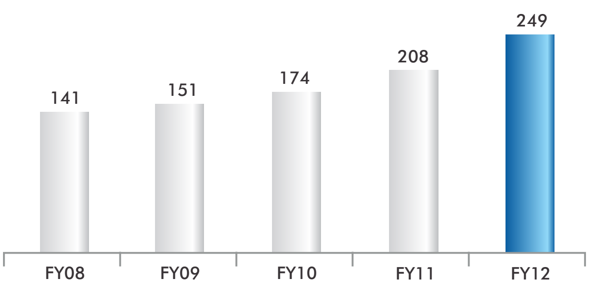


Dividend (%)

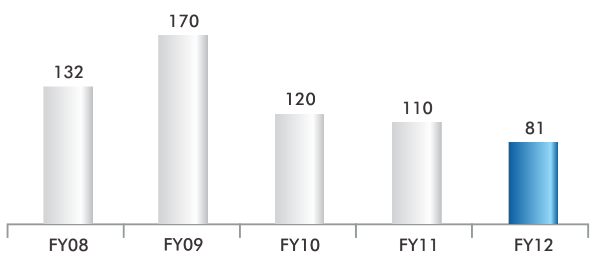


In the last five years, since 2007-8, Net Worth of the company has increased significantly. Return on net worth stands at 21.1% on March 31, 2012. Return (PBIT) on capital employed is 21.2%.

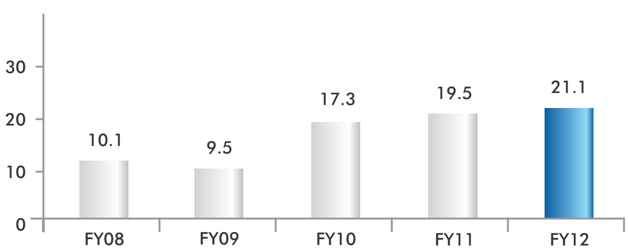
Net worth (₹ in crores)



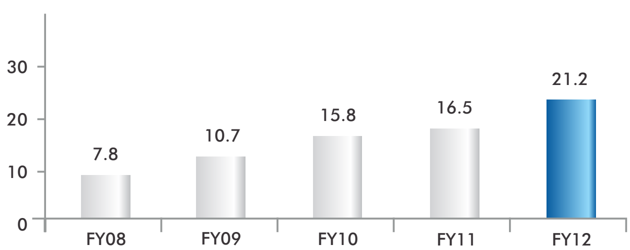
Total Debt (₹ in crores)



Return on Net Worth (%)



Return on Capital Employed (%)



BUILDING PRODUCTS DIVISION

The Building Products division of your company comprises fibre cement roofing sheets, fibre cement boards and solid wall panels.

Roofing

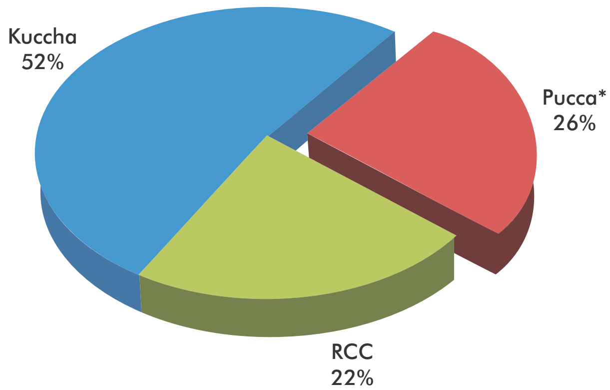
Census 2011 highlights that people are migrating from kuccha roofing of thatch and tiles to more durable pucca roofing products and RCC structures. In the last 10 years, since Census 2001, total share of kuccha roofing has reduced from 52% to 38% while pucca roofing and RCC has increased from 48% to 62%. Census 2011 highlights that more than 3.3 crore households have a Kuccha roof, indicating the potential for migration to pucca fibre cement roofing sheets. Home owners in semi-urban and rural India aspire to improve their living conditions.

Government schemes like Mahatma Gandhi National Rural Employment Guarantee Scheme, National Rural Livelihood Mission and various proposals made in the Union Budget 2012-13 like capitalization of rural banks, allocation for Rural Housing Fund will increase disposable income in the rural economy. Better agricultural revenue will boost the trend of migrating to more durable and comfortable roofing systems in the coming years. Everest offers a wide variety of roofing solutions including AC roofing, hi-tech roofing, metal roofing and polycarbonate rooflights.

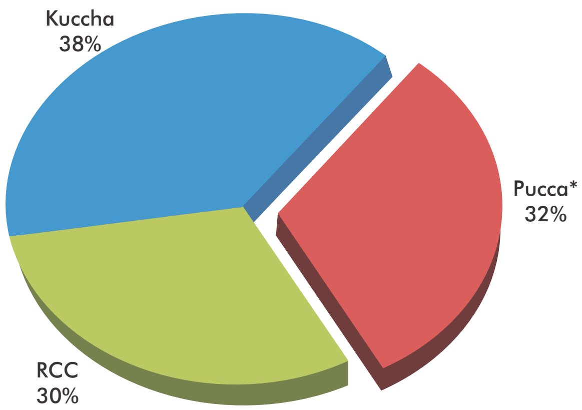
Everest has five manufacturing units for fibre cement roofing sheets spread across the country and caters to its markets through a network of 6,000 retail points. Everest has a market share of 13.2% in the AC roofing segment. To meet the growing demand in eastern India the Company is setting up a greenfield manufacturing unit for fibre cement roofing of 100,000 MT per annum at Balasore, Odisha.

People migrating from Kuccha houses to Pucca & RCC Structures

Census 2001



Census 2011



Boards and Panels

Boards and panels are used for walling, cladding and internal ceiling solutions. They are also used for flooring applications and wet area lining applications in modern construction methods.

The Indian boards industry for building and construction comprises many different products like plywood, gypsum, calcium silicate and fibre cement. Wood based products dominate the market with annual sales of ₹12,000 crores** but are unable to meet specific customer needs for applications which require resistance from fire, moisture, dampness and termites. Boards of different material like fibre cement, calcium silicate and gypsum meet these specific growing requirements. Architects and builders adopt modern products and building technologies in their projects. Markets for these applications and products are yet at a growth stage. Fibre cement boards (₹225 crores**), gypsum boards (₹530 crores**) and calcium silicate (₹70 crores**) are being increasingly used today as the construction industry experiences the benefits of using these products for specific applications.

The acceptance of fibre cement boards as substitute for plywood and gypsum boards is gaining momentum. Fibre cement boards and panels are recommended by architects, interior designers and contractors due to energy efficient parameters, good sound and thermal insulation, high strength, dimensional stability in various applications and resistance against termite and moisture. The preference for Everest dry wall systems in the hospitality and health care segment is also increasing for its performance and speed of erection.

Designer Ceilings

*** Market Estimates*

Everest fibre cement boards are a certified green product by the Indian Green Building Congress (IGBC) and contribute to obtaining Green Building certification by LEED and GRIHA.

Operations

The building products division of Everest produced about 6.5 lac MT of fibre cement products (roofs and boards), an increase of 5.1% over last year and grew by 18.1% in value terms.

Everest fibre cement roofing sheets are produced at 5 locations across the country – Bhagwanpur (Uttarakhand), Kolkata (West Bengal), Kymore (Madhya Pradesh), Lakhmapur (Maharashtra), Podanur (Tamil Nadu). To cater to the growing demand in eastern India, Everest will set up a greefield manufacturing unit for fibre cement roofing sheets of 100,000 MT at Balasore, Odisha. It will be operational in mid-2013. The installed capacity of the fibre cement roofing industry today is approximately 55 lac MT.

During the year, the plant and machinery at Kymore Works was successfully upgraded for quality and productivity enhancement. This has been well received by our customers in central India.

The labour union at Lakhmapur Works went on strike in November 2011, during long term settlement discussions. The management is in discussion with the union workers to resume work and is hopeful of settling the matter at the earliest.

Fibre cement boards and panels are produced at Bhagwanpur (Uttarakhand) and Lakhmapur (Maharashtra).

At Bhagwanpur Works a de-bottlenecking exercise was undertaken in the fibre cement boards line to successfully achieve a consistent production level of 4000 MT per month. In the endeavour to reduce the carbon footprint at Bhagwanpur Works, a biomass boiler was commissioned during the year.

Roll Forming Machine

STEEL BUILDINGS DIVISION

Pre-engineered buildings (PEB) segment is primarily driven by industrial and infrastructure growth. The PEB industry in India is fragmented with 12 organized players and more than 25 small regional players and has grown at a CAGR of 17 % for the past 5 years. The current market size is estimated at 6 lac MT (₹5,000 crores)**.

In India, less than 25% of new low rise industrial buildings are PEB. In USA 75% of low rise buildings are pre-engineered buildings. The use of steel buildings for the construction of airports, shopping malls, large stadiums, auditoriums, railway stations, power plants, and railway infra and metros besides industrial sheds and warehouses, is on the rise.

PEBs offer significant time and cost savings in projects. Its growing popularity in India is due to the short on-site erection time and the fast speed of shed erection which is 1/3rd the construction time compared to a conventional building. Assembly tools are used to erect building components which are designed and produced at Everest Bhagwanpur Works and transported to the site. Site risks are minimized and projects can be completed with no time delays or cost over-runs, associated with conventional on-site construction. Everest Steel Building Division offers complete building solutions for design, manufacturing and erection. In this year, Everest delivered its 500th pre-engineered building. Your company successfully commissioned an ERP implementation project in its Steel building division. This IT initiative will improve process flow and productivity.

*** Market Estimates*

Operations

The steel building division grew by 35.8% and achieved a turnover of ₹219.54 crores as compared to ₹161.69 crores last year. The division supplied 26,000 MT of steel buildings and components this year. The EBIT for this division is ₹13.4 crores, growth of 130% over previous year. The division has a strong order book for building projects and has undertaken productivity and quality initiatives to further reduce production and erection cycles.

Your company was awarded the CIDC Vishwakarma Best Project Award for its 60,000 sq ft college building project for Ansal Institute of Technology in Lucknow. The Everest Smart Steel building was designed, manufactured using light gauge steel, erected and handed over for occupation and use in a record 90 days.

CIDC Vishwakarma Award 2012

Opportunities, Risks, Threats and Concerns

The construction and infrastructure segment in India is growing rapidly. It accounts for 8% of GDP and is a priority for the Government. Rural and less developed regions in the country are attracting investments in industry and infrastructure development. Increased liquidity in rural India and aspirations for better housing are creating many opportunities for all segments that Everest operates in.

Census 2011 figures highlight the aspirations of people in rural India to have a pucca roof over their head. Everest has supplied more than 1 billion sq. mt. of roofing in India. Migration from thatch and clay tiles to pucca fibre cement roofing sheets is increasing. Demand for roof sheets in India will grow. The roofing industry expects stable growth and consistent margins. Customers trust the quality of brand Everest and demand will be robust over the coming years.

Cement, fly ash, crysotile, synthetic fibres and pulp are our main raw materials and form 70% of cost of goods sold. Cement and flyash are locally available in the proximity of our plants. There was an upward trend in cement demand and prices increased by 5.2% during the year.

Crysotile fibre is imported from CIS countries, Brazil and Canada. Due to strong global demand, high inflation, and the depreciation of the Rupee, price of crysotile fibre continued to increase. The average increase was 8.1%. Demand for the fibre internationally will be strong in the following years.

Everest has a long standing healthy relationship with its domestic and international raw material vendors to ensure regular and stable supplies of all its raw material. Further depreciation of the rupee would increase the cost of imported fibre.

To maintain margins in a climate of rising input cost, the selling price of our products in the market has also strengthened. Prices of fibre cement products increased by 6.6% during the year.

Fibre cement roofing industry witnessed the establishment of new production capacity in various areas of the country. The new supply will meet the expanding demand for building products due to healthy growth of markets in rural India.

There are many misconceptions about one of our roofing raw materials, crysotile (white asbestos). Crysotile is a naturally occurring mineral. It is mined in environmentally conscious countries like Russia, Canada and Brazil and imported in pallets. In the manufacturing process, the fibre is bound in a cement matrix. It is not sprayed. Fibre emission in the air is fully controlled and better than international norms. Regular health check-ups at our plants 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 is safe. Fibre Cement Roofing is still the most economical and affordable form of pucca roofing in India and in other developing nations.

Your company is also expanding markets for Everest Hi-Tech roofing sheets which are made with cellulose and man-made fibre. Hi-Tech is a premium product in Indian markets and your company is investing in the training of the distribution network and contractors for its proper handling, storage and installation.

Everest Fibre Cement Boards are cellulose reinforced autoclaved cement boards and are gaining popularity in India. These boards have an immense potential for growth in India due to their superior resistance to moisture, fire and termites. The demand for this product has been increasing especially in commercial buildings and pre-fab housing. The usage of boards requires special skills and training in product application which have been undertaken by your company. There are three new entrants in the market this year and the category will expand further. Export markets for fibre cement boards continue to be strong. We supply to a diverse set of buyers in Middle East, Africa and Europe and are the preferred choice of customers in these markets. The political turmoil in Middle East and the slowdown in global economy may weaken demand for housing and building products in some major markets of Middle East and Europe. A successful effort was made to broaden our export network to reduce dependence on a single region. Boards worth ₹56.63 crores were exported this year, an increase of 17.1% from the previous year.

The PEB sector is growing at 17% 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. Growth in new segments, logistics industry and Power plants will add to the demand of PEBs. High interest costs in India have created a demand for building techniques and products that can reduce project time-lines and facilitate early commissioning of projects. We expect this migration of projects from traditional RCC and Steel construction to PEBs to accelerate demand for the Everest Steel Building Division in coming years.

Currently, there is an industrial slowdown in the Indian economy as an impact of global economic uncertainty. In this situation, timely project completion and cost control are critical. The migration from conventional forms of construction to PEBs is higher. Our order book has strengthened and stood at ₹160 crores on March 31, 2012.

Economic uncertainty and liquidity contraction affects project schedules of our customers. Delays and deferment of projects can disrupt dispatch and delivery time lines of our buildings. Various initiatives to increase productivity, communication and to enhance erection capability will manage the increasing order book and the changing needs of the market.

Volatility in global steel prices and exchange rates poses a risk for the industry since most PEB contracts are fixed price contracts. Your company mitigates this risk by a prudent purchase policy, price variation clauses in long term contracts and quick execution of projects. The division has developed strong relationships with reputed vendors and manufacturers to ensure regular supply of good quality material.

During the year Everest successfully delivered many prestigious projects for reputed and high quality conscious companies which include Carrefour, General Motors, Godrej, Kirloskar, Pidilite, Safex and Brittania. Supplying to companies with high standards of project management help us learn and augment our own processes and technical capabilities.

Pre-Engineered Building

Human Resources

Good people practices have always been a part of the Everest corporate culture. In this direction, your company has undertaken different employee engagement initiatives to nurture the feeling of belonging and fun at work. Your company has a young workforce in every division and support function. To reinforce the youth workforce, and develop a talent pipeline for the future requirements, the company successfully introduced an on-going trainee programme to recruit and train young talent.

Employees are encouraged to participate in various competitions within and outside the company such as 5-S activities, Kaizen improvements and Quality Circle activities. Employees are involved in a number of work related projects, learning clubs, inter-corporate, in-plant and inter-zone cricket matches. The management has regular communication with its employees through electronic and print publications to keep them abreast with developments in the company.

Everest has an employee stock option scheme which rewards high performers. Productivity linked Excellence Bonus Scheme was introduced as team rewards for achievement of targets during each quarter. The company has also initiated an electronic Performance Management System for effective appraisals. There is a continuous focus on skill based technical training using external and internal faculty and management development programmes in reputed institutions.

Regular picnics with families, offsite get-togethers and conferences across various divisions fosters a sense of camaraderie, trust and achievement. The company arranges periodic painting, singing and talent competitions for the families and their achievements are recorded in the quarterly news magazine, E-News.

Women's Day Celebration

Corporate Social Responsibility

Events like World Environment Day, Earth Day, Anti-Tobacco Day, Engineers Day and Women's Day are acknowledged and celebrated annually and as ongoing programs at Everest to spread the message within the company and in the communities we serve and operate in. Everest employees participate enthusiastically for welfare and upliftment of communities in the neighbouring areas of the Plants and Zones. During the year, various Plants conducted medical camps, cultural functions and plantation drives. Everest supports NGOs like Salaam Bombay Foundation which conduct life skill programmes in schools with a focus on health, education and empowering children to lead a tobacco free life. Your company also supports NGOs for the education of less priviliged children. Your company has initiated a pilot vocational training programme for the community in and around its plants. Based on the outcome over subsequent months, the programme will be expanded.

Community welfare work by Everest family

Expansion and Growth Plans

Your company is setting up a fibre cement roofing Plant in Balasore, Odisha with a manufacturing capacity of 100,000 MT. The estimated project cost is ₹50 crores and will be completed in mid-2013. The building products division of your company has initiated an ERP implementation programe which will be operational in the following year. The company will continue to improve productivity and efficiency at its existing manufacturing facilities.

Internal Control Systems and Their Adequacy

Your Company has committed various resources to provide an ecosystem of creating effective operations and security of assets. Allocating various new and innovative process flows to generate more profitability and ensure better relations with our customers, we have made our internal systems leaner and cut overheads.

The audit committee reviews reports tabled by the independently functioning internal audit team, which visits various locations of the company, to ensure smooth and transparent functioning. The committee then further implements suggestions contained in the Audit reports.

Risk Mitigation

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

Research and Development

We have imbibed a spirit of innovation across all our undertakings. With incisive inputs from our wide spread sales network, we have always manufactured products to meet the needs of our customers. The Research and Development wing undertakes various internationally accepted and recognized quality tests to ensure that the product going out in the market is continually upgraded as per changing requirements.

Health and Safety

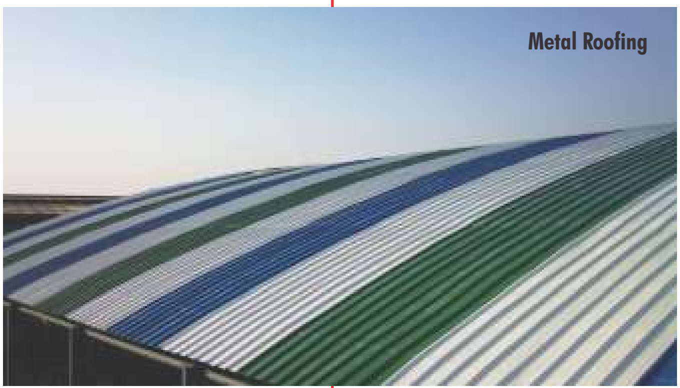
Everest recognizes the importance of safety and strength. Your Company takes special care of all its employees, associates and customers. All works ensure zero discharge of industrial effluents into the environment. Adequate measures are taken at pre-engineered building sites, especially during installation to ensure zero accidents. Measures like provision of safety equipment, daily safety talk, safety training to all workers and safe work place practices are sincerely followed at all our plant locations.

Cautionary Statement

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

Drywalls

COMPLETE BUILDING SOLUTIONS




Smart Steel Building


Smart Steel Building


Cladding


Heavy Duty Wall Board


Access Floor


Rooflight

Notice is hereby given that the Seventy Ninth Annual General Meeting of the Members of Everest Industries Limited will be held at The Gateway Hotel Ambad Nashik, P-17, MIDC, Ambad, Mumbai - Agra Road, Nashik – 422 010 (Maharashtra) on Tuesday, the 24th July, 2012 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 2012, 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. M.L. Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Amitabh Das Mundhra, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 015125N), be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at the remuneration to be determined by the Board of Directors of the Company."

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. Y. Srinivasa Rao, Executive Director (Operations) of the Company for a period of three years w.e.f. 23rd April, 2012 to 22nd April, 2015 at such remuneration and on such other terms and conditions as set out in the draft Agreement submitted to this Meeting and signed by a Director for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Remuneration Committee/ Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or the Agreement in such manner as may be agreed to between it and Mr. Rao.

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

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

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

   "RESOLVED that in partial modification of Ordinary Resolution no. 6 passed at the 77th Annual General Meeting of the Company held on 29th July, 2010 for the appointment and terms of remuneration of Mr. Manish Sanghi as Managing Director and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act 1956 read with Schedule XIII prescribed under the Companies Act, 1956, the Company hereby approves the revision in salary grade applicable to Mr. Manish Sanghi as Managing Director (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within the grade, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1st April, 2012 for the remainder of the tenure of his contract as set out in the explanatory statement annexed hereto and the draft Supplemental Agreement submitted to this meeting signed by a Director for the purpose of identification which Agreement is hereby specifically sanctioned."

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 Director(s) 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-2012) during the financial year 2012-2013, 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 pari passu in all aspects with the existing Equity Shares of the Company.

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

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

Mumbai, 26th April, 2012

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 19.7.2012 to 24.7.2012 (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 79th Annual General Meeting, shall be paid to those members whose names stand on the Register of Members of the Company on 24.7.2012. The dividend in respect of shares held in dematerialized form in the depository system will be paid to the beneficial owners of the shares as on the closing hours of business on 18.7.2012 as per the list provided 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 31.3.2006 and onwards.
7. As per the provisions of the Companies Act, 1956, the facility for making nomination is available to the Shareholders in respect of the equity shares held by them. Nomination form can be obtained from the Company's Registrars and Share Transfer Agents, viz. M/s. MCS Ltd., F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 or can be downloaded from the Company's website www.everestind.com.
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 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', A-32, Mohan Co-operative Industrial Area, Mathura Road, New Delhi - 110 044.
10. The Ministry of Corporate Affairs (MCA) has permitted paperless compliances by the Companies, vide its circulars No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively. MCA has clarified that services of documents on Members by e-mail will constitute sufficient compliances with Section 53 of the Companies Act, 1956, provided the Members are given an advance opportunity to register their Email address or changes, if any, therein with the Company. Members are once again 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, First Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020 for the purpose of service of documents viz. Annual Report, Notice of General Meetings, Notice of Postal Ballot, Intimation of ECS Credits etc. The form can be downloaded from the Company's website www.everestind.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 Ninth Annual General Meeting:

Item No. 6

The tenure of appointment of Mr. Y. Srinivasa Rao, Executive Director (Operations) of the Company was for a period of five years with effect from 23rd April, 2007 to 22nd April, 2012. The Board of Directors in their meeting held on 30th March, 2012 have re-appointed Mr. Rao as the Executive Director (Operations) of the Company for a period of three years with effect from 23rd April, 2012 to 22nd April, 2015, on the basic salary of Rs. 2,10,000/- p.m., in the salary grade of Rs. 2,10,000 – 30,000 – 3,30,000, subject to the approval of the Members of the Company.

Mr. Rao graduated with B.Sc. in Mechanical Engineering and has a total experience of around 26 years in multi-cultural and international environment. Mr. Rao joined the Company in 1997 and had an outstanding and rewarding career in the Organisation, with a rich and varied experience of handling manufacturing, project management, technology transfer and Research and Development initiatives.

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

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

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

(ii) Perquisites & Allowances

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

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

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

(iii) Provident Fund, Superannuation/Annuity Fund

Further, Mr. Rao shall be entitled to the Company's contribution to Provident Fund and Superannuation or Annuity Fund, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure.

(iv) Performance Incentive

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

(v) Minimum Remuneration

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

(vi) Annual Leave

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

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

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

The abstract of the terms of re-appointment of Mr. Rao under Section 302 of the Companies Act, 1956 alongwith the memorandum of interest has already been sent to all the Members of the Company.

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

No Director of the Company other than Mr. Rao is concerned or interested in the Resolution.

Item No. 7

Mr. Manish Sanghi was appointed as Managing Director of the Company for a period of three years with effect from 1st October, 2010 upto 30th September, 2013 on a basic Salary of Rs. 2,00,000/- per month in the grade of Rs. 2,00,000–30,000-3,50,000. The terms of appointment of Mr. Sanghi, including subsequent increase in his salary together with such perquisites, allowances and performance incentives was approved by the members in their Annual General Meeting held on 29th July, 2010.

The Board of Directors in their meeting held on 26th April, 2012 have revised w.e.f. 1st April, 2012 the basic salary of Mr. Sanghi to Rs.2,70,000/- p.m. in the revised salary grade of Rs. 2,70,000-40,000-3,50,000 (with proportionate increase in the value of the benefits related to salary) for the remaining tenure of his contract i.e. upto 30th September, 2013, with authority to the Board to fix his salary within the grade from time to time. The annual increments will be effective April 01, each year and will be decided by the Board or the Remuneration Committee of the Board each year and will be merit based and take into account the Company's performance.

All other terms and conditions of the appointment of Mr. Sanghi will remain unchanged. The Resolution for the change in the salary grades as aforesaid is commended for acceptance by the Members.

The draft Supplemental Agreement between the Company and Mr. Sanghi, is available for inspection by the Members of the Company at the Registered Office of the Company between 11.00 AM to 1.00 PM on any working day of the Company up to the date of Meeting.

As regards the revision in the salary of Mr. Sanghi w.e.f. 1st April, 2012 is concerned, this may be considered as an abstract of variation under Section 302 of the Companies Act, 1956.

No Director of the Company other than Mr. Sanghi is concerned or interested in the Resolution.

Item No. 8

The Board of Directors of your Company has decided to introduce an Employees' Stock Option Scheme for the Financial Year 2012-2013 (ESOS-2012) 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 Director(s) in order to motivate and retain the best talent.

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

The information required as per Clause 6.2 of SEBI Guidelines for ESOS-2012, 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 – 2012

Such employees as are in the permanent employment of the Company in the management staff including the Managing/Whole-time Director(s) at the time 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.

<u>Monitoring and Administration</u>

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-2012 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 Director(s) 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.

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

Mumbai, 26th April, 2012

ANNEXURE TO THE NOTICE DATED 26TH APRIL, 2012 – ITEM NOS. 3, 4 & 6

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of Director	Mr. M.L. Gupta	Mr. Amitabh Das Mundhra	Mr. Y. Srinivasa Rao
Date of Birth	03.02.1941	22.12.1967	16.06.1963
Date of appointment	08.07.2002	21.06.2010	23.04.2007
Expertise in specific functional areas	Technical/ General Management	Commercial, Administrative and Project Monitoring	Manufacturing Operations
Qualifications	B.Tech. (Hons)	B.Com	B.Sc. Engg. (Mech)
List of Directorship held in other Companies as on 31st March, 2012	Axis Holdings Pvt. Ltd.	1. Simplex Infrastructures Ltd. 2. Tips Industries Limited 3. Kalindi Agro Biotech Ltd. 4. Simplex Mining Ltd. 5. Simplex Energy Ltd. 6. Simplex Management Consultants Ltd. 7. Simplex Water Treatment Ltd. 8. Simplex Concrete Piles (India) Ltd. 9. Anupriya Consultants Pvt. Ltd. 10. RBS Credit & Financial Developments Pvt. Ltd. 11. Shree Farms Pvt. Ltd. 12. Asnew Finance & Investment Pvt. Ltd. 13. Citrop India Pvt. Ltd. 14. Pahal Investment Pvt. Ltd. 15. Simplex Technologies Pvt. Ltd. 16. Sri Mohamaya Investments Pvt. Ltd. 17. Baba Basuki Distributors Pvt. Ltd. 18. Simplex Almoayyed WLL	Everest Building Solutions Ltd.
Chairman/Member of the Committees of the Board of Public Companies on which he is a Director as on 31st March, 2012 (Mandatory only)	None	Tips Industries Limited – Audit Committee (Chairman)	None
Shareholding in the Company as on 31st March, 2012	1,10,000	NIL	44,538
Relationship with other Directors	None	None	None

To The Members of

Everest Industries Limited

Your Directors have pleasure in presenting their Seventy Ninth Annual Report together with the Audited Statement of Accounts for the financial year ended March 31, 2012.

FINANCIAL RESULTS (Rs. in lacs)

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Net Revenue from operations	88,686.12	72,309.51
Other Income	1,779.03	1,164.85
Profit before Depreciation & Finance Costs	9,855.10	7,770.24
Less:		
- Depreciation	2,008.16	1,889.60
- Finance Costs	443.75	562.56
Profit before Tax	7,403.19	5,318.08
Less:		
- Current Tax	2,145.84	1,318.69
- Deferred Tax	(18.86)	(70.95)
Profit after Tax	5,276.21	4,070.34
Add: Surplus of earlier years brought forward	11,014.81	8,150.31
Profit available for Appropriation	16,291.02	12,220.65
Appropriations:		
General Reserve	530.00	410.00
Dividend	1,057.89	686.94
Tax on Distributed Profits	171.62	108.90
Surplus carried to Balance Sheet	14,531.51	11,014.81

DIVIDEND

Your Directors are pleased to recommend a dividend of 70% i.e. Rs. 7/- per equity share of Rs.10/- each. The total quantum of dividend, if approved by members, will be Rs. 1057.89 Lacs, while Rs. 171.68 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, 2012. Dividend will be tax free in the hands of the shareholders.

OPERATIONS REVIEW

Net Revenue from operations was Rs. 886.86 Crores as compared to Rs. 723.10 Crores during the previous year. The profit after tax during the year at Rs. 52.76 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 2012, 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, 2012 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

The Board of Directors in their meeting held on March 30, 2012 have re-appointed Mr. Y. Srinivasa Rao as Executive Director (Operations) of the Company for a period of three years w.e.f. April 23, 2012 to April 22, 2015 subject to the approval of the shareholders of the Company. The resolution pertaining to his re-appointment & the remuneration payable to him as well as revision of his salary grade is set out in item no. 6 of the Notice and the relevant explanatory statement. The resolution is commended to the members for approval.

The salary grade of Mr. Manish Sanghi, Managing Director has been revised as set out in Item No. 7 of the Notice & relevant explanatory statement. The resolution is commended to the members for approval.

Mr. M.L. Gupta and Mr. Amitabh Das Mundhra, Directors, 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 and ESOS 2011. The exercise period of ESOS-2006 has expired on 21.3.2012. 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 except Lakhmapur Works, 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, 26th April, 2012

ANNEXURE - A TO DIRECTORS' REPORT

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

(A) Conservation of Energy

(a) Energy Conservation Measures taken:

- Energy efficient drives for Mixers, Vacuum pumps & Compressors for optimization of power consumption.
- Energy efficient LED lamps installed.
- Pulping time reduced through process change.

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

- Installation of energy efficient AC drives and pumps.

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

- Reduction in specific power consumption.
- Cost reduction.

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

Form A

A	Power and fuel consumption	2011-12	2010-11
1	Electricity		
	(a) Purchased (Units in Lakhs)	342.58	300.29
	Total amount (Rs. In Lakhs)	1959.64	1545.69
	Rate/unit	5.72	5.15
	(b) Own generation		
	(i) Through diesel generators (Units in Lakhs)	54.39	62.34
	Total amount (Rs. In Lakhs)	660.16	728.94
	Rate/unit	12.14	11.69
2	Furnance oil		
	Quantity (In Lakh k.Liters)	0.0084	0.0111
	Total amount (Rs. In Lakhs)	332.48	333.04
	Average rate (Rs/Liter)	39.57	30.00
3	Solid Fuel (Briquettes)		
	Quantity (In Tonnes)	5189.00	4164.75
	Total amount (Rs. In Lakhs)	236.89	166.33
	Average rate (Rs/Kg)	4.57	3.99
B	Consumption per unit of production		
	(a) CBS UT Roofing sheets		
	Electricity (KWH/000'm2n)*	405.41	379
	(b) Non-Asbestos Hitech Roofing sheets		
	Electricity (KWH/000'm2n)*	829	622
	(c) Flat Boards		
	Electricity (KWH/000'm2n)*	768.37	802
	Furnance oil (K Liters/000'm2n)*	0.061	0.099
	Solid Fuel [Briquettes] (MT / '000m2n)	0.375	0.375

*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
– Roofing material for special applications
– Paint coatings for FC products
– Optimised use of raw materials for improving performance

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

- New product launched in Domestic & International markets
- Cost reduction and import substitution
- Improved quality

c) Future Plan of Action

- Development of value added Roofing solutions
- Development of alternate raw materials, additives to enhance characteristics of Roofing Sheets and Boards
- Development of new application for fibre cement board

d) Expenditure on R & D

(Rs. In Lacs)

		Current Year	Previous Year
(i)	Capital	4.83	2.09
(ii)	Recurring	105.96	73.84
(iii)	Total	110.79	75.93
(iv)	Total R & D expenditure as a percentage of total turnover	0.12%	0.10 %

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

2) Benefits derived as a result of the above efforts:
   - Improvement in productivity and quality of products
   - Cost saving

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

During the year under review, export volumes have increased from the previous year by 10.9%. The Company's products are exported to Middle East countries and African countries. The Company has distinct leadership position in Middle East market because of participating in exhibitions and organizing Technical Seminars, Conferences, Dealer's meet etc.

b) Total foreign exchange used and earned:

(Rs. in Lacs)

	Current Year	Previous Year
Foreign Exchange Earnings	5,663.12	4,835.62
Foreign Exchange Used	18,156.89	17,211.51

For and on behalf of the Board

MANISH SANGHI
Managing Director

Y. SRINIVASA RAO
Executive Director (Operations)

Mumbai, 26th April, 2012

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, 2012.

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.	Somani A.V.	Chairman	M.Com, MBA	38	21	1,67,54,235	21.6.2010	White Knight Constructions India Pvt. Ltd. (Director)
2.	Sanghi Manish	Managing Director	B.E. (Mech), PGDM (IIM)	49	26	1,16,18,774	16.01.2001	Delphi Automotive Systems Ltd. (General Manager-Marketing & Planning)
3.	Rao Y. Srinivasa	Executive Director (Operations)	B.Sc. Engg. (Mech)	48	26	84,43,200	20.08.1997	Samcor Glass Ltd. (Manager)
4.	Garg Manish	President (ESBS)	Diploma in Engineering, AMIE	39	21	1,05,71,624	20.04.2007	Interarch Building Products P. Ltd. (General Manager-Marketing)

Notes : (i) Gross Remuneration shown above is subject to tax and comprises of salary, allowances, 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, 26th April, 2012

ANNEXURE-C TO DIRECTORS' REPORT

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

Pursuant to the Special Resolutions passed by the shareholders 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, 29.7.2010 and 22.7.2011, 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, 2010-2011 and 2011-12 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	Particulars of ESOS-2011
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.	1,50,720 options were granted to the employees and Directors of the Company as on 24.01.2012.
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).	@Rs. 126/- (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.126/- per share, the closing price on NSE on January 23, 2012 was Rs. 125.93).
C.	Options vested	NIL	23,747	14,360	1,00,660	1,32,330	NIL
D.	Options exercised	13,100	9,089	6,150	200	NIL	NIL
E.	The total number of shares arising as a result of exercise of options.	13,100	9,089	6,150	200	NIL	NIL
F.	Options Lapsed	15,500	1,825	900	9,940	15,375	NIL
G.	Variation of terms of options	NIL	NIL	NIL	NIL	NIL	NIL
H.	Money realized by exercise of options.	Rs.11,79,000	Rs 8,90,722	Rs. 3,19,800	Rs. 33,800	NIL	NIL
I.	Total number of options in force.	NIL	23,747	14,360	1,00,660	1,32,330	1,50,720

Sr. No.	Description	Particulars of ESOS-2006	Particulars of ESOS-2007	Particulars of ESOS-2008	Particulars of ESOS-2009	Particulars of ESOS-2010	Particulars of ESOS-2011
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	20,000
	(b) M. L. Gupta, Director	16,000	16,000	15,000	15,000	–	–
	(c) Mr. Y. Srinivasa Rao, Executive Director (Opeations)	10,000	16,000	15,000	15,000	15,000	15,000
	(d) Mr. Manish Garg, President (ESBS)	–	10,000	10,000	7,000	7,000	10,000
	(e) Mr. Rakesh Kumar Gupta, Sr. Vice President (Finance)	–	–	5,000	5,000	7,500	7,500
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	None	None	None	None	None	None
	(iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None	None	None	None	None	None
K.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.	Rs. 34.96					
L.	i) Method of calculation of employee compensation cost.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost as per the intrinsic value method for the financial year 2011-12.					
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	The employee compensation cost would have increased by Rs. 88.89 lakhs					
	iii) The impact of this difference on Profits and on EPS of the Company.	The effect of adopting the fair value method on the net income and earnings per share is presented below:					

	(Rs. in lakhs)	
Net Income reported	5,276.21	
Add: Intrinsic Value Compensation Cost		
- Employees Stock Option Scheme 2010	–	
- Employees Stock Option Scheme 2011	–	
Less: Fair value Compensation Cost (Black Scholes Model)		
- Employees Stock Option Scheme 2010	75.26	
- Employees Stock Option Scheme 2011	13.63	
Adjusted Net Income	5187.32	
Earning Per share	Basic (Rs)	Diluted (Rs)
As reported	34.96	34.96
As adjusted	34.37	34.37

Sr. No.	Description	Particulars of ESOS-2006	Particulars of ESOS-2007	Particulars of ESOS-2008	Particulars of ESOS-2009	Particulars of ESOS-2010	Particulars of ESOS-2011
M.	Weighted average exercise price and weighted average fair value of Options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs. 90.00 Weighted average fair value: Rs. 25.83	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs. 98.00 Weighted average fair value: Rs. 38.16	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs. 52.00 Weighted average fair value: Rs. 16.17	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs. 169.00 Weighted average fair value: Rs. 68.04	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs. 174.00 Weighted average fair value: Rs. 66.18	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs. 126.00 Weighted average fair value: Rs. 48.69
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	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%	8.13%
	(ii) expected life:	5 years	5 years	5 years	5 years	5 years	5 years
	(iii) expected volatility:	49.93%	54.83%	63.24%	53.30%	44.50%	40.22%
	(iv) expected dividends:	7.80%	4.22%	7.87%	2.84%	2.60%	3.42%
	(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	Rs. 131.45

For and on behalf of the Board

Mumbai, 26th April, 2012

MANISH SANGHI
Managing Director

Y. SRINIVASA RAO
Executive Director (Operations)

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 31.03.2012, the Board met 6 times [on 29.04.2011, 22.07.2011, 19.10.2011, 02.12.2011, 24.01.2012 and 30.03.2012] with clearly defined agenda, circulated well in advance before each meeting.

3. Attendance record of the Directors for the year ended 31.03.2012 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 22.07.2011	No. of other Director ships held	No. of member ship/ chairman-ship in other Board Committees (Mandatory only)	Executive/ Non - Executive/ Independent
Mr.A.V.Somani	6	Present	4	1	Executive
Mr.M.L.Gupta	4	Present	1	Nil	Non Executive
Mr.Mohanlal Bhandari	5	Present	1	Nil	Independent Non Executive
Mr.Sandeep Junnarkar	6	Present	9	4 (1 as Chairman)	Independent Non Executive
Mr.M.L.Narula	6	Present	4	1	Independent Non Executive
Mr.Amitabh Das Mundhra	3	Absent	18	1 as Chairman	Independent Non Executive
Mr.Manish Sanghi	6	Present	1	Nil	Executive
Mr.Y.Srinivasa Rao	6	Present	1	Nil	Executive

4. CODE OF BUSINESS CONDUCT AND ETHICS

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

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

   The Code is posted and available at the website of the Company (www.everestind.com). The declaration signed by the Managing Director to this effect that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2011-12 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) AUDIT COMMITTEE

   As on April 01, 2011, the Audit Committee of the Board comprised 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 292A 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. M.L. Narula	Mr. M.L. Gupta
1	29th April, 2011	Attended	Attended	Attended	Attended
2	22nd July, 2011	Attended	Attended	Attended	Attended
3	19th October, 2011	Attended	Attended	Attended	Absent
4	24th January, 2012	Attended	Attended	Attended	Attended

   (b) INVESTOR GRIEVANCE / SHARE TRANSFER COMMITTEE

   Investor Grievance/Share Transfer Committee of the Board consists of Mr.Mohanlal Bhandari (Chairman), Mr. Aditya Vikram 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.	22nd July, 2011	Attended	Attended	Attended
2.	24th January, 2012	Attended	Attended	Attended

The Committee approved through Resolution by Circulation transfers etc. 17 times in the financial year ended March 31, 2012 and there were no pending shares to be transferred as on March 31, 2012. During the year April 01, 2011 to March 31, 2012, the Company received nil complaints from shareholders. Mr. Neeraj Kohli, Company Secretary & Head-Legal is the Compliance Officer of the Company.

(c) REMUNERATION COMMITTEE

As on April 01, 2011, the Remuneration Committee of the Board comprised 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. M. L. Narula	Mr. Amitabh Das Mundhra
1.	29th April, 2011	Attended	Attended	Attended	Attended
2.	24th January, 2012	Attended	Attended	Attended	Attended
3.	30th March, 2012	Attended	Attended	Attended	Absent

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

(d) BANKING FACILITY COMMITTEE

As on April 01, 2011, the Banking Facility Committee of the Board comprised of Mr. A. V. Somani (Chairman), Mr. Manish Sanghi (Member) and Mr.Y.Srinivasa Rao (Member).

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

Sr. No.	Dates on which Banking Facility Committee Meetings were held	Attendance Record of the Members		
		Mr. A. V. Somani	Mr. Manish Sanghi	Mr. Y. Srinivasa Rao
1.	15th June, 2011	Attended	Attended	Attended
2.	29th September, 2011	Attended	Attended	Attended
3.	2nd December, 2011	Absent	Attended	Attended

REMUNERATION OF WHOLETIME DIRECTORS

Name and Designation	Mr. A. V. Somani Chairman	Mr. Manish Sanghi, Managing Director	Mr. Y. Srinivasa Rao, Executive Director (Operations)
Tenure of Appointment	Current tenure is upto 20th June, 2013	Current tenure is upto 30th September, 2013	Current tenure is upto 22nd April, 2015
Salary (Rs.)	66,00,000	27,60,000	21,60,000
Perquisites/Allowances (Rs.)	36,43,235	34,50,000	27,00,000
Performance Incentive/ Commission (Rs.)	1,05,00,000	40,00,000	34,00,000
Contributions to Provident Fund/Superannuation Fund (Rs.)	–	7,45,200	5,83,200
Perquisites value of ESOS (Rs.)	–	11,09,700	–
Other (Rs.)	–	53,874	–
Employee Stock Options Granted (ESOS-2011)	–	20,000	15,000

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Name	Mr. Mohanlal Bhandari	Mr. Sandeep Junnarkar	Mr. M. L. Narula	Mr. M. L. Gupta	Mr. Amitabh Das Mundhra
Commission (Rs.)	6,50,000	5,00,000	5,00,000	5,00,000	5,00,000
Sitting fees (Rs.)	1,80,000	1,90,000	1,90,000	1,20,000	80,000
Total (Rs.)	8,30,000	6,90,000	6,90,000	6,20,000	5,80,000

Remuneration Policy

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

The Remuneration Committee of the Board, at its meeting held on 24th January, 2012, have granted 1,50,720 Stock Options under the ESOS-2011, to the eligible employees of the Company, at a price of Rs.126/- 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
2011	AGM	GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	22.07.2011	11.30 a.m.
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.

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 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.

(ii) 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.

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

(iv) At the 78th Annual General Meeting held on July 22, 2011, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2011 to the specified employees during the financial year 2011-2012.

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

Details of Special Resolution(s) passed through postal ballot, result of which were declared on 19.05.2011.

i) Alteration of Object Clause of the Memorandum of Association of the Company by insertion of new sub-clauses 4A, 6A,7A,16A, 19A and 36A in Clause III.

ii) Commencement of all or any of the business stated in new sub clauses 4A & 6A of Clause III of the Memorandum of Association of the Company.

7. DISCLOSURES

During the financial year ended March 31, 2012, 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.

The particulars of transactions between the Company and its related parties are as per the Accounting Standard 18 "Related Party Disclosure" prescribed by the Companies (Accounting Standards) Rules, 2006 are disclosed in the Annual Accounts (Note No. 2.32). However, these are not likely to have any conflict with the Company's interest.

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

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

There is no deviation 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

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 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.

SHAREHOLDER INFORMATION

i)	Annual General Meeting Day, Date, Time and Venue	Tuesday, the 24th July, 2012 at 11.30 a.m. at The Gateway Hotel Ambad Nashik, P-17, MIDC, Ambad, Mumbai - Agra Road, Nashik - 422010 (Maharashtra).
ii)	Financial Year	1st April, 2011 to 31st March, 2012
iii)	Date of Book Closure	19.07.2012 to 24.07.2012 (both days inclusive)
iv)	Posting of Annual Report	On or before 29.6.2012
v)	Dividend Payment date	Dividend, if any, declared in the forthcoming 79th Annual General Meeting will be paid on or after 30th July, 2012.
vi)	Unclaimed/Unpaid Dividend for the previous years.	The Company is required to transfer dividends which have remained unpaid/ unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. Unclaimed/ unpaid dividend for the year March 31, 2004 has been transferred to the Investor Education & Protection Fund established by the Government. The Company will transfer the dividend for the year ended March 31, 2005 and Interim dividend declared in August 2005, which have remained unclaimed to the said fund in July, 2012 and August, 2012 respectively. Members who have not encashed their dividend warrants for the Financial Year 2005-2006 & onwards may approach the Company for obtaining demand drafts in lieu of unpaid dividend warrant.
vii)	Financial Calendar (Tentative) a) Financial reporting for the quarter ending June 30, 2012, Quarter and half year ending September 30, 2012, Quarter and nine months period ending December 31, 2012. b) Financial reporting for the financial year ending March 31, 2013 (Audited).	 Within 45 days from the end of each quarter as stipulated under the Listing Agreement. Within 60 days from the end of the last quarter as stipulated under the Listing Agreement.
viii)	Listing of Equity Shares	Bombay Stock Exchange Limited & The National Stock Exchange of India Ltd. at Mumbai. The Listing fees for the Financial Year 2012-13 has been paid to the Exchanges.

11. STOCK CODE

– 508906 on the Bombay Stock Exchange Ltd.

– EVERESTIND on the National Stock Exchange of India Ltd.

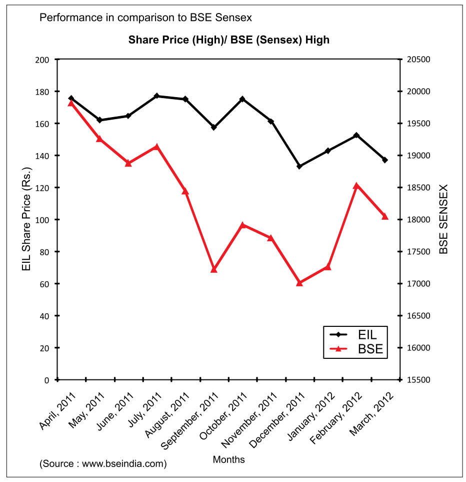
– ISIN No.INE295A01018 for Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialized shares.

12. STOCK MARKET DATA

MONTHLY HIGH / LOW SHARE PRICE * (01.04.2011 TO 31.03.2012)

MONTH	Bombay Stock Exchange Ltd., Mumbai (BSE)		BSE SENSEX	
	HIGH (RS.)	LOW (RS.)	HIGH	LOW
April, 2011	175.45	144.55	19811.14	18976.19
May, 2011	161.85	136.70	19253.87	17786.13
June, 2011	164.50	144.10	18873.39	17314.38
July, 2011	176.95	156.00	19131.70	18131.86
August, 2011	175.00	129.80	18440.07	15765.53
September, 2011	157.25	136.00	17211.80	15801.01
October, 2011	175.00	137.00	17908.13	15745.43
November, 2011	161.00	121.50	17702.26	15478.69
December, 2011	133.00	102.50	17003.71	15135.86
January, 2012	142.70	106.35	17258.97	15358.02
February, 2012	152.45	125.40	18523.78	17061.55
March, 2012	136.95	119.00	18040.69	16920.61

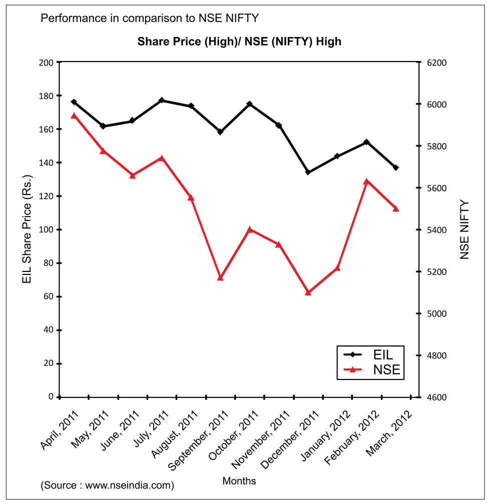
* Based on Stock Exchange website.



MONTHLY HIGH / LOW SHARE PRICE * (01.04.2011 TO 31.03.2012)

MONTH	The National Stock Exchange of India Ltd. (NSE)		S&P CNX NIFTY INDEX	
	HIGH (RS.)	LOW (RS.)	HIGH	LOW
April, 2011	175.95	141.10	5944.45	5693.25
May, 2011	161.50	135.30	5775.25	5328.70
June, 2011	164.90	142.00	5657.90	5195.90
July, 2011	177.00	156.00	5740.40	5453.95
August, 2011	173.70	129.00	5551.90	4720.00
September, 2011	158.00	135.55	5169.25	4758.85
October, 2011	174.85	137.10	5399.70	4728.30
November, 2011	161.90	121.20	5326.45	4639.10
December, 2011	134.00	104.10	5099.25	4531.15
January, 2012	143.60	104.00	5217.00	4588.05
February, 2012	152.00	125.30	5629.95	5159.00
March, 2012	136.70	118.20	5499.40	5135.95

* Based on Stock Exchange website.



13. REGISTRAR AND SHARE TRANSFER AGENT

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

14. SHARE TRANSFER SYSTEM

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

15. PERMANENT ACCOUNT NUMBER (PAN)

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

16. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012

The Company had a shareholders base of 12927 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	11139	86.17	1563616	10.35
501 to 1000	1071	8.29	788312	5.22
1001 to 2000	359	2.78	531922	3.52
2001 to 3000	150	1.16	379356	2.51
3001 to 4000	39	0.30	140782	0.93
4001 to 5000	35	0.27	164674	1.09
5001 to 10000	74	0.57	539391	3.57
10001 to 50000	45	0.35	925076	6.12
50001 to 100000	7	0.05	442099	2.92
100001 and above	8	0.06	9637485	63.77
TOTAL	12927	100.00	15112713	100.00

SHAREHOLDING PATTERN AS ON MARCH 31, 2012

Sr. No.	Category	No. of Shares held	% of shareholding
1.	Promoters	7520470	49.76
2.	Mutual Funds/ UTI	1021823	6.76
3.	Financial Institutions/ Banks	225	0.00
4.	Central Government/ State Government(s)	200	0.00
5.	Insurance Companies	742	0.00
6.	Foreign Institutional Investors	316275	2.09
7.	Bodies Corporate	1063605	7.04
8.	Individuals	4570429	30.24
9.	Trusts & Foundations	417885	2.77
10.	NRI's	201059	1.34
TOTAL		15112713	100.00

Shareholding of persons belonging to the category "Promoter and Promoter Group" as on March 31, 2012

Sr. No.	Name of the shareholder	No. of shares held	% of shareholding
1.	Falak Investment Private Ltd.	7383470	48.85
2.	Trapu Cans Private Ltd.	137000	0.91
TOTAL		7520470	49.76

Shareholding of persons belonging to the category "Public" and holding more than 1% of the capital as on March 31, 2012

Sr. No.	Name of the shareholder	No. of shares held	% of shareholding
1.	Reliance Capital Trustee Co. Ltd. – Reliance Longterm Equity Fund	1016748	6.73
2.	Everest Staff Welfare Trust	417403	2.76
3.	India Optima Fund	250000	1.65
4.	Ramesh Damani	182864	1.21
TOTAL		1867015	12.35

There were no outstanding GDRs/ ADRs as on March 31, 2012.

17. DEMATERILIZATION OF SHARES

The Equity Shares of the Company are available for dematerialization under the Depository System operated by Central Depository Services (India) Limited as well as National Securities Depository Limited. The percentage of shares in demat form as on 31.03.2012 is 97.74% to total shareholding of the Company.

18. NOMINATION FACILITY FOR SHAREHOLDERS

As per the provisions of the Companies Act, 1956, facility for making nomination is available for Members in respect of shares held by them. Those Members who hold shares in physical form may obtain nomination form from Company Secretary at 'Genesis', A-32, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044 or download the same from the Company's website www.everestind.com.

19. PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE

The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to the Investors wherever ECS and bank details are available. Those Members who hold shares in physical form may obtain mandate form for payment of dividend through Electronic Clearing Service (ECS) from Company Secretary at 'Genesis', G-1, A-32, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044 or download the same from the Company's website www.everestind.com.

20. LOCATION OF THE PLANTS OF THE COMPANY

Kymore Works
Everest Nagar, P.O.Kymore,
Distt. Katni - 483 880
Madhya Pradesh

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

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

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

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

21. ADDRESS FOR CORRESPONDENCE

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

M/s. MCS Ltd. (Unit: Everest Industries Limited)
F–65, First Floor, Okhla Industrial Area, Phase - I, New Delhi 110020.
Ph. No.: 011-41406149, 41406151, Fax No.: 011-41709881
Email: admin@mcsdel.com

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

Everest Industries Limited,
'Genesis', 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.

22. 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.

For Everest Industries Limited

Place: Mumbai
Date : 26th April, 2012

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, 2012.

For Everest Industries Limited

Place: Mumbai
Date : 26th April, 2012

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

Place: Mumbai
Date : 26th April 2012

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, 2012, 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
(Firm Registration No. 015125N)

ALKA CHADHA
Partner
(Membership No. 93474)

Place: Mumbai
Date : 26th April 2012

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, 2012, the Statement of Profit and Loss 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 Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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, 2012;

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

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

5. On the basis of the written representations received from the directors, as on 31 March, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2012 from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956.

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

ALKA CHADHA
Partner
(Membership No. 93474)

Mumbai
26 April, 2012

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 year by the Management at some locations 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. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

a. The Company has generally been regular in depositing undisputed 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, 2012 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, 2012 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	1994 to 2009	548.87
		Appellate Tribunal	1997 to 2003	325.78
	Demand on account of stock transfers being considered as local sales	Madras High Court	1998- 1999	421.04
	Demand on account of stock transfers being considered as inter-state sales	Appellate Tribunal	1979 to 1980 1994 to 1998	2,827.78
				4,123.47
The Central Excise Act, 1944	Demand on account of wrong availment of Cenvat credit.	Commissioner	April, 2005 to September, 2011	176.88
		Superintendent (Audit)	2008 to 2009	18.04
		Commissioner Appeals	2008-09	11.28
				206.20
Income Tax Act, 1961	Demand on account of disallowances of certain claims.	Commissioner of Income Tax Appeals	2006 to 2009	3,454.73
		Appellate Tribunal	2003 to 2004	86.13
				3,540.86

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 fraud on the Company has been noticed or reported during the year.

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

ALKA CHADHA
Partner
(Membership No. 93474)

Mumbai
26 April, 2012

EVEREST

Balance Sheet

As at 31 March 2012

	Note Reference	As at 31.03.2012 Rs./Lakhs	As at 31.03.2011 Rs./Lakhs
I Equity and Liabilities			
1. Shareholder's Funds			
a. Share Capital	2.01	1,511.27	1,508.41
b. Reserves and Surplus	2.02	23,439.95	19,341.87
2. Share Application Money Pending Allotment		–	3.90
		24,951.22	20,854.18
3. Non-Current Liabilities			
a. Long-Term Borrowings	2.03	1,556.10	2,258.00
b. Deferred Tax Liabilities (Net)	2.28	2,389.59	2,408.45
c. Long-Term Provisions	2.04	341.56	303.87
		4,287.25	4,970.32
4. Current Liabilities			
a. Short-Term Borrowings	2.05	5,510.56	7,917.67
b. Trade Payables	2.06	7,316.32	6,613.14
c. Other Current Liabilities	2.07	7,742.13	6,343.41
d. Short-Term Provisions	2.08	2,288.03	1,263.87
		22,857.04	22,138.09
Total		52,095.51	47,962.59
II Assets			
1. Non-Current Assets			
a. Fixed Assets			
i. Tangible Assets	2.09	21,904.32	21,399.89
ii. Intangible Assets	2.09	121.27	93.93
iii. Capital Work in Progress	2.33	788.01	746.67
		22,813.60	22,240.49
b. Non-Current Investments	2.10	2.45	2.45
c. Long-Term Loans and Advances	2.11	3,326.48	2,522.43
		26,142.53	24,765.37
2. Current Assets			
a. Inventories	2.12	15,798.35	15,354.53
b. Trade Receivables	2.13	4,170.47	3,214.02
c. Cash and Cash Equivalents	2.14	3,512.73	1,866.38
d. Short-Term Loans and Advances	2.15	2,417.63	2,201.49
e. Other Current Assets	2.16	53.80	560.80
		25,952.98	23,197.22
Total		52,095.51	47,962.59
See accompanying notes forming part of the financial statements	1 & 2		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner

Mumbai
26 April, 2012

For and on behalf of the Board of Directors

MANISH SANGHI
Managing Director

Y. SRINIVASA RAO
Executive Director (Operations)

RAKESH KUMAR GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

Mumbai
26 April, 2012

Statement of Profit and Loss

For the year ended 31 March 2012

	Note Reference	Year ended 31.03.2012 Rs./Lakhs	Year ended 31.03.2012 Rs./Lakhs
1. Revenue from Operations (gross)	2.17	93,381.75	76,364.35
Less : Excise Duty		4,695.63	4,054.84
Revenue from Operations (net)		88,686.12	72,309.51
2. Other Income	2.18	1,779.03	1,164.85
3. Total Revenue (1+2)		90,465.15	73,474.36
4. Expenses			
a. Cost of Materials Consumed	2.38	47,504.91	39,440.61
b. Purchases of Stock-in-Trade	2.39	1,361.77	578.47
c. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.19	118.39	(1,398.47)
d. Employee Benefits Expense	2.20	7,974.72	6,936.95
e. Finance Costs	2.21	443.75	562.56
f. Depreciation and Amortisation Expense	2.09	2,008.16	1,889.60
g. Other Expenses	2.22	23,650.26	20,146.56
Total Expenses		83,061.96	68,156.28
5. **Profit before Tax (3-4)**		7,403.19	5,318.08
6. Tax Expense			
a. Current Tax (see note 2.29)		2,145.84	1,318.69
b. Deferred Tax		(18.86)	(70.95)
		2,126.98	1,247.74
7. **Profit for the year (5-6)**		5,276.21	4,070.34
Earnings per equity share (see note 2.37) [Face value - Rs. 10 per share]			
Basic and diluted earnings per share (Rupees)		34.96	27.10
See accompanying notes forming part of the financial statements	1 & 2		

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner

Mumbai
26 April, 2012

For and on behalf of the Board of Directors

MANISH SANGHI
Managing Director

Y. SRINIVASA RAO
Executive Director (Operations)

RAKESH KUMAR GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

Mumbai
26 April, 2012

Cash Flow Statement

For the year ended 31 March 2012

			Year ended 31.03.20112 Rs./Lakhs	Year ended 31.03.2011 Rs./Lakhs
A.	Cash Flow from Operating Activities			
	Net Profit before Tax		7,403.19	5,318.08
	Adjustments for:			
	Depreciation and Amortisation Expense		2,008.16	1,889.60
	Finance Costs		443.75	562.56
	Interest Income		(402.73)	(136.61)
	Profit on Sale of Fixed Assets (net)		(1,135.47)	(693.24)
	Liabilities / Provisions no Longer Required Written Back		(61.76)	(106.84)
	Net Unrealised (Gain)/Loss on Exchange Rate Fluctuation		(394.16)	10.29
	Operating Profit before Working Capital Changes		7,860.98	6,843.84
	Changes in Working Capital:			
	Adjustment for (Increase)/Decrease in Operating Assets:			
	Inventories		(443.81)	(3,022.21)
	Trade Receivables		(956.45)	(895.44)
	Short Term Loans and Advances		(304.91)	144.97
	Long Term Loans and Advances		(13.57)	(230.24)
	Other Current Assets		522.72	(557.06)
	Adjustment for (Increase)/Decrease in Operating Liabilities:			
	Trade Payables		703.18	495.99
	Other Current Liabilities		1,473.37	385.20
	Short Term Provisions		44.49	17.08
	Long Term Provisions		37.69	(729.60)
	Foreign Currency Monetary Item Translation Difference Account		–	34.13
	Cash Generated from Operations		8,923.69	2,486.66
	Net Income Tax Paid		(2,328.72)	(1,354.61)
	Net Cash Flow from Operating Activities	[A]	6,594.97	1,132.05
B.	Cash Flow from Investing Activities			
	Capital Expenditure on Fixed Assets, including Capital Advances		(2,255.21)	(1,740.07)
	Proceeds from Sale of Fixed Assets (See note 2.09)		1,224.15	775.15
	Proceeds from Sale of Long Term Investments		–	2.55
	Capital Subsidy Received		30.00	–
	Interest Received		387.01	135.59
	Net Cash used in Investing Activities	[B]	(614.05)	(826.78)
C.	Cash Flow from Financing Activities			
	Proceeds from Issue of Equity Shares		2.34	26.85
	Share Premium Received		18.00	179.53
	Share Application Money Received		–	3.90
	Repayment of Long Term Borrowings		(701.90)	(923.50)
	Repayment of Short Term Borrowings		(2,407.11)	1,713.25
	Finance Costs		(440.19)	(574.72)
	Dividends Paid		(695.55)	(672.85)
	Tax on Dividend		(110.16)	(112.04)
	Net Cash used in Financing Activities	[C]	(4,334.57)	(359.58)
	Net Increase/(Decrease) in Cash and Cash Equivalents [A+B+C]		1,646.35	(54.31)
	Cash and Cash Equivalents as at 01.04.2011		1,866.38	1,920.69
	Cash and Cash Equivalents as at 31.03.2012 *		3,512.73	1,866.38
* Comprises				
a.	Cash on hand		11.54	7.31
b.	Cheques on hand		539.56	1,005.81
c.	Balances with banks			
	i. Current accounts		1,004.93	792.77
	ii. Deposit accounts		1,675.00	–
	iii. Earmarked accounts			
	– Unpaid dividend (current accounts)		31.53	48.00
	– Balances held as margin money (deposit accounts)		250.17	12.49
			3,512.73	1,866.38

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

ALKA CHADHA
Partner

Mumbai
26 April, 2012

For and on behalf of the Board of Directors

MANISH SANGHI
Managing Director

Y. SRINIVASA RAO
Executive Director (Operations)

RAKESH KUMAR GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

Mumbai
26 April, 2012

NOTE 1

Notes Forming Part of the Financial Statements

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 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 / Amortisation

Fixed assets are stated at cost less accumulated depreciation/amortisation. 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 and fixtures, office equipment (except data processing equipment)	10%
Buildings	5%
Roads	3.34%
Vehicles	20%
Pallets used for autoclaving (included in plant and equipment)	20%

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

Technical know-how is amortised over the term of the agreement. Computer software is amortised over 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

Long term investments are stated at cost less provision for other than temporary diminution in the carrying value of each investment. Current investments are carried forward at lower of cost or fair value.

(vi) Inventories

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

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

(vii) Research and Development Costs

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

(viii) **Employee Benefits (See also Note 2.27)**

a. **Short-term employee benefits**

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

b. **Post-employment benefit plans**

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

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

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

The Company's gratuity scheme is a defined benefit scheme. For defined benefit schemes, the cost of providing benefits is determined using projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the 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 employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

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

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

The Company had opted for accounting the exchange rate differences arising on reporting of Long term foreign currency monetary items in line with the Companies (Accounting Standard) Amendments Rules, 2009 on Accounting Standard 'AS11 – The Effects of Change in Foreign Exchange Rates' (See also Note 2.36).

(xi) Taxation (See also Note 2.28)

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 2.37)

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 Statement of Profit and Loss.

(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 2.45)

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

(xvi) Leases (See also Note 2.35)

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 Statement of Profit and Loss 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 Statement of Profit and Loss.

(xvii) Export Incentives

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

(xviii) Cash Flow Statement

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

	As at 31.03.2012 Rs./ Lakhs	As at 31.03.2011 Rs./ Lakhs
NOTE 2		
2.01 Share Capital		
1. Authorised	1,700.00	1,700.00
17,000,000 Equity shares of Rs. 10 each		
(previous year 17,000,000 equity shares of Rs. 10 each)		
2. Issued		
15,112,713 Equity shares of Rs. 10 each	1,511.27	1,508.41
(previous year 15,084,174 equity shares of Rs. 10 each)		
3. Subscribed and fully paid up (see note 2.42 and 2.43)		
15,112,713 Equity shares of Rs. 10 each	1,511.27	1,508.41
(previous year 15,084,174 equity shares of Rs. 10 each)		

Of the above:

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

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

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held.

	As at 31.03.2012 Rs./ Lakhs	As at 31.03.2011 Rs./ Lakhs
2.02 Reserves and Surplus		
1. Capital reserve		
Opening balance	–	–
Add: Capital subsidy	30.00	–
Closing balance	30.00	–
2. Securities premium account		
Opening balance	192.96	13.44
Add: Premium on shares issued during the year	21.38	179.52
Closing balance	214.34	192.96
3. General reserve		
Opening balance	8,134.10	7,724.10
Add: Transferred from surplus in Statement of Profit and Loss	530.00	410.00
Closing balance	8,664.10	8,134.10
4. Foreign currency monetary item translation difference account		
Opening balance	–	34.13
Less: Utilised / transferred during the year	–	34.13
Closing balance	–	–
5. Surplus in Statement of Profit and Loss		
Opening balance	11,014.81	8,150.31
Add: Profit for the year	5,276.21	4,070.34
Less: Dividends proposed to be distributed to equity shareholders	1,057.89	686.94
Tax on dividend	171.62	108.90
Transferred to general reserve	530.00	410.00
Closing balance	14,531.51	11,014.81
	23,439.95	19,341.87

		As at 31.03.2012 Rs./ Lakhs	As at 31.03.2011 Rs./ Lakhs
2.03	**Long-Term Borrowings**		
	Term loans from banks (Secured)		
	– External commercial borrowing (ECB)	1,556.10	2,258.00
		1,556.10	2,258.00

Note:

ECB of Rs. 2,593.50 lakhs (previous year Rs. 3,161.20 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. The ECB is repayable in 12 half yearly instalments of USD 1,000,000; the last instalment due in July 2014. The rate of interest is Libor+1.03% per annum.

		As at 31.03.2012 Rs./ Lakhs	As at 31.03.2011 Rs./ Lakhs
2.04	**Long-Term Provisions**		
	Provision for employees benefits:		
	– Provision for gratuity (See note 2.27)	341.56	303.87
		341.56	303.87
2.05	**Short-Term Borrowings**		
	a. Loans from banks (Secured)		
	i. Cash credit	291.55	1,644.63
	ii. Buyer's credit	5,219.01	5,773.04
		5,510.56	7,417.67
	b. Loans from others (Unsecured)		
	– Commercial paper	–	500.00
		5,510.56	7,917.67

Note:

Loans from banks are secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables and second pari-passu charge on all fixed assets, land and buildings both present and future, except land and building situated at Kolkata plant.

		As at 31.03.2012 Rs./ Lakhs	As at 31.03.2011 Rs./ Lakhs
2.06	**Trade Payables**		
	Trade payables - other than acceptances (See note 2.46)	7,316.32	6,613.14
		7,316.32	6,613.14
2.07	**Other Current Liabilities**		
	a. Current maturities of long-term debt		
	– ECB (secured) (See footnote to note 2.03)	1,037.40	903.20
	b. Interest accrued but not due on borrowings	48.53	44.96
	c. Unpaid dividends	31.53	48.00
	d. Other payables		
	i. Payables in respect of statutory dues	1,078.17	649.43
	ii. Payables for purchase of fixed assets	30.68	50.96
	iii. Stockists' deposits	1,661.69	1,189.74
	iv. Advances from customers	3,512.54	3,145.22
	v. Provision for mark to market loss on derivative transactions	81.38	109.55
	vi. Retention monies	260.21	202.35
		7,742.13	6,343.41

	As at 31.03.2012 Rs./ Lakhs	As at 31.03.2011 Rs./ Lakhs
2.08 Short-Term Provisions		
a. Provision for employee benefits:		
– Provision for compensated absences	439.51	395.02
b. Provision - Others:		
i. Provision for tax [(net of advance tax Rs. 4,342.79 lakhs (previous year Rs. 2,093.26 Lakhs)]	619.01	79.60
ii. Provision for proposed equity dividend	1,057.89	679.09
iii. Provision for tax on proposed dividend	171.62	110.16
	2,288.03	1,263.87

2.09 Fixed Assets

(Rs./ Lakhs)

Particulars	Gross block					Accumulated depreciation				Net block	
	Balance as at 1.04.2011	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at 31.03.2012	Balance as at 1.04.2011	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31.03.2012	Balance as at 31.03.2012	Balance as at 31.03.2011
Tangible Assets											
Land											
Freehold	1,472.29	18.00	102.43	–	1,387.86	19.40	–	19.40	–	1,387.86	1,452.89
Leasehold	–	238.54	–	–	238.54	–	3.22	–	3.22	235.32	–
Buildings											
On freehold land	6,766.29	232.62	–	42.18	7,041.09	2,228.71	339.75	–	2,568.46	4,472.63	4,537.58
On leasehold land	111.32	52.96	–	–	164.28	100.72	3.27	–	103.99	60.29	10.60
Plant and Equipment	23,953.45	1,417.80	22.45	345.90	25,694.70	9,309.09	1,412.00	19.91	10,701.18	14,993.52	14,644.36
Furniture and Fixtures	391.86	61.33	–	–	453.19	226.46	33.63	–	260.09	193.10	165.40
Vehicles	146.54	23.51	2.12	–	167.93	102.63	17.85	2.12	118.36	49.57	43.91
Office Equipment	924.84	69.54	5.00	6.08	995.46	639.89	86.59	1.89	724.59	270.87	284.95
Leasehold Improvements	164.37	3.75	–	–	168.12	63.21	15.29	–	78.50	89.62	101.16
Others											
Roads	226.00	–	–	–	226.00	66.96	7.50	–	74.46	151.54	159.04
Sub Total	34,156.96	2,118.05	132.00	394.16	36,537.17	12,757.07	1,919.10	43.32	14,632.85	21,904.32	21,399.89
Previous year	33,043.55	1,440.18	316.48	(10.29)	34,156.96	11,209.03	1,782.67	234.63	12,757.07	21,399.89	21,834.52
Intangible Assets											
Computer software	237.95	116.40	–	–	354.35	161.51	71.57	–	233.08	121.27	76.44
Technical knowhow	249.75	–	–	–	249.75	232.26	17.49	–	249.75	–	17.49
Sub Total	487.70	116.40	–	–	604.10	393.77	89.06	–	482.83	121.27	93.93
Previous year	485.85	7.97	6.12	–	487.70	292.90	106.93	6.06	393.77	93.93	192.95
Total	34,644.66	2,234.45	132.00	394.16	37,141.27	13,150.84	2,008.16	43.32	15,115.68	22,025.59	21,493.82
Previous year	33,529.40	1,448.15	322.60	(10.29)	34,644.66	11,501.93	1,889.60	240.69	13,150.84	21,493.82	22,027.47

	As at 31.03.2012 Rs./ Lakhs	As at 31.03.2011 Rs./ Lakhs
2.10 Non-Current Investments (At Cost)		
Other investments in equity instruments, long term, unquoted		
[24,500 (previous year 24,500) equity shares of Rs. 10 each fully paid up of M/s Everest Building Solutions Limited]	2.45	2.45
	2.45	2.45

		As at 31.03.2012 Rs./ Lakhs	As at 31.03.2011 Rs./ Lakhs
2.11	**Long-Term Loans and Advances**		
	(Unsecured, considered good)		
	a. Capital advances	26.76	47.34
	b. Security deposits	566.27	552.70
	c. Advance tax		
	[Net of provision for current tax - Rs. 3,104.83 lakhs (previous year Rs. 3,813.77 lakhs)]	2,522.18	1,711.12
	d. Other loans and advances		
	– Balances with excise, customs and port trust authorities	211.27	211.27
		3,326.48	2,522.43
2.12	**Inventories**		
	(See note 1(vi))		
	a. Raw materials		
	i. On hand	6,783.37	5,942.26
	ii. In transit	587.21	986.33
		7,370.58	6,928.59
	b. Work-in-progress	4,934.34	5,282.11
	c. Finished goods	2,128.60	2,036.61
	d. Stock-in-trade	498.23	360.84
	e. Stores and spares	836.01	715.58
	f. Packing materials	30.59	30.80
		15,798.35	15,354.53
2.13	**Trade Receivables**		
	a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	– Unsecured, considered good	506.55	399.82
	– Doubtful	29.81	6.05
	Less: Provision for doubtful trade receivables	29.81	6.05
		506.55	399.82
	b. Other trade receivables		
	– Secured, considered good	2,886.06	1,969.61
	– Unsecured, considered good	777.86	844.59
		4,170.47	3,214.02
2.14	**Cash and Cash Equivalents**		
	a. Cash on hand	11.54	7.31
	b. Cheques on hand	539.56	1,005.81
	c. Balances with banks		
	i. Current accounts	1,004.93	792.77
	ii. Deposit accounts	1,675.00	–
	iii. Earmarked accounts		
	– Unpaid dividend (current accounts)	31.53	48.00
	– Balances held as margin money (deposit accounts)*	250.17	12.49
		3,512.73	1,866.38

The above balances meet the definition of Cash and cash equivalents as per AS3 Cash Flow Statement.

* Deposits amounting to Rs. 210.54 lakhs (previous year Rs. Nil) have an original maturity of more than twelve months

	As at 31.03.2012 Rs./ Lakhs	As at 31.03.2011 Rs./ Lakhs
2.15 Short-Term Loans and Advances		
(Unsecured, considered good)		
a. Loans and advances to employees	40.87	42.03
b. Prepaid expenses	352.47	379.38
c. Balances with government authorities		
i. Balances with excise, customs and port trust authorities	441.63	469.13
ii. VAT credit receivable	678.40	549.03
d. Advance to suppliers	891.78	640.60
e. Other loans and advances	12.48	32.55
f. Minimum alternative tax credit entitlement	–	88.77
	2,417.63	2,201.49
2.16 Other Current Assets		
a. Interest accrued but not due	19.47	3.75
b. Insurance claims	34.33	557.05
	53.80	560.80

			Year ended 31.03.2012 Rs./ Lakhs	Year ended 31.03.2011 Rs./ Lakhs
2.17	**Revenue from Operations**			
	a. Sale of products		91,465.42	75,168.13
	b. Sale of services		1,384.65	1,045.48
	c. Other operating revenues			
	i. Sale of scrap		481.94	105.44
	ii. Export incentives		49.74	45.30
			531.68	150.74
			93,381.75	76,364.35
2.18	**Other Income**			
	a. Interest income			
	i. Interest from banks on deposits	93.87		11.85
	ii. Interest on income tax refund	119.05		42.05
	iii. Other interest	189.81		82.71
			402.73	136.61
	b. Net gain on foreign currency transactions and translation		–	174.74
	c. Other non-operating income			
	i. Profit on sale of fixed assets (net)	1,135.47		693.24
	ii. Liabilities / provisions no longer required written back	61.76		106.84
	iii. Miscellaneous income	179.07		53.42
			1,376.30	853.50
			1,779.03	1,164.85
2.19	**Changes in Inventories of Finished Goods, Work-in-Progress and Stock -in-Trade**			
	Inventories at the end of the year:			
	Finished goods		2,128.60	2,036.61
	Work-in-progress		4,934.34	5,282.11
	Stock-in -trade		498.23	360.84
			7,561.17	7,679.56
	Inventories at the beginning of the year:			
	Finished goods		2,036.61	2,086.10
	Work-in-progress		5,282.11	3,912.74
	Stock-in -trade		360.84	282.25
			7,679.56	6,281.09
			118.39	(1,398.47)
2.20	**Employee Benefits Expense**			
	a. Salaries and wages		6,947.67	5,984.61
	b. Contributions to provident and other funds		493.63	485.17
	c. Staff welfare expenses		558.54	467.17
			7,999.84	6,936.95
	Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)		25.12	–
			7,974.72	6,936.95
2.21	**Finance Costs**			
	a. Interest expense on borrowings		433.75	539.03
	b. Other borrowing costs		10.00	23.53
			443.75	562.56
2.22	**Other Expenses**			
	a. Consumption of stores and spare parts		2,854.28	2,419.77
	b. Consumption of packing materials		812.55	674.56
	c. Power and fuel		3,188.97	2,836.13
	d. Repairs and maintenance			
	- Building		264.83	251.50
	- Machinery		807.20	780.92
	- Others		156.20	180.32
	e. Rent		562.23	518.12
	f. Rates and taxes		125.42	140.38
	g. Insurance		80.83	62.48
	h. Travelling		1,057.77	822.89
	i. Advertisement and sales promotion expenses		1,168.41	1,190.15
	j. Cost for erection of buildings		1,444.73	1,280.63
	k. Net loss on foreign currency transactions and translation		971.91	–
	l. Outward freight charges on finished goods		7,127.15	5,713.67
	m. Miscellaneous expenses		3,118.32	3,307.58
			23,740.80	20,179.10
	Less: Stores and spares capitalised		27.09	28.38
	Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)		63.45	4.16
			23,650.26	20,146.56

2.23 Contingent Liabilities

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

	Particulars	As at 31.03.2012 (Rs. /Lakhs)	As at 31.03.2011 (Rs. /Lakhs)
i.	Sales tax matters	4,238.61	4,244.18
ii.	Customs, excise and service tax matters	206.20	173.99
iii.	Income Tax matters	6,972.74	2,236.61
	Total	11,417.55	6,654.78
iv.	Advance paid against above	3,547.02	2,129.71

b) Guarantees aggregating to Rs. 1,751.62 lakhs (previous year Rs. 1,814.91 lakhs) issued by banks have been secured by a first pari-passu charge on the entire current assets, present and future, including receivables of the Company and second pari-passu charge on all fixed assets, land and buildings present and future, except land and building situated at Kolkata.

c) Estimated amount of contracts to be executed on capital account – Rs. 1,142.54 lakhs (net of advances – Rs. 969.55 lakhs), [previous year – Rs. 424.26 lakhs (net of advances Rs. 342.40 lakhs)].

d) Export Obligation: The Company has purchased fixed assets under the 'Export Promotion Capital Goods Scheme'. As per the terms of the license granted under the scheme, the Company had undertaken to achieve an export commitment of Rs. 9,950.22 lakhs (Previous year Rs. 9,550.81 lakhs) over a period of 8 years.

The Company has filed for satisfaction of its export obligations of Rs. 3,122.99 lakhs (Previous year Rs. Nil) till 31 March, 2012, the balance export obligation being Rs. 6,827.23 lakhs (Previous year Rs. 9,550.81 lakhs). The Company would be liable to pay customs duty of Rs. 853.40 lakhs (Previous year Rs. 1,193.85 lakhs) and interest on the same in the event of non-fulfillment of the balance export obligation. However the Company does not expect any liability to arise based on its export performance.

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

Particulars	Year ended 31.03.2012 (Rs. /Lakhs)	Year ended 31.03.2011 (Rs. /Lakhs)
Audit fee (including fees for limited review)	31.00	25.00
Fee for other services	5.55	4.79
Reimbursement of expenses	2.50	4.00
	39.05	33.79

2.25 Construction Contracts

a. Sales of services includes Rs. 30.93 lakhs (previous year Rs. 669.44 lakhs) recognised as contract revenue for the year ended 31 March, 2012.

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 31.03.2012 (Rs. /Lakhs)	Year ended 31.03.2011 (Rs. /Lakhs)
Cost incurred and recognised profits	835.79	1,085.97
Retentions	48.65	51.74
Amounts due from customers	112.79	398.33

2.26 Foreign Exchange Disclosure

Outstanding forward exchange contracts as on 31 March, 2012:

Particulars	As at 31.03.2012		As at 31.03.2011	
	Amount in Foreign Currency (in Lakhs)	Amount (Rs. /Lakhs)	Amount in Foreign Currency (in Lakhs)	Amount (Rs. /Lakhs)
Receivables	USD 6.00	300.91	USD 22.50	1,061.46
Payables	USD 79.36	4,240.19	USD 64.87	2,929.33
ECB Loan	USD 10.00	544.73	–	–

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

Particulars	As at 31.03.2012		As at 31.03.2011	
	Amount in Foreign Currency (in Lakhs)	Amount (Rs. /Lakhs)	Amount in Foreign Currency (in Lakhs)	Amount (Rs. /Lakhs)
Receivables	USD 14.19	707.48	–	–
Payables	USD 25.04	1,298.90	USD 76.77	3,467.04
			EURO 2.53	162.47
ECB Loan	USD 40.00	2,074.80	USD 70.00	3,161.20

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

a. **Defined contribution plan**

The Company's contributions of Rs. 285.62 lakhs (previous year Rs. 266.94 lakhs) towards provident fund and Rs. 100.29 lakhs (previous year Rs. 102.05 lakhs) towards superannuation fund are charged to Statement of Profit and Loss. The contributions payable to the plan by the Company are at rates specified in rules to the schemes.

b. **Defined benefit plan**

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

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

c. The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2012:

(i) Movement in net liability

Particulars		As at 31.03.2012 (Rs./Lakhs)	As at 31.03.2011 (Rs./Lakhs)
Present value of obligations as on 01.04.2011	(A)	1,122.50	1,039.03
Interest cost	(B)	88.36	80.56
Current service cost	(C)	103.54	97.16
Benefits paid	(D)	(63.21)	(89.00)
Actuarial (gain)/loss on obligations	(E)	(15.28)	(5.25)
Present value of obligations as on 31.03.2012 (F=A+B+C+D+E)	(F)	1,235.91	1,122.50

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

Particulars		As at 31.03.2012 (Rs./Lakhs)	As at 31.03.2011 (Rs./Lakhs)
Present value of funded defined benefit obligations as on 31.03.12	(A)	1,235.91	1,122.50
Estimated fair value of plan assets	(B)	894.35	818.63
Net liability/ (asset) (C=A-B)	(C)	341.56	303.87
Amounts in the Balance Sheet			
a. Liabilities		341.56	303.87
b. Assets		–	–
c. Net liability/ (asset)		341.56	303.87
Amount charged to Statement of Profit and Loss			
Service cost	(E)	103.54	97.16
Interest cost	(F)	88.36	80.56
Expected return on plan assets	(G)	75.72	69.39
Net Actuarial (gain)/ loss	(H)	(15.28)	(5.49)
Expense recognised in the Statement of Profit and Loss (I=E+F-G+H)	(I)	100.90	102.84

(iii) Principal actuarial assumptions

Assumptions	Year ended 31.03.2012 Rate (%)	Year ended 31.03.2011 Rate (%)
Discount rate	8.60%	8.10%
Rate of return on plan assets	9.25%	9.25%
Salary escalation	8.65%	8.00%
Mortality rate	LIC(1994–96) Ultimate	LIC(1994–96) ultimate
Withdrawal rate		
Upto 30 years	3.00%	3.00%
Ages from 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

The discount rate is based on the Government bond yields as at 31 March, 2012.

(iv) Experience adjustments

Particulars	31.03.2012 (Rs./Lakhs)	31.03.2011 (Rs./Lakhs)	31.03.2010 (Rs./Lakhs)	31.03.2009 (Rs./Lakhs)
Defined benefit obligation	(1,235.91)	(1,122.50)	(1,039.03)	(936.43)
Plan assets	894.35	818.63	751.30	694.69
Funded status	(341.56)	(303.87)	(287.73)	(241.74)
Experience gain / (loss) adjustments on plan liabilities	32.30	5.25	(8.53)	*
Experience gain / (loss) adjustments on plan assets	–	0.24	0.26	*

* Experience adjustments have been disclosed from the period for which information is available.

The Company expects the benefit payout of Rs. 71.17 lakhs to the gratuity fund for the year ended 31 March, 2013.

(v) Fair value of plan assets

Particulars		As at 31.03.2012 (Rs./Lakhs)	As at 31.03.2011 (Rs./Lakhs)
Fair value of plan assets at the beginning of the year	(A)	818.63	751.30
Expected return on plan assets	(B)	75.72	69.39
Contributions	(C)	–	–
Benefits paid	(D)	–	(2.30)
Actuarial gain/ (loss) on plan assets	(E)	–	0.24
Fair value of plan assets at the end of the year (F=A+B+C+D+E)	(F)	894.35	818.63

(vi) Actual return on plan assets

Particulars		As at 31.03.2012 (Rs./Lakhs)	As at 31.03.2011 (Rs./Lakhs)
Expected return on plan assets	(A)	75.72	69.39
Actuarial gain/ (loss) on plan assets	(B)	–	0.24
Actual return on plan assets (C =A+B)	(C)	75.72	69.63

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

Particulars	As at 31.03.2011	As at 31.03.2010
Government of India securities	51.89%	51.00%
Debt instruments	41.66%	41.00%
Equity shares	3.65%	6.00%
Other deposits	2.80%	2.00%
	100.00%	100.00%

The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets as at 31 March, 2012 has not been provided by the Life Insurance Corporation of India.

2.28 Deferred Taxation

Particulars	As at 01.04.2011 (Rs. /Lakhs)	Charged/ (Credited) to P&L (Rs. /Lakhs)	As at 31.03.2012 (Rs. /Lakhs)
a. Deferred tax assets			
Tax impact of:			
i. Expenditure covered by Section 43B of Income-tax Act, 1961	251.45	69.26	320.71
ii. Provision for doubtful debts	–	9.67	9.67
Total deferred tax assets	251.45	78.93	330.38
b. Deferred tax liabilities			
Tax impact of:			
i. Excess of depreciation allowable under Income-tax Act, 1961 over depreciation provided in financial statements	2,659.90	60.07	2,719.97
Total deferred tax liability	2,659.90	60.07	2,719.97
Net deferred tax liability	2,408.45	(18.86)	2,389.59
Net deferred tax liability (previous year)	*2,479.40*	*(70.95)*	*2,408.45*

Previous year figures are in italics.

2.29 Current tax is net of excess provision of earlier years written back Rs. 20.97 lakhs (previous year Rs. 86.20 lakhs).

2.30 Proposed dividend includes Nil (previous year Rs. 7.85 lakhs) pertaining to the previous year. Tax on distributed profits includes Nil (previous year Rs. 1.30 lakhs) pertaining to the previous year and is net of Nil (previous year Rs. 2.56 lakhs) reversed during the year.

2.31 Managerial Remuneration

a. Remuneration paid to directors:

Particulars	Year ended 31.03.2012 (Rs. /Lakhs)	Year ended 31.03.2011 (Rs. /Lakhs)
Whole time directors		
1. Salaries and perquisites (See note below)	213.67	203.22
2. Employee benefits paid	–	30.89
3. Contributions to provident and superannuation fund	13.28	15.39
4. Performance incentive to whole time directors	179.00	150.11
	405.95	399.61
Non-executive directors		
5. Commission/ performance incentive to non executive directors	26.50	23.00
6. Sitting fees	7.60	9.05

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 31.03.2012 (Rs. /Lakhs)	Year ended 31.03.2011 (Rs. /Lakhs)
Profit before tax as per Statement of Profit and Loss	7,403.19	5,318.08
Add:		
Managerial remuneration	405.95	399.61
Commission/performance incentive to non executive directors	26.50	23.00
Directors sitting fees	7.60	9.05
Depreciation and amortisation as per books of account	2,008.16	1,889.60
Total	9,851.40	7,639.34

Particulars	Year ended 31.03.2012 (Rs. /Lakhs)	Year ended 31.03.2011 (Rs. /Lakhs)
Less:		
Depreciation as envisaged under section 350 of the Companies Act, 1956 *	2,008.16	1,889.60
Profit on sale of fixed assets	1,135.47	693.24
Total	3,143.63	2,582.84
Net profit for calculation on which remuneration payable	6,707.77	5,056.50
Maximum remuneration payable to whole time directors under section 309 of the Companies Act, 1956 @ 10% of net profit	670.78	505.65
Actual remuneration paid to whole time directors	405.95	399.61
Maximum commission payable to non-executive directors under section 309 of the Companies Act, 1956 @ 1% of net profit	67.08	50.57
Actual commission/ performance incentive paid to non-executive directors	26.50	23.00

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

2.32 Related Party Disclosures

a. List of related parties

i. Enterprise exercising significant influence
- M/s Falak Investment Private Limited (with effect from 10 May, 2011)
- M/s Everest Finvest (India) Private Limited (with effect from 26 March, 2010 till 9 May, 2011)

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

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

iv. 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 31.03.2012 (Rs. /Lakhs)	Year ended 31.03.2011 (Rs. /Lakhs)
i.	Dividend paid to enterprise exercising significant influence		
	M/s Everest Finvest (India) Private Limited	–	331.81
	M/s Falak Investment Private Limited	332.26	–
ii.	Remuneration to key management personnel		
	Mr. Aditya Vikram Somani	207.43	139.70
	Mr. Manish Sanghi	110.09	95.86
	Mr. M. L. Gupta	–	85.67
	Mr. Y. Srinivasa Rao	88.43	78.38
iii.	Dividend paid to key management personnel		
	Mr. Aditya Vikram Somani	0.02	0.02
	Mr. Manish Sanghi	2.12	0.72
	Mr. M. L. Gupta	–	5.49
	Mr. Y. Srinivasa Rao	–	2.02

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

S. No.	Particulars	As at 31.03.2012 (Rs. /Lakhs)	As at 31.03.2011 (Rs. /Lakhs)
i.	Share capital from enterprise exercising significant influence		
	M/s Everest Finvest (India) Private Limited	–	737.35
	M/s Falak Investment Private Limited	738.35	–
ii.	Investment in equity of associate company		
	M/s Everest Building Solutions Limited	2.45	2.45
iii.	Performance incentive due to key management personnel		
	a Mr. Aditya Vikram Somani	105.00	65.11
	b Mr. Manish Sanghi	40.00	35.00
	c Mr. M. L. Gupta	–	20.00
	d Mr. Y. Srinivasa Rao	34.00	30.00

2.33 Capital Work in Progress and Pre-operative Expenditure

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

a. Capital work in progress

	Particulars	As at 31.03.2012 (Rs. /Lakhs)	As at 31.03.2011 (Rs. /Lakhs)
i.	Project assets	695.28	742.51
ii.	Unallocated project pre-operative expenditure (see b below)	92.73	4.16
		788.01	746.67

b. Pre-operative expenditure

Particulars	As at 1.04.2011 (Rs. /Lakhs)	Additions (Rs. /Lakhs)	Deletions (Rs. /Lakhs)	As at 31.03.2012 (Rs. /Lakhs)
Salaries and wages	–	23.84	–	23.84
Contributions to provident and other funds	–	1.17	–	1.17
Staff welfare expenses	–	0.11	–	0.11
Rent	–	2.03	–	2.03
Repairs and maintenance – Others	–	1.55	–	1.55
Insurance	–	0.32	–	0.32
Travelling	–	5.36	–	5.36
Rates and taxes	–	3.02	–	3.02
Miscellaneous expenses	4.16	51.17	–	55.33
Unallocated preoperative expenditure	4.16	88.57	–	92.73
Previous year	9.51	4.16	9.51	4.16

2.34 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 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2012	Year ended 31.03.2011
1.	Segment Revenue						
	External sales (Net of excise duty)	66,200.03	56,036.23	21,954.41	16,122.54	88,154.44	72,158.77
	Other operating income	166.03	150.74	365.65	–	531.68	150.74
	Total Revenue	66,366.06	56,186.97	22,320.06	16,122.54	88,686.12	72,309.51
2.	Segment Results	6,802.30	7,712.42	1,343.63	585.70	8,145.93	8,298.12
	Unallocated expenses (net of income)					298.99	2,417.48
	Operating Profit	6,802.30	7,712.42	1,343.63	585.70	7,846.94	5,880.64
	Finance costs					443.75	562.56
	Profit before tax					7,403.19	5,318.08
	Provision for taxation					2,126.98	1,247.74
	Net Profit					5,276.21	4,070.34

	Particulars	Building products (Rs. /Lakhs)		Steel buildings (Rs. /Lakhs)		Total (Rs. /Lakhs)	
		As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
3.	Other Information						
A.	Assets						
	Segment assets	37,958.82	36,571.65	8,613.53	8,567.98	46,572.35	45,139.63
	Unallocated assets					5,523.16	2,822.96
	Total Assets	37,958.82	36,571.65	8,613.53	8,567.98	52,095.51	47,962.59
B.	Liabilities						
	Segment liabilities	8,178.78	7,265.67	5,102.14	4,231.87	13,280.92	11,497.54
	Unallocated liabilities					13,863.37	15,610.87
	Total Liabilities	8,178.78	7,265.67	5,102.14	4,231.87	27,144.29	27,108.41
C.	Others						
	Capital expenditure	1,667.63	1,408.16	564.15	141.18		
	Depreciation	1,623.64	1,528.31	280.80	264.68		
	Non – cash expenses other than depreciation	24.41	4.20	106.41	127.30	130.82	131.50

2.35 Lease Commitments

Operating lease

The Company has taken property on cancellable and non-cancellable operating leases and has recognised rent of Rs. 562.23 lakhs (previous year Rs. 518.12 lakhs). The total of future minimum lease payments under non-cancellable operating lease are set out as below:

Particulars	As at 31.03.2012 (Rs. /Lakhs)	As at 31.03.2011 (Rs. /Lakhs)
Not later than one year	110.25	100.04
Later than one year but not later than five years	502.77	474.90
Later than five years	195.67	333.79

2.36 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 and subsequent amendments thereto, 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. In accordance with the said notification, the Company has during the current year capitalised Rs. 394.16 lakhs (previous year decapitalised Rs. 10.29 lakhs) to the cost of fixed assets. The aforesaid amounts so capitalised are being depreciated over the remaining useful life of the fixed assets.

2.37 Earnings per Share

	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
a.	Number of equity shares of Rs. 10 each fully paid up at the beginning of the year	15,084,174	14,815,648
b.	Number of equity shares of Rs. 10 each fully paid up at the year end	15,112,713	15,084,174
c.	Weighted average number of equity shares used in computing earning per share	15,092,743	15,020,084
d.	Weighted average number of options granted under options	421,817	343,176
e.	Adjustment for number of options granted at fair value	421,817	343,176
f.	Net profit for the year – (Rs. / lakhs)	5,276.21	4,070.34
g.	Basic earnings per share (Rupees)	34.96	27.10
h.	Diluted earnings per share (Rupees)	34.96	27.10
i.	Nominal value of equity shares (Rupees)	10.00	10.00

2.38 Cost of Materials Consumed

Particulars	Year ended 31.03.2012 (Rs. /Lakhs)	Year ended 31.03.2011 (Rs. /Lakhs)
Opening stock	5,942.26	4,772.74
Add : Purchase	48,346.02	40,610.13
	54,288.28	45,382.87
Less : Closing stock	6,783.37	5,942.26
Cost of material consumed	47,504.91	39,440.61
Material consumed comprises:		
Raw fibre	16,084.64	14,254.49
Cement	9,816.75	9,232.28
Steel	12,350.88	8,876.93
Other items	9,252.64	7,076.91
	47,504.91	39,440.61

2.39 Purchases of Stock- in-Trade

Particulars	Year ended 31.03.2012 (Rs. /Lakhs)	Year ended 31.03.2011 (Rs. /Lakhs)
Acoustic ceilings	71.53	126.21
Steel door	47.32	92.99
Polycarbonate roofing	216.33	179.75
Roofing accessories	140.46	16.07
Access floor	256.97	8.58
Ceiling grid	84.80	84.01
Gypsum boards	266.94	2.16
Other items	277.42	68.70
	1,361.77	578.47

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

Particulars	Year ended 31.03.2012		Year ended 31.03.2011	
	(Rs. /Lakhs)	%	(Rs. /Lakhs)	%
a. Raw materials				
(i) Imported	18,625.71	39.21	16,633.86	42.17
(ii) Indigenous	28,879.20	60.79	22,806.75	57.83
	47,504.91	100.00	39,440.61	100.00
b. Stores and spare parts (including packing materials)				
(i) Imported	89.56	2.44	13.15	0.42
(ii) Indigenous	3,577.27	97.56	3,081.18	99.58
	3,666.83	100.00	3,094.33	100.00

2.41 Other Additional Information

Particulars	Year ended 31.03.2012 (Rs. /Lakhs)	Year ended 31.03.2011 (Rs. /Lakhs)
a. Imports (CIF) value		
(i) Raw materials	16,573.32	16,009.94
(ii) Stock- in-trade	881.26	345.84
(iii) Capital goods (including capital work-in-progress)	350.42	529.85
(iv) Stores and spares	102.43	62.68
b. Expenditure in foreign currency (on cash basis)		
(i) Travelling expenses	48.62	59.13
(ii) Interest	58.56	78.46
(iii) Others	142.28	125.61
c. Earnings in foreign exchange		
FOB value of goods exported	5,663.12	4,835.62

2.42 Share Capital

Reconciliation

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
a. Number of equity shares outstanding at the year beginning	15,084,174	14,815,648
b. Number of options exercised during the year	28,539	268,526
c. Number of equity shares outstanding at the year end	15,112,713	15,084,174

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

Particulars	Year ended 31.03.2012 (No. of shares)	Year ended 31.03.2011 (No. of shares)
a. Everest Finvest (India) Private Limited	–	7,373,470
b. Falak Investment Private Limited	7,383,470	–
c. Reliance Capital Trustee Co Ltd	1,016,748	1,016,748

2.44 Share Application Money Pending Allotment

As at 31 March, 2011, the Company had received an amount of Rs. 3.90 lakhs. The share application money had been received pursuant to an invitation to offer shares under various Employee Stock Option Schemes of the Company. The Company had sufficient authorised capital to cover the allotment and 5,196 equity shares at a premium aggregating to Rs. 3.38 lakhs were issued during the current year. The share application money pending allotment as at 31 March, 2012 was Rs. Nil.

2.45 Employee Stock Option Scheme

The Company has granted 150,720 options (previous year 147,705 options) during the year ended 31 March, 2012. 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)	ESOS (2011)
Year in which scheme was established	2006 – 07	2007 – 08	2008 – 09	2009 – 10	2010-11	2011-12
Number of options authorised and granted	147,420	148,000	144,850	140,000	147,705	150,720
Exercise price	Rs. 90	Rs. 98	Rs. 52	Rs. 169	Rs. 174	Rs.126
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)	ESOS (2011)
i.	Opening balance	28,600	34,661	21,410	110,800	147,705	–
		108,300	*118,002*	*133,890*	*140,000*	–	–
ii.	Granted during the year	–	–	–	–	–	150,720
		–	–	–	–	*147,705*	–
iii.	Exercised during the year	13,100	9,089	6,150	200	–	–
		77,340	*81,206*	*109,980*	–	–	–
iv.	Forfeited during the year	–	–	–	–	–	–
		–	–	–	–	–	–
v.	Expired during the year	(15,500)	(1,825)	(900)	(9,940)	(15,375)	–
		(2,360)	*(2,135)*	*(2,500)*	*(29,200)*	–	–
vi.	Outstanding at the year end	–	23,747	14,360	100,660	132,330	150,720
		28,600	*34,661*	*21,410*	*110,800*	*147,705*	–
vii.	Options exercisable at the year end	–	23,747	14,360	100,660	132,330	150,720
		28,600	*34,661*	*21,410*	*110,800*	*147,705*	–
viii.	Remaining contractual life (years) at the year end	–	0.84	1.83	2.82	3.80	4.81
		0.98	*1.84*	*2.83*	*3.82*	*4.80*	–

Previous year figures are in italics.

The Company has accounted the above options using the intrinsic value method. As noted by the Remuneration Committee, the exercise price has been determined at Rs. 126 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, 2012 would have been lower by Rs. 88.89 lakhs (previous year Rs. 81.99 lakhs) and the basic and diluted EPS would have been revised to Rs. 34.37 (previous year Rs. 26.55) and Rs. 34.37 (previous year Rs. 26.55) 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 3.42% (previous year 2.60%) on the underlying equity shares, volatility in the share price of 40.22% (previous year 44.50%) and a risk free rate of interest of 8.13% (previous year 8.06%). The Company's calculations are based on a single option valuation approach, and forfeitures are recognised as they occur. The expected volatility is based on historical volatility of the share price during the year after eliminating the abnormal price fluctuations.

2.46 As per information available with the Company, none of its creditors comprises micro, small and medium enterprises as defined under the MSMED Act, 2006 which comprise amounts outstanding for more than 45 days as at the Balance Sheet date. Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 in the current year is Rs. Nil (Previous year Rs. 2.25 lakhs) and no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.

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

For and on behalf of the Board of Directors

MANISH SANGHI
Managing Director

Y. SRINIVASA RAO
Executive Director (Operations)

RAKESH KUMAR GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

Mumbai
26 April, 2012

Attendance / Proxy Form

EVERESTINDUSTRIES LIMITED

Regd. Office: GAT No. 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.

ATTENDANCE SLIP

79TH ANNUAL GENERAL MEETING

I/We .... hereby record my/our presence at the 79th Annual General Meeting of the Company on Tuesday, the 24th July, 2012 at The Gateway Hotel Ambad Nashik, P-17, MIDC, Ambad, Mumbai - Agra Road, Nashik – 422 010 (Maharashtra).

For Shares held in Physical Mode	For Shares held in Electronic Mode
Regd. Folio No. : _______________	DPID No. : _______________ Client ID No. _______________
No. of Shares Held : _____________	No. of Shares Held : _____________

* Please note that Folio No. must be provided

* Please note that both DPID No. & Client ID No. must be provided

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company

If signed by Proxy, his/her name should be written here in BLOCK letters ....

Member's/Proxy's Signature

Note: Shareholders attending the meeting in person or through Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

EVERESTINDUSTRIES LIMITED

Regd. Office: GAT No. 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.

PROXY FORM

79th ANNUAL GENERAL MEETING – 24th JULY, 2012

For Shares held in Physical Mode	For Shares held in Electronic Mode
Regd. Folio No. : _____________	DPID No. : _______________ Client ID No. _______________
No. of Shares Held : _____________	No. of Shares Held : _____________

* Please note that Folio No. must be provided

* Please note that both DPID No. & Client ID No. must be provided

I/We ....

of .... in the district of ....

being a Member/Members of EVERESTINDUSTRIES LIMITED, hereby appoint ....

of .... in the district of ....

or failing him .... of ....

in the district of ....

as my/our proxy to vote for me/us and on my/our behalf at the 79th Annual General Meeting of the Company to be held on Tuesday, 24th July, 2012 at 11:30 A.M. at The Gateway Hotel Ambad Nashik, P-17, MIDC, Ambad, Mumbai - Agra Road, Nashik – 422 010 (Maharashtra) and / or at any adjournment thereof.

Signed this .... day of .... 2012.

Affix Revenue Stamp & sign across the stamp

....

Signature of Shareholder

NOTE: This form duly completed should be deposited at the Registered Office of the Company at least 48 hours before the Meeting.

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