EVEREST INDUSTRIES LIMITED
ANNUAL REPORT
2019-20

REIMAGINE

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Caution regarding forward-looking statements

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report, and other statements - written and oral - that we periodically make, contains forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expect’, ‘project’, ‘intend’, ‘plan’, ‘believe’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate; actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

BOARD OF DIRECTORS	M L Gupta - Vice Chairman and Director Narotam Sekhsaria - Director Padmini Somani - Director Anant Talaulicar - Director B L Taparia - Director Bhavna Doshi - Director Rajendra Chitale - Director Alok Nanda - Director Manish Sanghi - Managing Director Y Srinivasa Rao - Executive Director
COMPANY SECRETARY	Neeraj Kohli
AUDITORS	M/s S R Batliboi & Co. LLP
BANKERS	Axis Bank Limited DBS Bank Limited HDFC Bank Limited ICICI Bank Limited Kotak Mahindra Bank Limited State Bank of India Yes Bank Limited
REGISTERED OFFICE	Gat 152, Lakhmapur, Taluka Dindori, Nashik - 422 202
REGISTRAR AND SHARE TRANSFER AGENTS	MCS Share Transfer Agent Limited F-65, Okhla Industrial Area, Phase - I, New Delhi - 110 020

BOARD OF DIRECTORS

M L Gupta

Vice Chairman and Director

B.Tech. (Hons.) from IIT Kharagpur. He has 45 years of experience in Cement and Building Products industry, in production and commercial decision making. He was the Managing Director of Everest from 2002 to 2010.

Narotam Sekhsaria

Director

Mr. Sekhsaria is a Chemical Engineer from the Institute of Chemical Technology, Mumbai. A doyen of the Indian Industry and one of the most respected business personalities in India, he introduced new standards in manufacturing, management, marketing efficiency and corporate social responsibility to an industry he has helped transform. He successfully built Ambuja Cement into the most efficient and profitable cement company in India.

Padmini Somani

Director

Ms. Padmini holds a post graduate diploma in Economics from London School of Economics and MSc in Financial economics, University of London. She has experience in multiple sectors including technology, human capital, financial intermediation, retail and general management. She has been active in the philanthropic and development space. She has been recognised for her work in youth education, health and livelihood programmes.

Anant Talaulicar

Director

B.E. (Mech), Master's degree in Engineering (University of Michigan) and MBA (Tulane University). He has about 34 years of rich experience (16 years in U.S.A) in the fields of Manufacturing, Project Management and Finance.

Alok Nanda

Director

Founder and CEO of Alok Nanda & Company Communications Pvt. Ltd., a creative brand consultancy. He has advised some of India's leading brands and companies which includes Lodha – India's largest real estate developer, Marico, Unilever, Ambuja Cements, Taj Hotels, Quikr, IDFC Bank, TrueNorth – a leading private equity firm and Kotak Bank.

B L Taparia

Director

B. Com., LL.B., F.C.S. He has more than 40 years of experience in legal, secretarial, finance and accounts, taxation, procurement, internal audit, HR, health and safety, sustainability areas and corporate governance.

Bhavna Doshi

Director

Fellow member of Institute of Chartered Accountants of India. An expert in taxation, restructuring and business valuation. She has contributed immensely to several Indian companies and MNCs over the last 3 decades.

Rajendra Chitale

Director

Chartered Accountant & LL.B., Managing Partner of M/s Chitale & Associates, a leading boutique international structuring, tax and legal advisory firm and MP Chitale & Co., a reputed accounting firm. He has been part of several prestigious committees, including the Insurance Advisory Committee of the IRDA, the Company Law Advisory Committee, Government of India, the Takeover Panel of the SEBI, the Advisory Committee on Regulations of the Competition Commission of India.

Manish Sanghi

Managing Director

B.E. (Mech), PGDM (IIM-A). Joined the company in 2001 as Marketing Director and became Managing Director in 2010. Prior to this he has worked with Castrol, BHEL, Eicher and Delphi Automotive.

Y Srinivasa Rao

Executive Director

B.Sc., Engg. (Mech). He worked at Samtel Group in the operations team and joined Everest in 1997 to head various plants. He is an expert in operations and project management. He has successfully enabled technology transfer from Europe and South America for fibre cement products.

MANAGEMENT TEAM

Nikhil Dujari

Chief Financial Officer

B. Com. (Hons.) and Chartered Accountant. He is an expert in business accounting, internal control, taxation, banking and treasury, audit and contract structuring. He comes with 23 years of experience of working with reputed organisations like E&Y, PWC, Alstom and New Holland Group.

Neeraj Kohli

Company Secretary and Head Legal

B. Com. (Hons.) from Shri Ram College of Commerce, Delhi University, Fellow Member of the Institute of Company Secretaries of India, Associate Member of the Institute of Cost Accountants of India and LL.B. from Delhi University. He has rich experience of 30 years in Secretarial and Legal matters.

Rahul Chopra

Business Head, Building Products (Boards & Panels)

B.A. (Economics). He has been with Everest since 1987. He is today an expert in rural marketing, business operations, market activation, brand building and handling large sales force.

S Krishnakumar

Business Head, (Steel Buildings)

BE (Mechanical) and EMBA, SPJIMR. He has over 25 years of experience across domains of manufacturing, engineering, project management and sales & marketing. Prior to joining Everest, he was with L&T Heavy Engineering as Head of International Business & Marketing.

Neelabh Kumar Singh

Business Head, Building Products (Roofing)

MBA in Sales and Marketing from Devi Ahilaya University, Indore. In his career span of 25 years, he has spent 20 years in the building material industry. His rich experience has made him an expert in marketing, especially in rural India and consumer service sector.

REIMAGINE – THE FUTURE OF CONSTRUCTION

By 2030, population growth, urbanisation and overall economic expansion in India are expected to increase the demand for construction sector manifolds. This growth is set against a backdrop of rising project complexity, constrained finances of the traditional business model, high amount of waste generation, the labour skill gap and more. Thus, there is a need to **'Reimagine'** the future of the Building Materials industry.

In order to cater to the needs of contemporary society, Everest has reimagined the building solutions eco-system. The company offers a wide range of ceiling, wall, flooring, cladding and roofing products in its building products segment. In its endeavour towards customer satisfaction, Everest continues to *Reimagine* by innovating new age building products, like it did with India's first coloured fibre cement roofing sheets and Solar Rooftop solutions.

In the spirit of Reimagining, Everest extended the philosophy to its branding and logo this financial year as well. The Everest logo now has a Clear, Bold, Geometric typeface that is handcrafted for exclusivity. It is a modern logo depicting constructivism of the Bauhaus movement, which was inspired from the integration of art and life, where technology and industry play a pivotal role. These aspects are in sync with the modern construction materials that Everest is offering.

The company's business has been built on the pillars of Speed, Safety, Strength and Sustainability. Pre-fabricated materials require less time, leading to significant cost savings. These new age building materials offer natural aesthetics, help in reducing construction time, have greater strength and provide higher safety as compared to conventional building materials. More importantly they have sustainability at its core. They are energy efficient, reduce wastage and are environment friendly.

ABOUT EVEREST

Architects, designers and engineers use their imagination to bring dreams to reality. Over the last 86 years, Everest has partnered with them by giving the building blocks that make this possible. The modern construction materials enable them to deliver their vision with speed and efficiency, in a sustainable, eco-friendly manner while opening up a world of aesthetic possibilities. Everest is a comprehensive building solutions provider, with offerings in roofing, ceiling, wall, flooring and cladding products in the building products segment. The company's Pre-engineered building segment, offers one of its kind integrated building solutions. The company has kept up with rapidly changing societal needs by continuously introducing new age building products, which has made the Company a trendsetter in the segments it operates.

BUSINESS SEGMENTS

Everest has two business segments – Building Products and Steel Buildings. The Building Products business helps customers realise their vision in commercial and residential markets. The rural customers are offered the traditional grey corrugated sheets and the modern coloured corrugated roofing sheets. Today 66% of the revenue comes from the building products division which offers a wide range of roofing products as well as accessories and fibre cement boards and panels. The Steel Buildings segment contributes 34% to the revenue. It provides unique, customised Pre-engineered buildings and Smart Steel Buildings for industrial, commercial and logistics applications.

OUR VISION

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

7,000+ Dealers

1,00,000+ Villages

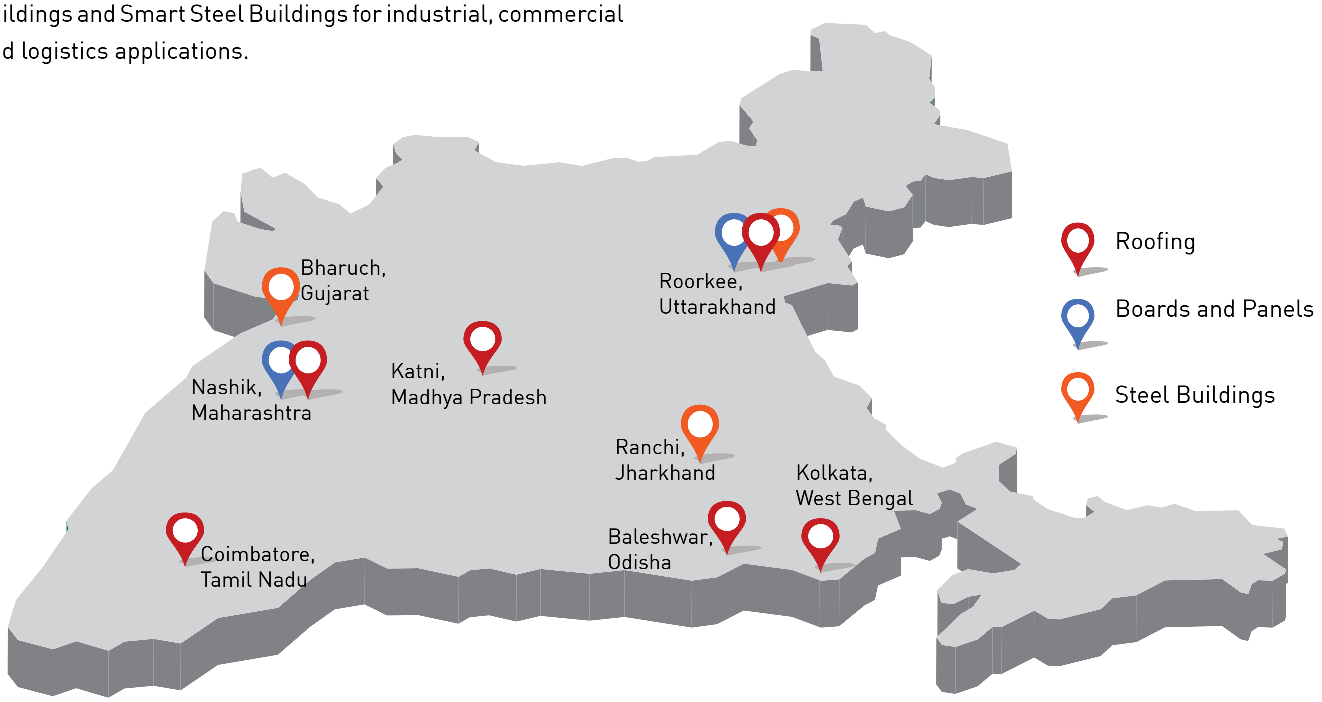
600+ Cities

3,000+ Pre-Engineered Steel Buildings

Total Capacity (MTPA)

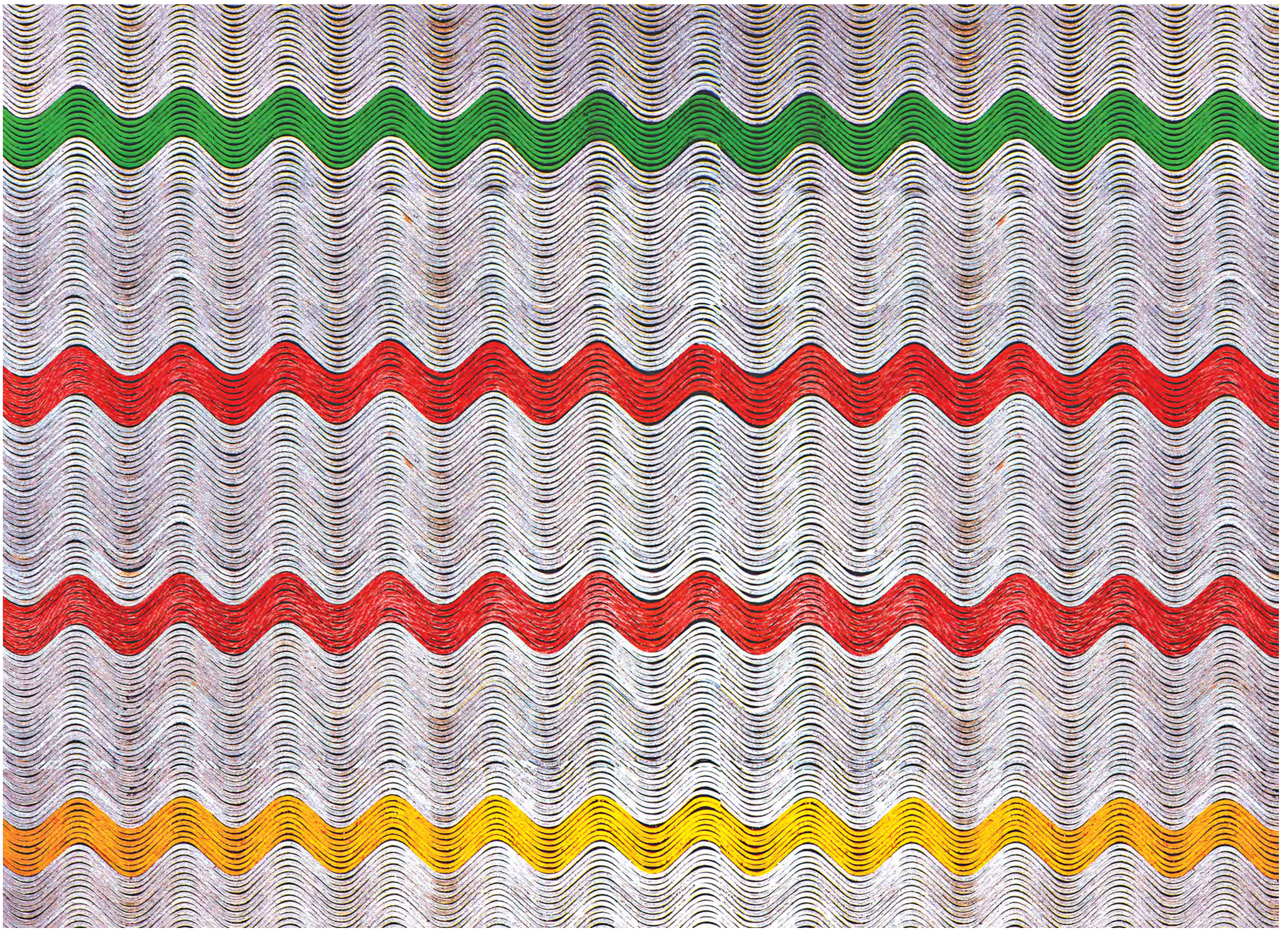
72,000 - Steel Building Plants

9,50,000 - Building Products



BUSINESS OVERVIEW

BUILDING PRODUCTS



Roofing

Everest is the pioneer of roofing solutions in India. The company started manufacturing AC roofing sheets in the pre-independence era. The company Reimagined the entire roofing ecosystem through a series of innovative offerings. From colour to material, the new age roofing products of Everest offer durability and aesthetics. Everest's roofing product portfolio caters to clients across residential, commercial and industrial sector. The company has developed strong brand loyalty with customers. Everest has 6 state-of-art roofing sheet manufacturing plants across the country and a distribution reach to more than 1 lakh villages and 600 towns. Everest is synonymous with roofing in India.

Everest Fibre Cement Roofs

Everest Fibre Cement Roof is a legacy product of the Company, introduced in 1934. Made with the best quality fibre and cement, these sheets are made using a specially developed fibre orientation process. This unique process imparts unmatched strength to the sheets. They undergo rigorous quality control checks. They are low on maintenance, easy to fix, fire resistant and economical. These sheets are used for rural applications such as animal shelters and poultry farms, residential applications and commercial applications and are the most suitable and economical option for a durable, *pakka roof*.

Everest Supercolour

Everest Supercolour is a product developed by the R&D team of Everest, which complements the growing aspirations of rural India. These coloured fibre cement roofing sheets are not only heat and water resistant, but are also non-corrosive. Everest Supercolour roofs are available in multiple colour variants like red, green, blue, copper, gold and yellow. Its unique properties of water resistance, anti-fungal and low thermal conductivity which keeps the indoors cool, have made the product a preferred choice for consumers in rural India.

Rooflight

Everest Rooflight is a high-quality polycarbonate roofing sheet made using virgin polycarbonate resins through the co-extrusion process. This process and choice of quality raw materials ensures uniform thickness, excellent UV resistance, optimum strength and long life of the product. Its high impact strength and impressive physical properties, makes it an ideal choice to provide natural light for industrial, commercial and agricultural purposes.

Hi-Tech

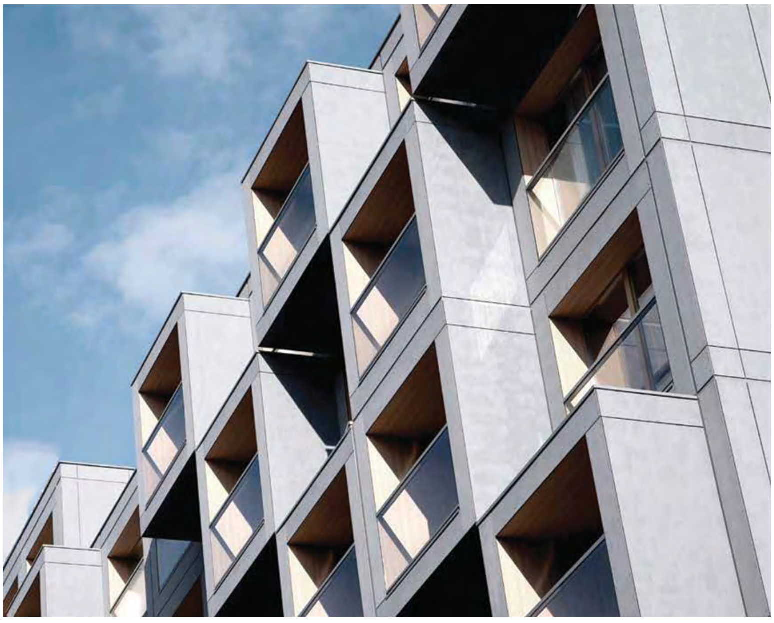
Hi-Tech is a corrugated cement roofing sheet reinforced with a blend of strong factory-produced fibres, including HIPP (High Impact Polypropylene). These imported fibres replace asbestos to give them high-impact resistance. They meet all international norms of safety, environment and pollution control for building products. Available in a range of colours, these pre-painted sheets require low maintenance and resist the impact of weather, sunshine, UV rays, algae and chemical corrosion.

BUILDING PRODUCTS

Boards and Panels

Everest Boards are modern building materials, which speed up the construction process and are eco-friendly. These Boards provide durability, moisture resistance, fire resistance and termite resistance. Everest Boards can be finished in multiple ways making it a go-to product for architects and interior designers. They are used in a wide range of applications such as cladding, ceilings, walls, facades, wall partitions, interior and exterior wall lining, pre-fab structures, drywalls and mezzanine floors.

Everest range of Boards are manufactured from a homogeneous mixture of Portland cement, treated cellulose fibres, finely ground silica quartz and other selected mineral fillers in a state-of-the-art facility using a digitally controlled process, making it environment-friendly in nature. The latest European technology has enabled Everest to manufacture a green and innovative multipurpose cement board. Everest has 2 state-of-the-art plants for manufacturing these modern building products - in Nashik and Roorkee.



Heavy Duty Boards

Everest Heavy Duty Cement Boards help create walls which are impact resistant, floors which are dynamic load bearing and façade claddings which require minimal maintenance. These special purpose Cement Boards are ideally suited for both industrial and commercial applications as they are exceptionally stable in dimension against prolonged exposure to fire and toxic environment besides withstanding high wind pressure. Everest Heavy Duty Boards are the perfect solution for all kinds of internal wet area lining, especially in the residential segment as they are resistant to damages caused by permanent dampness or seepages in plumbing networks.

Rapicon Walls

Everest Rapicon Walls enable Smart Dry Construction with the promise of Safety, Speed and Strength. These are sandwich panels made from two skins of Everest Wall Boards, filled with Fibre Reinforced Aerated Cement Concrete (FRACC), thus offering the solid effect of a conventional brick or block wall. The unique tongue-and-groove joining system facilitates rapid construction and maximises space utilisation. This system is compatible with a host of surface finishing choices like paint, veneers, texture coating and wallpaper.

BUILDING PRODUCTS (CONTD.)

Artewood

Artewood is a pre-finished premium plank, manufactured using state-of-the-art technology. Artewood planks are fine specimens of new-age building materials that are responsible, revolutionary and eco-friendly. It comes with teakwood texture and smooth finish in Ebony, White Pine and Dark Walnut colours. It is impressively tough, yet remains flexible and dimensionally stable.

Designer Ceilings

Everest Designer Ceilings are aesthetically designed self embossed ceilings. They come in abstract patterns and textures which make them visually appealing. These are easy to install and offer instant access to the ventilation system thereby simplifying repairs or alterations. They are manufactured using state-of-the-art processes with a basic mix of cement, cellulose, pulp fibres and additives. This revolutionary process not only makes them highly durable but also resistant to fire, moisture and termites. These are available in four textures i.e. Lake & Hill, Oceanic, Electra and Cascade.

STEEL BUILDINGS

The construction industry is regarded as a 'traditional' and slow-moving industry. Productivity has been an ongoing concern with great pressure on the industry to produce faster and provide more economical solutions. Everest has Reimagined a solution to address this concern by introducing Pre-engineered Steel Buildings that are the fastest mode of construction today and have gained popularity all over the world. By Reimagining modern construction, Everest makes it easier for its clients by providing integrated solutions right from a project briefing to the final on-site installation, coupling other Everest product solutions like Solar Panels, Rapicon walls, ensuring a one stop shop solution.

Everest Pre-engineered Steel Buildings are an example of absolutely transparent, systematic and process driven work flow. From structural design to installation, the Company's customized ERP runs on a SAPR3 platform that enables its customers to track the status of the project at any point in time. Timely performance, excellent service and faster response time helps Everest deliver on its commitment to "No Cost Over-runs, No delays. Now you can relax!"

The company has successfully delivered more than 3,000 Pre-engineered buildings. Everest builds over 8 Lakh Sq.m of Pre-engineered buildings every year.

Pre-Engineered Buildings

Everest Pre-engineered Buildings are custom-made solutions suited for both industrial and commercial operations. From factory buildings to Logistical Units & Warehouses, Food & Beverage Facilities, Shipyards, Exhibition Centres, Schools & Colleges, Showrooms and Multi-storied Buildings, etc. Everest PEBs offer fast, strong and safe construction solutions to different segments. Steel Buildings are designed to suit the specific needs of each customer, and are engineered, manufactured, shipped and erected by the highly experienced team of Everest Pre-engineered Building Professionals.

Everest has ventured into Grade-A warehouse segment this year and has improved the repeat order landscape with major clientele like L&T, Godrej, Reliance Retail, BKT Industries, Indospace and many others. Everest has improved its efficiency by introducing KAM/ KCM and procedure for all disciplines. Focus is on enhancing profitability over sheer volumes by efficient execution through project management and achieving higher NVA by driving efficiency.

STEEL BUILDINGS (CONTD.)

Smart Steel Buildings

Everest offers Smart Steel Buildings which are a combination of structural steel and light gauge steel frame structures. Light gauge steel framing systems consist of structural frames fabricated using cold formed steel sections. They are used for low rise constructions, such as staff accommodation, site offices, rooftop extensions, schools and hospitals, especially on a challenging terrain such as seismic, hilly, coastal and high-wind areas.

This innovative state-of-the-art technology is the quickest for assembling and raising a structure. By utilising the core strength of high tensile steel, its Light Gauge Steel Frame system allows multiple applications across residential and commercial sectors. Everest Smart Steel Buildings offer agility in design and allow architects and interior designers to choose from an array of internal and external finishes.

With Everest Smart Steel Buildings, a building can be constructed at three times the speed of traditional methods of construction even in seismic, hilly, coastal and high-wind areas. Perfect for low-rise, low-span structures, Everest Smart Steel Buildings are 100% customisable, durable and eco-friendly structures with in-built stability.

A TRADITIONAL TOUCH WITH A MODERN SOLUTION

The Task

A premium hotel in Durgapur, West Bengal designed by one of the leading architects wanted to draw inspiration from the historical and culturally rich region and transcend it into architectural expressions of modernism. The idea was to symbolise the development and progress this industrial city is making. For this, the client wanted to use the natural resources for exterior cladding. However, this was not recommended because of the weight of locally available sandstone and the problems associated with transferring the heavy material to the top floors.

Action

Everest proposed the use of its fibre cement boards as the perfect alternative for the hotel. Being a new age product, gaining the client's confidence was a challenge. After a mock-up installation the client was impressed and the product addressed all their requirements and concerns.

Artistic façade cladding with the help of Everest Boards made it possible to achieve their vision. Everest Boards have high resilience against harsh weather conditions. They require very little maintenance once installed and have excellent impact resistance. These boards are not susceptible to termites and do not rot. Everest Boards are now being recommended by many architects and builders for façade applications. It is gaining both popularity and acceptance in the hospitality sector too.

Result

While the hotel enjoys the adulation of visitors, the guests enjoy their stay in the secluded settings of this eco-friendly aesthetic marvel depicting the rich heritage of Durgapur. This piece of art is now a symbol of pride for Durgapur as well as Everest.

A COMPLEX ACHIEVEMENT

The Problem

Everest was approached for constructing a highly complex building with no control on design as the designing was done by another party. The building was also a voluminous project, required to be constructed in a very short period of time.

The Method

Identifying risks involved in the engineering phase itself, followed by manufacturing and erection, thereby ensuring detailed micro level planning of the entire project.

The Solution

In order to successfully execute the project, Everest took over the entire design kit before detailing, by having multiple meetings with the client and consultants. On-time recommendations were given to make changes in member sizes to ensure no material shortage or stoppage in manufacturing. Single point of contact in engineering and interacting with the client and consultant ensured no gap in communication and coordination. Simultaneous multiple fronts in erection were undertaken to match the committed schedule, which demanded augmentation and managing of multiple resources. Early detection of constraints such as layout preparation, approvals and engaging dedicated detailers to continuously make layouts and Tekla models ensured no stoppage in manufacturing. Detailing of critical joints such as column splices were tested by having mock-ups at the plant itself.

Result

With full compliance to safety, the innovative minds of the Everest team delivered a very complex 6,800 MT project, under the most complex site conditions.

CREATING A UNIQUE IDENTITY

The Task

With growing aspirations of Rural India and increasing purchase power, there was a need to develop an aesthetic looking roof, which is durable and fulfills the requirements of an all-weather roof.

Action

Everest Supercolour, India's first and only coloured cement roofing sheet provides a perfect alternative to the traditional fibre cement roofs. Everest Supercolour is made with a special technology and its colours not only add aesthetic beauty but also have functional purposes. Durability is the prominent feature of these colour coated roofing sheets. They have a significantly longer life with little to no maintenance required, apart from periodic cleaning. They have higher insulating abilities, and can reduce up to 50% consumption of energy in summers and 40% reduction in winters. In other words, Everest Supercolour provides potential thermal insulation from the external environment. Colour coated sheets are used in many places to provide thermal insulation as they are easy to install and cost-effective. Everest Supercolour comes with special water repellent properties, which ensures a 100% leak-proof roof.

Conclusion

These roofing sheets have added colour to the otherwise grey landscape of the country, thereby giving each house hold a unique identity of its own. Having a unique identity has been an aspiration for every Indian, which has been fulfilled by Everest Supercolour. The aesthetically appealing roof is a perfect blend of modernity, class and style that enrich the living standards of traditional and modern India. For the trade partners, Everest offers a unique opportunity to get associated with a first of its kind product, which no one else has. The latest innovation is driven by superior technology and ensures protection against corrosion and fungi and others heat insulation. The sinusoidal sheets of Supercolour come in six vibrant colours i.e. Red, Green, Yellow, Blue, Copper and Gold.

MARKETING

Consumer outreach has been at the core of all marketing initiatives at Everest. With the objective of knowledge sharing and creating awareness amongst consumers about our modern building product solutions, education and information dissemination are the key components of all marketing endeavours at Everest. The company constantly undergoes outreach programs to target audiences through exhibitions, knowledge seminars and marketing campaigns.

Everest SUPERCOLOUR

Everest SUPERCOLOUR is the new flagship roofing product of Everest. It is available in six attractive colours – Red, Yellow, Green Gold, Copper and Blue. Everest SUPERCOLOUR, christened with a new name, avatar and tagline is set to help create a unique identity for consumers: ***Apni Pehchaan***.

The *Apni Pehchaan* campaign embodies the spirit of creating the consumers' own unique identity by virtue of using Everest SUPERCOLOUR to build homes and structures. The eye-popping colours not only make the house stand out, but reflect fine tastes and bold choices.

Everest Boards Engagement Programs

We did a series of engagement programs with architects and designers throughout the year. One such initiative was an experience exposition with the leading college of architecture, School of Planning and Architecture, Delhi. The college invited award winning entries from its alumni. The expo displayed this award-winning work of the alumni of SPA, over the years. To showcase the digital printing ability of our Heavy Duty Boards, we printed all the drawings on our Heavy Duty Boards. These panels were displayed in an artistic manner at Alliance Française de Delhi. The exhibition was open to architects and designers for 5 days. The Who's Who of architecture fraternity visited the show.

Digital

Indian rural customer spends more time on his phone. Medium of information dissemination has changed. Everest has transitioned into a digitally active brand. From building a social media presence to engaging customers to making online sales, the Company is doing it all to realise the potential of the digital world. The company is actively marketing on all social media platforms like Facebook, Instagram and LinkedIn which have seen good engagement with the core audience of architects and designers. The engagement with end-customers has also been high, because of various marketing campaigns that have been launched on social media. Digital platforms continue to be our priority and we continue to engage with the target audience.

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY OVERVIEW

The financial year 2020 started off with rising issues on trade between the world's two largest economies – US and China. US and China together account for 40%[1] of the global GDP and the trade disputes between them have had an adverse effect on the global economy and sentiments, overall. This impact was not only seen in the commodities and financial markets (equities, bonds, currencies), but has also impacted the output and profitability of firms, leading to deferred investment decisions of businesses. The year ended with outbreak of COVID-19 pandemic. COVID-19 effects came in as lockdown on manufacturing units across the world and that put challenges on the demand and supply side, where the availability of goods and services was impacted along with logistics. Economies world over are likely to experience a contraction in 2020. The IMF argues that recovery of the global economy could be weaker than projected as a result of lingering uncertainty about possible contagion, lack of confidence, and permanent closure of businesses and shifts in the behaviour of firms and households. The global trade volumes are projected to decline between 13% and 32% in 2020[2] as a result of the economic impact of COVID-19.

INDIAN ECONOMY OVERVIEW

The Indian economy started FY20 on a cautious note, owing to the ongoing liquidity crisis. In order to achieve the government's vision of making India a USD 5 trillion economy by 2025[3], the finance ministry slashed domestic corporate tax rates to 25%[4] during mid-year. Considering the conditions attached to this rate, few companies have taken the benefit of the lower rate. This was expected to spur the investments in the economy.

The Current Account Deficit narrowed primarily on account of lower non-oil, non-gold imports and robust services exports, supported by software, travel and financial services. Due to the COVID-19 crisis, global FDI flows are forecast to nosedive by up to 40% in 2020, from their 2019 value of USD 1.54 trillion. FDI is projected to decrease by a further 5-10% in 2021[5]. India's crude oil import bill fell by 9% Y-o-Y to $102 billion in 2019-20[6] on account of lower prices; though volumes remained unchanged. Foreign fund outflows and the Fed's grim prognosis for the US economy further weighed on the rupee as it touched 77 against US dollar in April 2020[7]. The CPI inflation stands at 5.84% YoY in March 2020 higher from 2.86% Y-o-Y in March 2019[8]. According to the Indian Budget 2020, the real GDP growth was estimated at 5.5% in the financial year 2019-20[9] but due to the recent COVID-19 crisis has ensured that FY2021 will be a challenging one for India and the world.

OUTLOOK

The Indian economy was on a recovery path from the lower demand positions that were existing when the COVID-19 pandemic hit us in the last few days of the year and the related measures taken by the Government resulted in slowdown of demand. While on one hand the rate of growth of the pandemic was relatively contained, the lockdown impacted the distribution channels and the sales for the year. The pace and scale of lifting lockdown for India may depend on the availability of the crucial testing capabilities which is essential to get a better handle on the spread of the virus, granular data and technology to track and trace infections, and the build-up of healthcare facilities to treat patients. Government of India's announcements aims at saving the lockdown battered economy by providing tax breaks, incentives for domestic manufacturing and credit guarantee for loans to MSMEs.

RBI announced a slew of measures to address the liquidity concerns of financial institutions by means of targeted long-term repo operations to help ease liquidity of NBFCs, HFCs and MFIs. With IMD monsoon forecast coming at near normal levels, the agricultural sector could turn out to be the lone bright spot as winter crop (Rabi) is being harvested and the impact of this pandemic is not seen across the farmland areas of the country so far.

Source

[1]The NewYork Times [2]The Economic Times [3]The Economic Times [4]The Outlook India [5]Business Standard [6]The Economic Times [7]LiveMint [8]The Economic Times

RURAL INDIA GROWTH

In India, agriculture accounts for 17% of India's $ 2.8 trillion[9] economy. The rural section of the population is primarily engaged with agriculture directly or indirectly.

Continuing its thrust on pro-poor, pro-rural and pro-marginalised initiatives, the government in its Budget 2020 laid special emphasis on the welfare of rural India. For the Ministry of Rural Development, the government allocated ₹ 1,22,000 crores. The big chunk of ₹ 60,000 crores went to the biggest job guarantee scheme in the country, MGNREGA[10].

For Agriculture, Irrigation and allied activities ₹ 1,60,000 crores was allocated in the budget. The finance minister has proposed a 16 Point action plan in her budgetary speech to improve the condition of agricultural sector and double the farmer's income by 2022. Apex agriculture financial institution, NABARD has extended ₹ 42,313 crores financial support during 2019-20 for building rural infrastructure. These efforts have reinforced and supported the Centre's initiatives for improving the rural economy, multiply job opportunities in the rural market and thus stabilize income, it said. During the last five years, NABARD has disbursed ₹ 1,98,485 crore[11] for all-round economic growth of rural India with a view to improving the standard of living of the rural poor.

URBAN INDIA GROWTH

Urbanisation is taking place at a rapid rate in India. According to the World Bank, 28.53% of India's population was residing in urban areas in 2001 which has increased to 34% in 2017. By the year 2021, more than 43.2 crore people will live in urban areas[12].

The Smart Cities Mission introduced by Prime Minister Narendra Modi, is a programme which aimed to develop 100 cities into smart cities across the country by making them citizen-friendly and sustainable by leveraging new-age technologies. The objective of the Mission is to promote cities that provide core infrastructure, and give a decent quality of life to its citizens, a clean and sustainable environment and application of `Smart Solutions'. A total of 5,151 projects worth ₹ 2,05,018 crores have been proposed by cities participating in the Smart City Mission. 81% of the projects proposed under the Smart City Mission have been tendered out, while 25% of the projects stand completed. The construction industry plays a major role in the development of urban India and has contributed nearly 9% of the national GDP during the last five years and till 2025 it is expected to grow at an average of 7.1% each year[13].

INDUSTRIAL SECTOR IN INDIA

The industrial sector is one of the main sectors that contribute to India's GDP. The country ranks 14th in the factory output in the world. The industrial sector accounts for around 27% of India's GDP and it employs about 25% of the total workforce in the country[14].

The lower corporate income tax rate announced by the government to boost the economy in the middle of the financial year should enhance India's competitiveness vis-à-vis other potential manufacturing hubs in Taiwan and Southeast Asia, such as Vietnam, Thailand and Indonesia. This tax rate concession should leave the companies with more cash for investment and expansion and persuade them to remain and expand in India. In the short term however, the COVID-19 scenario is going to determine all investments.

HOUSING GROWTH

The Budget 2020 gave a fiscal stimulus to the economy by allocating more funds towards rural India, reducing taxes, and abolishing Dividend Distribution Tax (DDT) to boost growth. Against the backdrop of stagnating farm income and rural demand slowdown, the government has budgeted ₹ 1.3 lakh crore for agriculture and farmers' welfare. This includes an allocation to rural employment scheme (NREGS) of ₹ 615 Billion, rural roads (PMGSY) of ₹ 195 Billion, and rural housing (PMAY-G) of ₹ 275 Billion. Additionally, the Budget 2020 saw the Housing and Urban Affairs Ministry outlay touch ₹ 50,039.90 crores, a nearly 18.39 percent increase from the revised estimate of ₹ 42,266.72 crores for 2019-2020. In 2020, the outlay for the flagship scheme of the government – the Pradhan Mantri Awas Yojana - has been granted ₹ 27,500 crores as against the revised estimates of ₹ 25,328 crores in 2019-2020, nearly an 8.5% increase. Over and above the year-on-year budgetary provisions, a separate mechanism through creation of National Urban Housing Funds (NUHF) has been approved by the Union Cabinet to mobilise resources through Extra Budgetary Resources to the tune of ₹ 60,000 crores for funding PMAY[15]. With constraints on budget due to lower tax collections, these schemes may be impacted during the year.

Source

[9]The Economic Times [10]The Economic Times [11]Business Standard [12]World Bank Report [13]The Economic Time [14]www.statista.com [15]MoneyControl

BUSINESS SEGMENT OVERVIEW

ROOFING INDUSTRY

The primary changes in the roofing sheets industry can be attributed to two reasons. One, the growth in industrial applications in context to the Indian market. Secondly, consumers are looking for alternative aesthetic options and for more value from their investments. This in turn, creates potential demand for different kinds of sheets for protecting the roofs and walls of establishments – domestic, commercial and industrial alike.

The demand for fibre cement roofing sheets was supported by different factors on an industry-wide scale by improved disposable income in the hands of rural population, implementation of MSP, good monsoons, increased farm efficiency, nuclear families, government initiatives around Housing, etc. A major shift is observed from clay tiles and conventional roofing. Buyers are now opting for roofs with innovative shapes, long life-span and roofs with better aesthetics to add more value to their structures. Everest offers complete solutions in the roofing portfolio. From being the pioneers of fibre cement roofing, to coloured cement roofing sheets (Everest Supercolour) to the non-asbestos roofing sheets (Hi-tech), from galvalume metal sheets (Everest Steel Roofs) to the transparent, polycarbonate roofing sheets (Everest Rooflight) - Everest provides complete solutions, along with the required accessories.

Cost

During the year, the cost of inputs increased due to raw material price increase as well as the exchange rates. This resulted in increased costs for raw material and conversion. Debottlenecking Capex resulted in some improvement in efficiencies, while overall output contracted in line with the market.

Markets

Fibre Cement Roofing Sheets industry in India with a market size of ₹ 4,000 crores is an oligopolistic market with top six players accounting for 75%-80% of the size. A focus on strategic markets led to a market share gain through deeper penetration.

BOARDS AND PANELS INDUSTRY

Stronger, faster, and aesthetic construction is what resonates with both architects and consumers these days. The building and construction industry is steadily moving towards offering

which have these benefits. Fibre cement boards, gypsum board and MDF are growing categories as they meet these requirements. Cement based fibre cement boards have significant advantages over the other categories, in terms of sound insulation, water resistance, fire properties and are the only material which can be used in the external environment.

Fibre cement boards are used in versatile applications like partitions, wall lining, cladding, roofing, ceiling, external façade, kitchen back liners and surface decorative applications. This makes it popular across real estate, industrial, residential, rural and pre-fabricated sectors

2019-20 was a challenging year for the fibre cement boards and panels industry. The growth rate of the industry slowed down on account of liquidity issues and infrastructure projects being put on hold or delayed.

In USA more and more people are opting to use fibre cement siding for the exterior cladding of their home. It is currently being used on about 20% of new homes according to the Census Bureau's Survey of Construction (SOC)[1]. Since it replicates the look of wood so well, it is accepted for use widely. The fibre cement board emulates brick, cement and stone, while requiring less maintenance than wood and at less cost than all three.

Everest Boards

Everest offers complete solutions - from ceilings to walls, from floors to cladding and dry wall systems for faster and dry construction, with state-of-the-art manufacturing plants in Roorkee (Uttarakhand) and Nashik (Maharashtra). Everest is focusing on growing the value-added product portfolio, to cater to the growing demands of the consumers. Everest Artewood, Artestone, Rapicon Walls, Cement Wood planks, Designer Ceiling tiles and Heavy Duty Boards are being adopted by architects and interior designers.

Everest focused its efforts to create increased awareness about its products and solutions and participated in numerous activities and forums where the new aesthetic range of products were showcased.

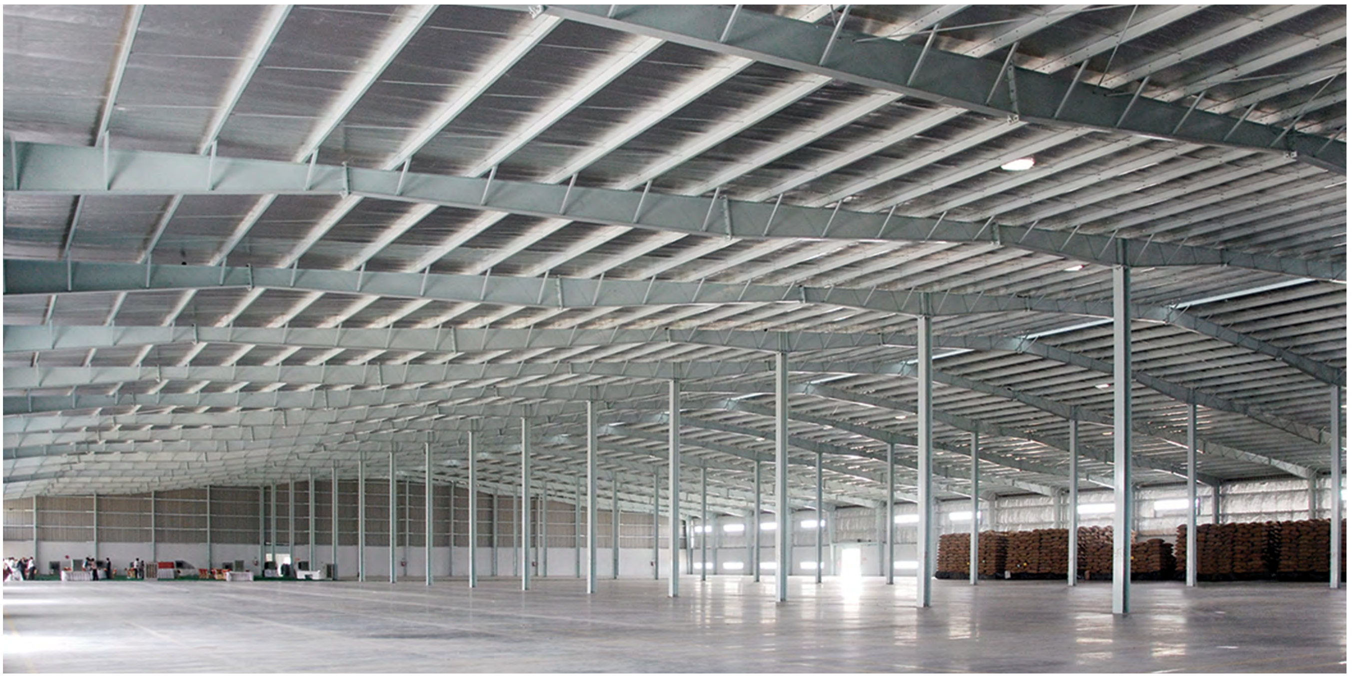
A trained workforce is essential for establishing new concepts and solutions. Everest continued its efforts in training the construction workforce in modern building practices and covered over 15,000 artisans in 2019-20.

Hotels, hospitals, infrastructure projects, commercial offices and individual homes emerged as major users of Everest Boards.

STEEL BUILDING INDUSTRY

The core advantage of a Pre-engineered Building (PEB) over other construction systems is the certainty of manufacturing in controlled conditions of a factory. PEBs are quick to construct, have recycle value and conform to green norms. They are re-locatable compared to conventional brick & mortar construction.

Source: [1]Forbes



The warehousing sector has grown exponentially since the implementation of GST and has adopted PEBs as their preferred method of construction. These modern warehouses are large format, high quality and often are a part of logistic parks. This has completely redefined the warehousing sector. The industrial sector is currently undergoing a severe contraction of demand on account of COVID-19 and will take time for new Capex.

Warehousing, metro rails projects, smart cities development and selective industries offer good opportunities for the PEB sector.

Everest Steel Building Solutions

FY20 began on a high note, driven by the warehousing and industrial sectors, and then dwindled in terms of investment. By the end of second quarter, the industrial sector, primarily lead by automobile and ancillaries, lagged heavily. By the end of fourth quarter, corona virus had a major impact on the PEB industry.

Amidst the turbulent market scenario, Everest Steel Buildings set new benchmarks in terms of large size of projects booked across automobile, airline, warehousing, industrial and other applications. Everest successfully demonstrated its engineering and erection skills by setting up a hangar for a commercial airline in New Delhi, with over 93 m clear span. As a validation of the Integrated Steel Buildings theme, the Company executed an order for a vegetable oil refinery, including steel building plus roof top solar panels. Rapicon panels were used in a warehouse project in the NCR region.

For the current year, the thrust will be on customer centricity and reliability. There is enormous opportunity for steel buildings and the necessary differentiated offerings are in place, to make a mark and propel the Company into a leadership position.

Everest has completed the designing, manufacturing and erection of over 3000 Pre-engineered buildings since its inception.

New Initiatives

Everest Steel building division offers integrated building solutions. By integrated offerings, the benefit of synergies across product lines is achieved. These solutions meet all the expectations of architects and structural engineers who endorse indigenous Pre-engineered buildings, specific to the local climatic conditions and culture.

Raw Material Impact

Steel prices have been stable through the year, with no sharp variation. Gradual changes in steel prices get factored into the Company's contracts but sudden changes have adverse effect on profitability.

QUALITY

Maximizing efficiency has been a permanent goal at Everest. Among the main levers implemented for this purpose, continuous improvement undeniably occupies a preponderant status, especially as it aims for optimum efficiency, practicability and flexibility of processes. During FY 2019-20, various initiatives were taken by the Company to increase productivity across its business segments.

The Company invested in modernisation of manufacturing facilities at Roorkee, Kymore and Nashik plants. The Nashik Roofing plant was modernized with state-of-the-art automatic sheet handling line.

To improve the production volumes and productivity of Fibre Cement Boards, modernization project of Fibre Cement Compressed Boards line at Nashik plant was taken up during the year which will be completed by September'20. Capacity of Rapicon Panels at Roorkee and Nashik plants was increased by 20%.

Awards

For various productivity improvement initiatives, teams from various plants participated in National Competitions and received the following awards during the year:

1st Prize Gold Award

Somnathpur Works team - "Reactive Kaizen Stream" in CII National Kaizen Circle Competition in June, 2019

1st Prize Gold Award

Podanur Works team – "Innovative Kaizen Stream" in CII National Kaizen Circle Competition in June 2019

2nd Prize

Lakhmapur Works team – 13th TPM competition conducted by CII at Pune in June 2019

1st Prize

Productivity improvement in "Process Category" in CII Southern region Kaizen Competition at Chennai in October, 2019

FINANCIAL PERFORMANCE

The financial performance for the period started well with first quarter reporting a healthy margin. However, the subsequent quarters were impacted by higher cost of materials and lower volumes. These were a result of subdued markets and money supply.

In addition, the fourth quarter was impacted by the lockdown in the industry. Sales were lower on volume and selling price; and this also impacted profitability as raw material prices and exchange rates impacted the results of Building Products Business.

Steel Buildings Business continued to reap the benefits of improved risk management practices and contract management.

Exports continued to be challenging due to stiff competition from local players in the markets in which the Company operates. The decline in the INR makes the products of the Company more competitive in the export markets.

Exchange rates continued to slide resulting in exchange fluctuations impacting the Company. As a result the hedging strategy of the Company was revisited and risks were addressed via hedging.

The company has been entitled to certain tax reliefs in the state of Odisha, where it has one plant. The procedure relating to the said relief are yet to be notified despite a lapse of over two and a half years since the introduction of GST. We are informed that the state government of Odisha is in the process of issuing guidelines in this regard.

The company chooses to continue with the rates of tax applicable earlier. Since the Company did have tax litigations, it can give an advantage. The management continues to reassess the tax rates as the situation evolves.

Despite lower sales, working capital was effectively managed by reducing the receivables and inventories. This resulted in reduced borrowing costs.

Debt-to-Equity ratio continued to be low and the working capital limits were reduced in view of the RBI Circular requiring the Company to convert portions of Cash Credit Limits into Working Capital Demand Loans in case if the total limits were in excess of ₹ 150 crores.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations including:

Particulars	FY 20	FY 19	FY 18	FY 17
PBDIT Margin	4.0%	8.0%	7.6%	4.2%
PBT Margin	1.7%	6.0%	4.8%	0.4%
PAT Margin	1.1%	4.6%	4.0%	0.3%
ROE	3.1%	14.2%	12.8%	1.2%
ROCE	5.3%	17.5%	15.5%	5.6%
Cost of Borrowing	5.5%	5.3%	9.4%	8.0%
Collection Period (days)	19.3	25.5	19.0	29.4

Return on Equity and Return on capital employed was impacted negatively as the year saw a decline in selling prices of Building Products and an increase in cost of materials, resulting in decline in profits. The Company was impacted from depreciation of rupee against US Dollar as substantial amount of raw material is imported in foreign currency.

OPPORTUNITIES AND THREATS

OPPORTUNITY

Demand for the roofing business has been good because of good agricultural produce. Cash availability in the rural belts has improved due to various government incentives. A good monsoon prediction will also benefit the industry.

Government of India's initiatives towards developing smart cities and infrastructure projects, providing housing for all by 2022, and increased transparency in the real estate sector, will lead to opportunities for innovative and modern building products. Everest offers modern building products which offer faster and aesthetic construction, which is the need of the hour.

With increase in online sales, the requirement of warehousing should increase across the country.

CHALLENGES

The construction sector is heavily dependent on skilled labour. The recent migration of labour, back to their villages, has impacted the construction of projects. A lot of projects are getting stalled or delayed.

Most contracts continue to be fixed price contracts and steel price changes impact the bottom line. Challenges on account of quality of erection labour, site conditions and under developed logistics in the country, continued. But these are all changing for the better.

COVID-19 poses a unique challenge in personal lives and business activities. It is uncertain when things will stabilize. There can be disruptions in supply chain, in manpower availability and market liquidity due to COVID-19. The market demand is contingent upon COVID-19 situation improving over the next few months.

OUTLOOK

As this annual report is being published, India is in a precarious position, with the ground situation changing every hour. The intrinsic domestic demand for housing will remain to be strong and perhaps the price correction due to the epidemic may open an opportunity for buyers to buy properties at a lower value. This would leave them with investible surplus for the interiors and the Company's products are uniquely positioned to help the consumer realise his imagination. In the coming months, there will be fewer project launches, deferred handovers, extended timelines and fewer walk-in enquiries for the real estate.

In the time of this uncertain future, Indian real estate and allied manufacturing industries will have to innovate to discover new market segments.

The move by global corporations to shift production bases from across the world to India as a result of COVID-19 pandemic is likely to create the next round of opportunities. This is going to lay the foundations for the next round of growth.

RISKS AND CONCERNS

Risk is an unavoidable component of any business, but the important part is to manage this risk in a proactive manner. All risks cannot be eliminated, but an effective risk management plan makes sure that the risks are minimal or avoided. The dynamic business environment, in which the Company operates, makes it imperative to have strategies in place to accomplish the pre-set business plans. At Everest, risk management is achieved through company's integrated risk management approach, comprising policies, procedures, and periodic reviews. Some of the key strategies to mitigate risk are explained below:

Volatile Raw Material

The major raw materials used by the Company are Chrysotile fibre, Cement and Steel. Any volatility in the prices of raw material is bound to have impact on the profitability of the Company. To manage these risks, the Company has systems and processes in place.

Chrysotile fibre

There are very limited suppliers of Chrysotile across the world. Everest normally enters into an annual contract for purchase of this crucial raw material.

Cement

Cement is available from numerous sources across the country. Everest buys cement from reputed companies with good consistent quality which are located near our plants.

Steel

Steel is the largest raw material for Everest. The company buys a variety of grades of steel based upon the specific design requirement of the customer's building. The steel prices tend to be volatile and care is exercised that the steel is bought at prices which were originally considered.

Dependence on Single segment

Customer concentration is a measure of how the total revenue for a company is divided among the customer base. Dependence on a single segment of customers poses a risk to any organisation. Everest has mitigated this risk by diversifying into different product portfolios.

Everest operates in multiple segments of the Indian economy. The roofing business unit addresses a rural audience while the Boards and Panels business unit address the urban segment. The Steel Buildings business addresses all business related needs for the industry, mainly addressing the commercial business audience. This also improves the visibility of brand and expands the customer base.

Uncertainty over future of asbestos

In India, the amount of asbestos that is used for production of cement sheets is very less. At Everest the manufacturing process is such that the fibres are bound in a cement matrix and the fibre emission in the air is fully controlled. In fact, it is better than the international norms. The free floating asbestos used by the Company is well below the standards fixed by the Ministry of Environment. No causalities have been reported by the people who have used it. Ongoing audit of the employees ensures a safe workplace.

COVID-19

The unprecedented COVID-19 disruptions now rolling through global markets are dealing a blow to many business models and capital plans. Organisations during such black swan events, plan to defer capital investments and work on cash conserving strategies. All this has a direct impact on the steel building business. Everest has mitigated this risk by framing the existing risk-modelling capabilities within finance and the capital allocation decision-making process with solid logic and discipline, which form the qualitative aspects of risk-intelligent decision-making.

Internal control systems and their adequacy

The Company has evolved a system of internal controls to commensurate with its size and scale of operations, to ensure that the assets are safeguarded and transactions are authorised, recorded and correctly reported. The internal control system is periodically reviewed by the internal auditor, who evaluates the functioning and quality of internal controls and provides assurance of its adequacy and effectiveness. The scope of internal audit covers a wide variety of operational methods and, as a minimum, ensures compliance with specified standards with regard to availability and suitability of policies and procedures, extent of adherence, reliability of management information system and authorization procedures including steps for safeguarding of assets. The reports of internal audit are placed before Audit Committee of the Directors. The Audit Committee reviews such audit findings and the adequacy of internal control systems. The statutory auditor and the internal auditor of the Company also interact with the audit committee to share their findings and the status of corrective actions under implementation

HEALTH & SAFETY

Workplace health and safety procedures are important for the well-being of employees as human loss is immeasurable and intolerable. Special care of health and safety of all employees, associates and customers of the Company is ensured. The best of safety measures at Pre-engineered Building sites during installation are adopted. Further, safe workplace practices are followed strictly at all plant locations and erection sites.

The biggest health scare in recent memory has been the COVID-19 virus. Given the Company's values and traditions of keeping employee safety paramount, all standard operating procedures laid by the government of India and the local administrative bodies are followed. At Everest, the COVID-19 challenge has been met with creativity, heart and kindness. From regular video calls with employees, to engaging them through training programs, contests, regular messages, the Company has been in touch with every single employee. Health and well-being, financial stability, and job security are top concerns for employees right now and these are being addressed through regular town halls.

RESEARCH & DEVELOPMENT

The company continuously focuses on research and development activities and has always had a philosophy of introducing new and improved products in the marketplace. The R&D team at Nashik, Maharashtra works continuously for alternate raw material usage for the improvement and innovation in the product lines.

IT SYSTEMS

The company launched a centralized IT support system bringing in transparency and visibility for all the stakeholders. Going digital has its own data security risks. To prevent that, a state-of-the-art security system has been implemented across our network that blocks any threat coming from an external source.

In the pursuit for simplicity and empowerment, Everest has developed in-house mobile apps for all our stakeholders. All the information that is required by them is available on the app, thus allowing zero latency on account of data unavailability. This technology efficiency has helped in creating a transparent system, which is service first and not person first.

HUMAN RESOURCES

HR Initiatives: Corporate HR, during the year 2019-2020, has rolled out the following HR initiatives:

- Employee Buddy Scheme to create a better on boarding experience for the new employees.
- Recruitment Management System has been made online, to promote the paperless concept.
- Implemented Online Learning Management System - "Everest E-Guru"
- Conducted "Emerging Leaders Development Programme" for young officers under the age group of 30 years.

Recruitment: During the year, the company recruited 153 Officers and 14 Graduate Engineering Trainees, bringing the total number of employees at Everest to 1428.

Performance Culture: Performance Culture is encouraged across the organisation by explaining the importance of goals. To promote the performance culture, the HR department has identified Lakshya Champions across the country.

Industrial Relations: Cordial Industrial Relations were maintained across all the manufacturing locations.

Rewards & Recognition: Everest Vidya Puraskar reward scheme was launched, to reward the employees' children who have scored 85% and above in 10th & 12th standards. Existing Reward schemes "On the Spot" & "Good Work Reward Scheme" were made online. To promote the Operational Excellence among the manufacturing locations Operation Championship Awards were conducted.

Awards: Everest won the "Uttar Pradesh Best Employer Awards 2019" & "North India Best Employer Awards 2019", which were awarded by the "World HRD Congress"

CORPORATE SOCIAL RESPONSIBILITY

Everest is committed to enhance livelihood and living conditions of communities through sustainable development oriented interventions, capacity building, and projects in the areas of skill building, health, sanitation, education, and sports. To give greater attention to its community initiatives Everest engages with experts from the development sector to bring knowledge and evolve projects with ensuring impact and sustainability. Everest through its CSR arm is also signatory of **United Global Compact** and all its social initiatives are aligned with Sustainable Development Goals.

Training and Skill Building

To build skill sets across the intended target groups - adolescents, youth, women, and marginalized construction workers among others – Everest has initiated skill training in computers, sewing & building master, across various locations in order to directly benefit more than 10000 people since its inception. Everest has a flagship programme called Building Master Training (BMT) with the objective of making them self reliant and earn higher wages.

Building Master Training (BMT) was conducted in 56 locations, across 47 districts in 7 States which benefited 1398 people. Everest partnered with National Skill Development Corporation (NSDC), Construction Industry Development Council (CIDC), Sattva, IL&FS Skill Development Corporation, BASIX Academy for Building Lifelong Employability (B-ABLE), Ambuja Cement Foundation (ACF) and many other grass root level organizations to implement these training programs.

Everest is running a Computer Skill Training Centre in association with NIIT Foundation and NSDC at Bhagwanpur, (Roorkee, Uttarakhand), Kymore, (Katni, Madhya Pradesh) and Remuna, (Balasore, Odisha) and has trained 1234 people so far.

A Sewing & Embroidery Centre is also being run in Bhagwanpur (Roorkee, Uttarakhand) with NSDC, where 175 women from local villages were trained. Career Guidance Centre in Kymore, (Katni, Madhya Pradesh) assisted 311 youth from the local villages.

Preventive Healthcare and Sanitation

In 2019-20 under our preventive healthcare initiative, Tobacco Control Program in association with Salaam Mumbai Foundation (SMF) which aims to make all 15 development blocks of Nashik totally "Tobacco Free", a total of 16977 people were touched and educated on ill effects of tobacco

and ways to bringing change in habits. The program has engaged multiple stakeholders at block and village level, media personnel, Government Teachers, Multipurpose Health Workers, Police, NGO, Cluster Coordinators, Sarpanch and local community. Everest in partnership with SMF has made two more development blocks of Nashik, Chandvad and Peint as 'Tobacco Free'. Niphad and Dindori blocks had already been made 'Tobacco Free' in last 2 years.

Under the 'Individual Sanitation Program' Everest constructed 40 toilet units for individual household in 5 villages of Kolad Panchayat of Raigarh, Maharashtra.

Promotion of Sports

To facilitate a platform for youth and children to enhance sporting capabilities, and acquire skills, Everest organized various local and community-level sporting events and training programs in which total 1592 people participated.

In 2019-20, Everest Football Academy provided football training for 210 youth/kids (including girls) from the nearby areas & Government schools at Podanur (Coimbatore, Tamil Nadu). A State level football tournament was organized in association with the Coimbatore District Football Association (CDFA) in which 1170 adolescents from 96 teams (including 18 girls teams) from Tamil Nadu, Kerala and Karnataka participated. A Badminton Tournament was organised at Kymore (Katni, Madhya Pradesh) for the rural youth/kids in which 212 people participated.

Environmental and Community Building

In other Community building programs, Everest contributed during the Fani cyclone in Odisha and extended help to the flood affected community by providing meals to them. A day kitchen was set up at Satpada area of Puri district which provided two meals per day to the residents of 6 adjoining villages in Satpada area. A total of 6000 meals were provided to 2,200 villagers. To make the community self-dependant to repair their houses, Everest conducted Building Master Training program in Bolanga, Dewli Sahi villages in Puri district. During the process of training, 22 candidates were trained from Bolanga village, who then built 5 houses. They helped in building other damaged houses of the village.

HIGHLIGHTS OF 2019-20

1398
Building Master Training

1720
Computer and Vocational Training

1592
Youth participated in Sports Promotion Programs

16977
People reached out directly under Tobacco Control and Advocacy Program

INDIVIDUAL SOCIAL RESPONSIBILITY (ISR)

Everest believes that a company becomes socially responsible when its employees also follow the principal of giving to the community. With Individual Social Responsibility, (ISR) we encourage our employees to contribute their personal time, skills and efforts towards development of communities. Each employee at Everest is motivated to contribute at least four man hours in a year towards community-driven initiatives.

Several employee engagement opportunities were created, in which employees contributed for activities such as sensitization drives on World No Tobacco Day, sensitization on importance of cleanliness, sensitization on road safety & climate change etc. Also, at skill-centers and sport projects, employees imparted sessions on personality development, employment trends in India, safety, financial inclusion, entrepreneurship skills, importance of quality at work place and career related subjects. In activities like Food Donation Drives, fulfilling the wishes of less privileged children, plantation drive, Vastra Daan, Blood donations etc, in 2019-20 total 940 employees participated in ISR activities and contributed 1877 man-hours for Social Change.

Sustainability ensured through community participation in Social project

The persistence of open defecation due to traditional mind-sets and customs is still an impending concern. This lack of regard for sanitation not only impacts health, but it has drastic effects on education, social well-being and safety as well. Lack of sanitation facilities contributes to about 10% of the global disease, causing diarrheal diseases. In India, one of the major sanitary concerns has been open defecation, which is root cause for multiple health hazards.

To create an open-defecation free (ODF) society and promote health and well-being, Everest conceptualized a project with collaborative approach and ensured sustainability through community participation.

The construction of 40 toilet units for individual households at 5 villages in Kolad Panchayat of Raigadh, Maharashtra, Everest constructed part of the toilets. During the construction of toilets local youth were trained in constructing or maintaining such units from their own which has ensured long-term sustainability of project.

These 40 families were practicing Open Defecation. The construction of these toilet units made 200 people from 40 households totally free from Open Defecation. These toilets brought self-respect for them and ensured safety for the women in the families and will prevent health hazard which may have been caused due to open defection.

NOTICE

Notice is hereby given that the Eighty Seventh (87th) Annual General Meeting ("AGM" or "Meeting") of the members of Everest Industries Limited ("Company") will be held on **Thursday, August 27, 2020 at 11.30 am** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

Ordinary Business

1. Adoption of Financial Statements

To receive, consider and adopt (a) the audited standalone Financial Statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

(a) "RESOLVED THAT the audited standalone Financial Statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon, laid before the 87th Annual General Meeting, be and are hereby considered and adopted."

(b) "RESOLVED THAT the audited consolidated Financial Statements of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon, laid before the 87th Annual General Meeting, be and are hereby considered and adopted."

2. Declaration of dividend on equity shares for the financial year ended March 31, 2020

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

"RESOLVED THAT a dividend at the rate of ₹ 1/- (Rupee One only) per equity share of ₹ 10/- each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2020 and the same be paid out of the profits of the Company for the financial year ended March 31, 2020."

3. Appointment of Mr. Y. Srinivasa Rao (DIN 01289086) as a Director, liable to retire by rotation

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Y. Srinivasa Rao (DIN 01289086), who retires by rotation at this Meeting, and being eligible, offers himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

Special Business

4. Appointment of Mr. Anant Talaulicar (DIN 00031051), as an Independent Director of the Company

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

"RESOLVED THAT in accordance with the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), and the rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anant Talaulicar (DIN 00031051), who was appointed as an Additional Director of the Company with effect from November 21, 2019 pursuant to section 161(1) of the Act and Article 82 of the Articles of Association of the Company and who has submitted the declaration that he meets the criteria of Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto five (5) consecutive years with effect November 21, 2019 to November 20, 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, things, matters and to execute all such documents as may be necessary in this regard."

5. Re-appointment of Mr. Y. Srinivasa Rao (DIN 01289086), as Whole Time Director designated as Executive Director

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or enactment(s) thereof, for the time being in force) and pursuant to the approval of the Board of Directors (hereinafter referred to as "the Board") of the Company on the recommendation of Nomination & Remuneration Committee, the approval of the members of the Company be and is hereby accorded to re-appoint Mr. Y. Srinivasa Rao (DIN 01289086) as Whole Time Director designated as Executive Director of the Company for a period of two (2) years with effect from April 23, 2020 to April 22, 2022 at the remuneration and on other terms and conditions as set out below, with liberty to the

Board to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit:

(a) Basic Salary

Basic salary of ₹ 6,00,000/- p.m. (grade of ₹ 3,50,000-60,000-8,00,000)

(b) Perquisites & Allowances

125% of the Basic Salary to be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family and such other perquisites and allowances in accordance with the rules of the Company.

(c) Performance Incentive

Remuneration by way of performance incentive in addition to the salary, perquisites and allowances shall be payable for each financial year of an amount as may be decided by the Board of Directors of the Company in their sole discretion on the recommendation of the Nomination & Remuneration Committee, subject to maximum limit of 20% of Annual Basic Salary and Perquisites & Allowances.

(d) Provident Fund, Superannuation or Annuity Fund or National Pension Scheme and Gratuity

Mr. Rao shall be entitled to the Company's contribution to Provident Fund, Superannuation or Annuity Fund or National Pension Scheme and Gratuity as per the rules of the Company.

(e) Interest Subsidy

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

(f) Annual Leave

Thirty (30) days for every completed year of service. Encashment of leave will not be included in the computation of the ceiling on perquisites under (b) above.

(g) Club Fee, Medical Insurance etc.

Mr. Y. Srinivasa Rao shall also be entitled to club fees, medical insurance for self & family and personal accident insurance which shall be in addition to perquisites specified under (b) above.

(h) Reimbursement of expenses

Expenses incurred for travelling, boarding and lodging during business trips which shall be in addition to perquisites specified under (b) above.

(i) Car and Communication Facilities

Mr. Rao shall be entitled Company Car with driver and communication facilities which shall be in addition to perquisites specified under (b) above.

(j) Stock Options

It is clarified that employees stock options granted / to be granted to Mr. Rao, from time to time, shall not be considered as a part of perquisites under (b) above and that the perquisite value of stock options exercised shall not be considered as perquisites under (b) above.

(k) Sitting Fees

Mr. Rao shall not be entitled to sitting fees for attending the meetings of the Board of Directors of the Company or committees thereof.

(l) General

i. The Whole-time Director shall perform his duties in the interest of the Company.

ii. The Whole-time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board of Directors/Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board of Directors/Managing Director.

iii. The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 with regard to duties of directors.

iv. The Whole-time Director shall adhere to the Code of Conduct of the Company and shall also comply with the other policies and laws applicable on the Company.

v. The office of the Whole-time Director may be terminated by the Company or Whole Time Director by giving the other three (3) months' prior notice in writing or Company paying three (3) months' salary in lieu of notice.

RESOLVED FURTHER THAT the annual increments will be effective from 1st April each year and will be decided by the Nomination and Remuneration Committee and the Board of the Company on the basis of merit and performance of Mr. Rao and the Company.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Y. Srinivasa Rao, the Company has no profits or its profits are inadequate, the Company will pay remuneration as per the terms approved by the members as minimum remuneration.

RESOLVED FURTHER THAT Mr. Y. Srinivasa Rao shall be liable to retire by rotation and there shall be no break in his office as Whole Time Director, in case, he is re-appointed on determination of his office on retirement by rotation.

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

6. **Waiver of recovery of excess managerial remuneration paid to Mr. Manish Sanghi, Managing Director during the financial year 2019-20**

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

"RESOLVED THAT in accordance with the provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the approval of the Board of Directors (hereinafter referred to as "the Board") of the Company on the recommendation of Nomination & Remuneration Committee, the approval of the members of the Company be and is hereby accorded to waive the recovery of the excess remuneration amounting to ₹ 96,62,786/- (Rupees Ninety Six Lakhs Sixty Two Thousand Seven Hundred Eighty Six Only) paid to Mr. Manish Sanghi (DIN 00088527), Managing Director of the Company for the financial year 2019-20, which is in excess of the limits prescribed under section 197 read with schedule V of the Act, in view of inadequate profits for the financial year 2019-20 but within the limits as approved by the members of the Company at the 86th Annual General Meeting of the Company held on July 24, 2019.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the above resolution."

7. **Waiver of recovery of excess managerial remuneration paid to Mr. Y. Srinivasa Rao, Executive Director during the financial year 2019-20**

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

"RESOLVED THAT in accordance with the provisions of Sections 197, 198 read with Schedule V of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the approval of the Board of Directors (hereinafter referred to as "the Board") of the Company on the recommendation of Nomination & Remuneration Committee, the approval of the members of the Company be and is hereby accorded to waive the recovery of the excess remuneration amounting to ₹ 16,67,778/- (Rupees Sixteen Lakhs Sixty Seven Thousand Seven Hundred Seventy Eight Only) paid to Mr. Y. Srinivasa Rao (DIN 01289086), Whole Time Director designated as Executive Director of the Company for the financial year 2019-20, which is in excess of the limits prescribed under section 197 read with schedule V of the Act, in view of inadequate profits for the financial year 2019-20 but within the limits as approved by the members of the Company at the 85th Annual General Meeting of the Company held on July 25, 2018.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the above resolution."

8. **Payment of remuneration to Mr. Manish Sanghi, Managing Director of the Company for the period April 01, 2020 to September 30, 2021**

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

"RESOLVED THAT in accordance with the provisions of sections 197, 198 read with Schedule V of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, and rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and in furtherance to the resolution no. 4 passed in the 86th Annual General Meeting of the Company held on July 24, 2019 for fixation of the remuneration of Mr. Manish Sanghi, Managing Director of the Company and pursuant to the approval of the Board of Directors (hereinafter referred to as "the Board") on the recommendation of Nomination & Remuneration Committee, the consent of the members be and is hereby accorded for payment to Mr. Manish Sanghi (DIN 00088527), Managing Director of the Company, such remuneration, as approved in the aforesaid resolution, as minimum remuneration in case the Company has no profits or the profits of the Company are inadequate during period commencing from April 1, 2020 and ending on September 30, 2021, notwithstanding that such remuneration may exceed the limits specified under Section 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT all other existing terms and conditions of appointment of Mr. Manish Sanghi shall remain unchanged.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the above resolution."

9. **Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2021**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 5,25,000/- (Rupees Five Lakhs Twenty Five Thousand Only) payable to M/s. Chandra Wadhwa & Co., Cost Accountants (Firm Registration Number 00239), appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021, be and is hereby ratified and confirmed.

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

10. Approval of Employees' Stock Option Scheme 2020

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

"RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other rules, regulations, circulars and guidelines of any/various statutory or regulatory authority(ies) that are or may become applicable (collectively referred to herein as "Applicable Laws") and the provisions of Articles of Association of the Company and subject to any approval(s), permission(s) and sanction(s), as may be required and subject to any condition(s) or modification(s), if any, as may be prescribed or imposed by any authority(ies) while granting such approval(s), permission(s) and sanction(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Nomination & Remuneration Committee and any other Committee constituted/to be constituted to exercise its powers including the powers conferred by this resolution) or any other condition(s) or modification(s) as may be considered necessary by the Board, the consent of the members be and is hereby accorded to the Board to introduce, offer, issue and provide equity Stock Options ("Options") under Employees' Stock Option Scheme 2020 ("ESOS 2020"), the salient features of which are furnished in the explanatory statement to the notice of this Meeting and to grant such Options to such person(s) who are permanent employees of the Company and/or to the Directors of the Company, whether whole-time or not but excluding Independent Director(s) and to such other person(s) as may be decided by the Board and / or permitted under Applicable Laws prevailing from time to time (all such persons are hereinafter collectively referred to as "Eligible Employees") but does not include a person who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, at such price or prices, in one or more tranches from time to time and on such terms and conditions as may be fixed or determined by the Board in its sole discretion in accordance with the provisions of ESOS 2020 and in due compliance with the Applicable Laws.

RESOLVED FURTHER THAT the maximum number of Options to be granted to Eligible Employees under ESOS 2020 shall not exceed 1,80,000 (One Lakh Eighty Thousand), each such Option being convertible into one Equity Share of the Company.

RESOLVED FURTHER THAT the Board is authorized to allot such number of equity shares of the Company to Eligible Employees as may be required pursuant to exercise of Option(s) under ESOS 2020.

RESOLVED FURTHER THAT the ESOS 2020 shall be administered by the Nomination and Remuneration Committee or any other Committee constituted/to be constituted, which shall have all necessary powers as defined in the ESOS 2020 and is hereby designated as Compensation Committee in pursuance of the SEBI Regulations for the purpose of administration and superintendence of the ESOS 2020.

RESOLVED FURTHER THAT the equity shares shall be allotted in accordance with ESOS 2020 directly by the Company to the employees in a manner permissible under the Applicable Laws.

RESOLVED FURTHER THAT the equity shares so issued or allotted shall rank *pari passu* in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted under ESOS 2020 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the SEBI Regulations and other applicable laws, rules and regulations.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division and other similar events, the Board is authorised to do all such acts, deeds, matters and things (including but not limited to adjustment of number of options, exercise price or number of shares) as it may deem fit in its absolute discretion and as permitted under Applicable Laws, so as to ensure that fair and equitable benefits under the ESOS 2020 are passed on to the Eligible Employees.

RESOLVED FURTHER THAT the Company shall conform to the applicable accounting policies, prescribed from time to time under SEBI Regulations and any other applicable laws, rules regulations to the extent relevant and applicable to ESOS 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorised to devise, formulate, evolve, decide upon and bring into effect ESOS 2020 as per the terms approved in this resolution read with the explanatory statement annexed to the notice of 87th Annual General Meeting and at any time to modify, alter or amend the said terms or suspend, withdraw or terminate ESOS 2020, subject to compliance with the Applicable Laws, as may be prevailing at that time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the members of the Company to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of ESOS 2020 and to take all such steps and do all acts as may be incidental or ancillary thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred herein, to Nomination and Remuneration Committee or such other

Committee, with power to further delegate to any executives/ officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

By Order of the Board
For Everest Industries Limited

Neeraj Kohli
Company Secretary & Head-Legal
Membership No. FCS 3089

Noida, May 29, 2020

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

Notes:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") with respect to the special business set out in the Notice is annexed hereto. The Board of Directors have considered and decided to include Item Nos. 4 to 10 given above as special business in the forthcoming AGM, as they are unavoidable in nature.

2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its general circular numbers 20/2020, 14/2020, 17/2020 and Securities and Exchange Board of India ("SEBI") vide its circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 (hereinafter collectively referred to as "Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Circulars, the AGM of the Company is being held through VC / OAVM.

3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.

4. Since this AGM is being held through VC / OAVM pursuant to the Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website at www.everestind.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the e-voting website of Central Depository Services (India) Limited ("CDSL") at www.evotingindia.com.

6. Members holding shares in physical mode and who have not registered their email address with the Company/Registrar & Share Transfer Agent ("RTA"), can register their email address by sending scanned copy of the following documents to RTA of the Company, MCS Share Transfer Agent Limited at helpdeskdelhi@mcsregistrars.com or admin@mcsregistrars.com:

   a) a signed request letter mentioning name, folio number and complete address of the member;

   b) self attested scanned copy of the PAN Card; and

   c) self attested scanned copy of any document (such as Aadhar Card, Driving License, Election Identity Card, Passport) in support of the address of the member as registered with the Company.

7. Members holding shares in dematerialized mode are requested to contact to their respective Depository Participant ("DP") to register/update their email address.

8. Members may note that the VC/OAVM Facility, provided by CDSL, allows participation of atleast 1,000 members on a first-come first-served basis. The large members (i.e. members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 87th AGM without any restriction on account of first-come-first-served principle.

9. Members may note that pursuant to the Circulars, the Company has enabled for the members, a temporary facility to update their email address by sending an email to compofficer@everestind.com containing details such as name, address, folio/demat account no., PAN, number of shares etc., for the limited purpose of receiving the Annual Report 2019-20 and the Notice of the AGM electronically.

10. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload the same on the e-voting portal of CDSL at www.evotingindia.com.

11. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective DP. Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System ("ECS") mode to receive dividend on time in line with the aforesaid Circulars. We urge members to utilize the ECS for receiving dividends. Members holding shares in physical mode may send a request to the RTA of the Company, MCS Share Transfer Agent Limited at helpdeskdelhi@mcsregistrars.com or admin@mcsregistrars.com providing:

    (i) Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAR (self-attested scanned copy);

    (ii) Name and branch of the Bank in which member wish to receive the dividend, type of Bank account, Bank account number allotted by the Bank after implementation of core banking solutions;

    (iii) 9 digit MICR Code Number;

    (iv) 11 digit IFSC; and

    (v) a scanned copy of the cancelled cheque bearing the name of the first member.

12. Members may note that the Board of Directors, in its meeting held on May 29, 2020 has recommended a dividend of ₹ 1/- per share. The dividend, once approved by the members in the ensuing AGM will be paid within 30 days from the date of AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts will be sent out to their registered address after the normalization of the postal services. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's RTA (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

13. The Company has fixed **Thursday, August 20, 2020** as the **"Record Date/ Cut-off Date"** for determining entitlement of members to dividend for the financial year ended March 31, 2020 and for the purpose of AGM.

14. The dividend as recommended by the Board of Directors, if approved by the members at the AGM, shall be paid to those members whose names stand on the Register of Members of the Company on the closing hours of business on Thursday, August 20, 2020. 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 Thursday, August 20, 2020 as per the list provided by the respective Depositories for this purpose.

15. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the members w.e.f. April 1, 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the members at prescribed rates as per the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, members holding shares in Demat form are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their DP or in case shares are held in physical form, with the Company by sending email to the Company's email address at compofficer@everestind.com. For details, members may refer to the "Communication on TDS on Dividend Distribution" appended to this Notice of the AGM.

16. Pursuant to the provisions of Section 125(5) of the Act, the Company has transferred the unpaid or unclaimed dividends from time to time on due dates to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Pursuant to the provisions of IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on the date of closure of previous financial year i.e. March 31, 2019 on the website of the Company at www.everestind.com and also on the website of the IEPF.

17. The certificates received from the Auditors of the Company for Employee Stock Option Schemes (i.e. ESOS 2014, ESOS 2015, ESOS 2017, ESOS 2018 and ESOS 2019) under the SEBI (Share Based Employee Benefits) Regulations, 2014, Register of Directors & Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which the Directors are interested maintained under Section 189 of the Act and the documents referred in the explanatory statement will be open for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM, i.e. August 27, 2020. Members seeking to inspect such documents can send an email to compofficer@everestind.com.

18. Members are informed that in case of joint holders attending the AGM through VC, only such joint holder who is first in the order of names will be entitled to vote.

19. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's RTA for assistance in this regard.

20. Members are requested to send all communications relating to shares, change of address, bank details, email address, telephone/ mobile numbers, Permanent Account Number (PAN) etc. to the Company's RTA at the address: MCS Share Transfer Agent Limited (Unit: Everest Industries Limited), F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110 020, Ph: +91 11 41406149, email: helpdeskdelhi@mcsregistrars.com. If the shares are held in dematerialized mode, then change of address, bank details, email address, telephone/mobile number, Permanent Account Number (PAN) etc. should be furnished to their respective DPs.

21. Pursuant to Section 72 of Act, members of the Company may nominate a person in whom the shares held by him/them shall vest in the event of his/their unfortunate death. Members holding shares in physical form may file nomination in the prescribed Form SH-13 with RTA. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

22. SEBI has mandated the submission of PAN and Bank account details by every participant in securities market. Member(s) holding shares of the Company, either in electronic form or physical form are, therefore, requested to submit the PAN and provide Bank account details to their DPs with whom they are maintaining their demat accounts (in case of shares in electronic form) and to the Company's RTA (in case of shares are in physical form).

23. Since the AGM will be held through VC in accordance with the Circulars, the route map is not annexed to this Notice.

24. VOTING THROUGH ELECTRONIC MEANS

(a) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system during the AGM will be provided by CDSL.

(b) The members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

(c) Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

(d) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. August 20, 2020 may obtain the login details in the manner as mentioned below.

(e) Instructions for members for remote e-Voting:

i. The remote e-voting period begins on **August 23, 2020 from 9.00 am** and ends on **August 26, 2020 at 5.00 pm.** During this period members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of August 20, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

ii. Members who have already voted prior to the AGM date would not be entitled to vote at the AGM through VC.

iii. The members should log on to the e-voting website www.evotingindia.com.

iv. Click on "Shareholders/Members" module.

v. Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

vi. Next enter the Image Verification as displayed and Click on Login.

vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

viii. If you are a first time user follow the steps given below:

	For members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for members holding shares in demat as well as physical mode). • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the Demat/folio number in the Dividend Bank details field as mentioned in instruction v.

ix. After entering these details appropriately, click on "SUBMIT" tab.

x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xi. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii. Click on the EVSN for the relevant "Everest Industries Limited" on which you choose to vote.

xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xix. Members can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

(f) Instructions for member for e-Voting during the AGM:

i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

ii. Only those members, who are present in the AGM through VC facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

iii. If any votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the Meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-Voting during the meeting is available only to the members attending the meeting.

iv. Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non-Individual members and Custodians

- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Company at the email address at compofficer@everestind.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(g) Process for those members whose email addresses are not registered with the Company/depositories for obtaining login credentials for e-Voting for the resolutions proposed in this Notice:

i. For members holding shares in Physical mode: Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy), Aadhar (self attested scanned copy) by email to helpdeskdelhi@mcsregistrars.com or admin@mcsregistrars.com.

ii. For members holding shares in Demat mode: Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy), Aadhar (self attested scanned copy) to helpdeskdelhi@mcsregistrars.com or admin@mcsregistrars.com.

25. Instructions for members attending the AGM through VC/OAVM:

i. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVSN of Company will be displayed.

ii. Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to members on first-come first-served basis.

iii. Members are encouraged to join the Meeting through Laptops /I-Pads for better experience.

iv. Further members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

v. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

vi. Members who would like to express their views/ask questions during the AGM may register themselves as a speaker by sending their request by Wednesday, August 19, 2020, mentioning their name, demat account number/folio number, email id, mobile number at compofficer@everestind.com.

vii. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number/folio number, email id, mobile number at compofficer@everestind.com. Questions / queries received by the Company till 5.00 p.m. on Monday, 24th August, 2020 shall only be considered and responded during the AGM.

viii. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

26. Members who need assistance before or during the AGM, can contact CDSL by sending an email to helpdesk.evoting@cdslindia.com. All grievances connected with the facility for voting by electronic means and participation in the AGM through VC may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Rakesh Dalvi (022-23058542) or Mr. Mehboob Lakhani (022-23058543).

27. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. **Thursday, August 20, 2020.**

28. Mr. Tanuj Vohra, Company Secretary (Membership No. F5621) and in his absence Ms. Anuja Singh Parihar, Company Secretary (Membership No. A38741) of M/s. TVA & Co. LLP, Company Secretaries have been appointed as the Scrutinizer to scrutinize the electronic voting at AGM including remote e-voting process in a fair and transparent manner.

29. The Scrutinizer shall after the conclusion of electronic voting at the AGM, will unblock the votes casted through remote e-voting and through electronic voting at the AGM in the presence of at least two witnesses not in the employment of the Company and shall submit a consolidated scrutinizer's report of the total votes casted in favour or against, if any, to the Chairman of the Meeting or in his absence to the Managing Director or Executive Director of the Company, within a period of not exceeding 48 hours from the conclusion of the Meeting, who shall countersign the same and declare the results of the voting forthwith.

30. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company (www.everestind.com) and on CDSL e-voting website immediately after the declaration of results by the Chairman of the Meeting or a person authorized by him and the same shall be communicated to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Explanatory Statement

The following Explanatory Statement in terms of Section 102 of the Companies Act, 2013 is annexed to and forms part of the Notice convening the 87th Annual General Meeting:

Item No. 3 - Appointment of Mr. Y. Srinivasa Rao (DIN 01289086) as a Director, liable to retire by rotation

Though not statutorily required, the following is being provided as additional information to the members.

Pursuant to the provisions of Section 152 and applicable provisions of the Companies Act, 2013 ("Act"), not less than two-thirds of total number of Directors of the Company shall be liable to retire by rotation. One third of these Directors must retire from office at each AGM, but each retiring director is eligible for re-election at such meeting. Independent directors are not subject to retirement by rotation.

Based on the terms of appointment, executive directors and the non-executive & non-independent directors are subject to retirement by rotation. Mr. Y. Srinivasa Rao, being the longest serving member and who is liable to retire, being eligible, seeks reappointment. The Board recommends his re-appointment.

Except Mr. Y. Srinivasa Rao and his relatives (to the extent of their shareholding in the Company, if any), none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 3. The Board commends the resolution at Item No. 3 for approval of the members by way of an Ordinary Resolution.

Item No. 4 - Appointment of Mr. Anant Talaulicar (DIN 00031051) as an Independent Director of the Company

The Board, based on recommendation of the Nomination and Remuneration Committee ("NRC"), appointed Mr. Anant Talaulicar, as an Additional Director in the capacity of Independent Director of the Company with effect from November 21, 2019 pursuant to section 161 of the Companies Act, 2013 ("Act"). Mr. Talaulicar shall hold office as an additional Director up to the date of 87th AGM and is eligible to be appointed as an Independent Director for a term upto five (5) consecutive years.

The Company has received necessary candidature notice under Section 160 of Act with respect to Mr. Talaulicar, for appointment as Director of the Company. Mr. Talaulicar is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director of the Company. Mr. Talaulicar is not debarred from holding the position of a Director pursuant to any order of SEBI or any other authority. The Company has also received declaration from Mr. Talaulicar that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Rules and regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Talaulicar has about 34 years of rich experience (16 years in USA) in the fields of Manufacturing, Project Management, Finance etc. Mr. Talaulicar earned a Bachelor's degree in Mechanical Engineering from Mysore University in India. He received a Master's degree in Engineering from the University of Michigan in 1985 and an MBA from Tulane University in 1987. He was Chairman and Managing Director of Cummins Group in India from March 2004 till October, 2017.

In the opinion of the Board, Mr. Talaulicar fulfils the conditions specified in the Act, the rules made thereunder and the Listing Regulations for appointment as an Independent Director and that he is independent of the management of the Company. In addition to sitting fees for attending the meetings of the Board and its Committees, Mr. Talaulicar would also be entitled to remuneration by way of commission as decided by the Board in accordance with the members' approval taken in the 82nd Annual General Meeting of the Company and applicable provisions of the Act and rules made thereunder and the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the members for the appointment of Mr. Anant Talaulicar as an Independent Director of the Company from November 21, 2019 upto November 20, 2024, not liable to retire by rotation.

Mr. Talaulicar is interested in the Ordinary Resolution set out at Item No. 4 with respect to his appointment. The relative(s) of Mr. Anant Talaulicar may be deemed to be interested in the said Ordinary Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 4 of the Notice.

Copy of letter of appointment of Mr. Talaulicar as an Independent Director of the Company would be available for electronic inspection without any fee by the members on the basis of the request being sent on compofficer@everestind.com.

Additional information in respect of Mr. Talaulicar pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard 2 is annexed to this Notice.

Item No. 5 - Re-appointment of Mr. Y. Srinivasa Rao (DIN 01289086), as Whole Time Director designated as Executive Director

The members of the Company at the 82nd Annual General Meeting held on August 26, 2015 had re-appointed Mr. Y. Srinivasa Rao as Whole Time Director designated as Executive Director of the Company for a period of five (5) years with effect from April 23, 2015 to April 22, 2020.

The Board of Directors ("Board") at the meeting held on March 24, 2020, on the recommendation of the Nomination and Remuneration Committee ("NRC") and subject to the approval of the members of the Company, approved the re-appointment of Mr. Y. Srinivasa Rao as Whole Time Director designated as Executive Director of the Company for a further period of two (2) years from April 23, 2020 to April 22, 2022, at a basic salary of ₹ 6,60,000/- p.m. by increasing his basic salary by ₹ 60,000/- p.m. from the last drawn basic salary. Subsequently, the Board at its meeting held on May 29, 2020, on the recommendation of NRC and in view of the likely adverse impact of COVID-19 on the business operations, revenue and profitability of the Company, withdrew the increase of ₹ 60,000/- p.m. in the basic salary of Mr. Rao and reversed the basic salary to ₹ 6,00,000/- p.m. Mr. Rao shall be liable to retire by rotation. Mr. Rao is not disqualified from being appointed as Whole Time Director in terms of Section 196 read with Schedule V of the Act.

Mr. Rao graduated with B.Sc. in Mechanical Engineering and has a total experience of around 34 years in multi-cultural and international environment. Mr. Rao joined the Company in 1997 and had an outstanding and rewarding career in the organization, with a rich and varied experience of handling manufacturing, project management, technology transfer and Research & Development initiatives.

The terms and conditions specified in Resolution no. 5 of this Notice and explanatory statement thereon may be treated as a written memorandum setting out the terms of re-appointment of Mr. Rao under Section 190 of the Companies Act, 2013 ("Act"). The aggregate remuneration payable to the Managerial Personnel of the Company during the financial year 2020-21 is likely to exceed the limits prescribed in Schedule V of the Act and accordingly information as required to be disclosed under paragraph (iv) of the second proviso of Paragraph B of Section II of Part II of Schedule V of the Act is given in the Annexure to the Notice.

Additional information in respect of Mr. Rao pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 is also annexed to this Notice.

Draft letter of appointment of Mr. Rao as Executive Director of the Company would be available for electronic inspection without any fee by the members on the basis of the request being sent on compofficer@everestind.com.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval of the members.

Mr. Rao is interested in the Special Resolution set out at Item No. 5 with respect to his appointment and fixation of remuneration. The relative(s) of Mr. Rao may be deemed to be interested in the said Special Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 5 of the Notice.

Item No. 6 & 7: Waiver of recovery of excess managerial remuneration paid to Mr. Manish Sanghi, Managing Director and Mr. Y. Srinivasa Rao, Executive Director during the financial year 2019-20

Mr. Manish Sanghi was re-appointed by the members of the Company as Managing Director of the Company for a period of five (5) years w.e.f. October 1, 2016 to September 30, 2021 at the 83rd Annual General Meeting of the Company held on June 29, 2016. Subsequently, in order to comply with the conditions specified in the amended schedule V of the Companies Act, 2013 ("Act") for availing the enhanced limits of remuneration for managerial personnel as per the schedule V, the Board in its meeting held on January 25, 2017 approved the change in the period of remuneration to be paid to Mr. Sanghi from five (5) years to three (3) years w.e.f. October 1, 2016. Such change in period of payment of remuneration was also approved by the members of the Company on March 8, 2017 by way of Special Resolution through Postal Ballot. It was also decided that the Company would seek fresh approval from the members of the Company for payment of remuneration to Mr. Sanghi on the expiry of said Three (3) years for the remaining period of his tenure as per the Special Resolution passed at 83rd Annual General Meeting. Consequently, the members in the 86th Annual General Meeting held on July 24, 2019 approved the remuneration of Mr. Sanghi for the remaining period of his tenure as Managing Director.

Mr. Y. Srinivasa Rao was re-appointed by the members of the Company as Whole Time Director designated as Executive Director of the Company for a period of five (5) years w.e.f. April 23, 2015 to April 22, 2020 at the 82nd Annual General Meeting of the Company held on 26th August, 2015. Subsequently, in order to comply with the conditions specified in the amended schedule V of the Companies Act, 2013 for availing the enhanced limits of remuneration for managerial personnel as per the schedule V, the Board in its meeting held on

25th January, 2017 approved the change in the period of remuneration to be paid to Mr. Rao from five (5) years to three (3) years w.e.f. April 23, 2015. Such change in period of payment of remuneration was also approved by the members of the Company on March 8, 2017 by way of Special Resolution through Postal Ballot. It was also decided that the Company would seek fresh approval from the members of the Company for payment of remuneration to Mr. Rao on the expiry of said 3 years for the remaining period of his tenure as per the Special Resolution passed at 82nd Annual General Meeting. Consequently, the members in the 85th Annual General Meeting held on July 25, 2018 approved the remuneration of Mr. Rao for the remaining period of his tenure as Whole Time Director.

At the time of fixation of remuneration of Mr. Sanghi and Mr. Rao, the Company had adequate profits and the remuneration paid / payable to Mr. Sanghi and Mr. Rao was well within the limits prescribed under section 197 of the Act. However, during the financial year ended March 31, 2020, the Company had inadequate profits. As a result, the remuneration paid to Mr. Sanghi and Mr. Rao for the financial year 2019-20 has exceeded the limits specified under Section 197 of the Act read with Schedule V thereto. Pursuant to Section 197(10) of the Act, the members of the Company can waive the recovery of excess remuneration by passing a special resolution.

Articles of association and relevant resolutions passed at the General Meetings would be available for electronic inspection without any fee by the members on the basis of the request being sent on compofficer@everestind.com.

Additional information in respect of Mr. Sanghi and Mr. Rao pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard 2 is annexed to this Notice.

The Board, upon the recommendation of Nomination & Remuneration Committee, has given its consent for waiver of the recovery of excess managerial remuneration paid by the Company to Mr. Sanghi and Mr. Rao. The Board commends the Special Resolutions set out at Item No. 6 & 7 of the Notice for approval of the members for waiver of recovery of excess managerial remuneration paid by the Company to Mr. Sanghi and Mr. Rao respectively.

Mr. Sanghi is interested in the Special Resolution set out at Item No. 6 with respect waiver of excess remuneration paid to him. The relative(s) of Mr. Sanghi may be deemed to be interested in the said Special Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 6 of the Notice.

Mr. Rao is interested in the Special Resolution set out at Item No. 7 with respect waiver of excess remuneration paid to him. The relative(s) of Mr. Rao may be deemed to be interested in the said Special Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

Item No. 8: Payment of remuneration to Mr. Manish Sanghi, Managing Director of the Company for the period April 01, 2020 to September 30, 2021

Mr. Manish Sanghi was re-appointed by the members of the Company as Managing Director of the Company for a period of five (5) years w.e.f. October 1, 2016 to September 30, 2021 at the 83rd Annual General Meeting of the Company held on June 29, 2016. Subsequently, in order to comply with the conditions specified in the amended schedule V of the Companies Act, 2013 ("Act") for availing the enhanced limits of remuneration for managerial personnel as per the schedule V, the Board in its meeting held on January 25, 2017 approved the change in the period of remuneration to be paid to Mr. Sanghi from five (5) years to three (3) years w.e.f. October 1, 2016. Such change in period of payment of remuneration was also approved by the members of the Company on March 8, 2017 by way of Special Resolution through Postal Ballot. It was also decided that the Company would seek fresh approval from the members of the Company for payment of remuneration to Mr. Sanghi on the expiry of said 3 years for the remaining period of his tenure as per the Special Resolution passed at 83rd Annual General Meeting. Consequently, the members in the 86th Annual General Meeting held on July 24, 2019 approved the remuneration of Mr. Sanghi for the remaining period of his tenure as Managing Director.

In view of COVID-19 pandemic, it is likely that the Company may have inadequate profits in coming years to pay managerial remuneration to its executive directors. The remuneration in excess of limits specified in section 197 and schedule V of the Act may be paid, if the resolution passed by the shareholders is a special resolution and notice of the general meeting shall contain a statement disclosing information such as reasons of loss or inadequacy of profits, steps taken or proposed to be taken for improvement, etc.

The remuneration of Mr. Sanghi was earlier approved by the members by passing Special Resolution. However, as at the time of fixation of remuneration of Mr. Manish Sanghi, the Company had adequate profits and the remuneration paid / payable to Mr. Sanghi was well within the limits prescribed under section 197 of the Act, therefore, no statement containing additional disclosures such as reasons of loss or inadequacy of profits, steps taken or proposed to be taken for improvement, etc. was provided in the explanatory statement of Notice of 86th AGM.

The Board, upon the recommendation of Nomination & Remuneration Committee, has accorded its consent for taking approval of the members in the 87th AGM for payment of remuneration to Mr. Manish Sanghi, Managing Director of the Company for the period April 01, 2020 to September 30, 2021 on the same terms and conditions as approved by the members at the 86th AGM by providing statement as specified in paragraph (iv) of the second proviso after paragraph B of Section II of Part II of Schedule V of the Act.

The details of remuneration to Mr. Manish Sanghi, Managing Director approved by the members in the 86th AGM of the Company are given below:

(i) Basic Salary : ₹ 7,70,000/- p.m. (in the grade of ₹ 6,00,000-75,000-13,50,000)

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

(ii) Perquisites & Allowances

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

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

Provision of Car with driver and communication facilities shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

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

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

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

(iv) Performance Incentive

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

(v) Interest Subsidy

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

(vi) Minimum Remuneration

Where in any financial year during the currency of the tenure of Mr. Sanghi, the Company has no profits or its profits are inadequate, the Company will pay the aforesaid remuneration by way of salary and perquisites as specified above as the minimum remuneration, subject to the provisions of Sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013.

(vii) Annual Leave

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

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval of the members for payment of remuneration to Mr. Manish Sanghi, Managing Director of the Company for the period from April 01, 2020 to September 30, 2021.

Mr. Sanghi is interested in the Special Resolution set out at Item No. 8 with respect to remuneration payable to him. The relative(s) of Mr. Sanghi may be deemed to be interested in the said Special Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

Articles of association and relevant resolutions passed at the General Meetings would be available for electronic inspection without any fee by the members on the basis of the request being sent on compofficer@everestind.com.

The information as required to be disclosed under paragraph (iv) of the second proviso of Paragraph B of Section II of Part II of Schedule V of the Act is given in the Annexure to the Notice. Additional information in respect of Mr. Sanghi pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard 2 is also annexed to this Notice.

Item No. 9: Ratification of remuneration of the Cost Auditors

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Chandra Wadhwa & Co., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2021.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 9 of the Notice.

The Board commends Ordinary Resolution set out at Item No. 9 of the Notice for members consideration and ratification.

Item No. 10: Approval of Employees' Stock Option Scheme 2020

Human resource is the key for the continuous growth and development of the Company. In order to attract and retain best talent with the Company by way of rewarding their performance and motivate them to contribute and participate in the overall growth, profitability and financial success of the organisation, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee which the Board may constitute to act as the Compensation Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014 or their delegated authority) has proposed Employees' Stock Option Scheme 2020 (hereinafter referred to as "ESOS-2020" or "Scheme") in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI Regulations"). The Board felt it is appropriate to extend ESOS-2020 to the persons who are in permanent employment of the Company, Managing Director and Whole-time Director(s) ("hereinafter collectively referred as "Eligible Employees").

Section 62(1)(b) of the Act and regulation 6(1) of SEBI Regulations requires the approval of the Company's members by means of a Special Resolution for issue of shares to Eligible Employees of the Company under ESOS-2020. The Special Resolution is set out at Item No. 10 of the Notice.

The salient features of ESOS-2020 are as under:

(a) Brief description of the Scheme:

The Scheme shall be called Employees' Stock Option Scheme – 2020 (ESOS-2020) and shall extend its benefits, to the present and/or future permanent employees and/or directors whether a Whole-time Director or not but does not include a person who is a promoter or a person belonging to the promoter group or a director(s) who either himself or through his relative or through any Body Corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, in accordance with the applicable laws.

ESOS-2020 is intended to reward the Eligible Employees, for their performance and to motivate them to contribute to the growth and profitability of the Company. ESOS-2020 will help the Company to attract, retain and motivate high performers and talented employees and reward employee performance with ownership.

The Scheme will be implemented via Direct Route wherein the Company will allot fresh equity shares of the Company. The Scheme will be administrated by the Nomination and Remuneration Committee constituted by the Board which for the purpose of this Scheme is designated as "Compensation Committee" as required under the SEBI (Share Based Employee Benefit) Regulations, 2014.

(b) Total number of options to be granted:

The maximum aggregate number of options to be granted under the said Scheme is 180,000 (One Lakh Eighty Thousand). Each option shall entitle the holder of the option thereof to apply for and be allotted one fully paid equity share of the Company at a price determined in accordance with the formula stated in para (g) below.

The options granted to the employees shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

(c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme:

Such employees who are in the permanent employment of the Company including the Managing/Whole-time Director(s) at the time when the grant is made and as may be decided by the Nomination and Remuneration Committee, are eligible to participate in the Scheme.

The persons not eligible for grant of Options:

- An employee who is a promoter or a person belonging to the promoter group; or
- A director, who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company at the time of grant of options; or
- Independent Directors.

(d) Requirements of Vesting & Period of Vesting:

The option shall vest in the employee at the expiry of the vesting period. The vesting period shall be one year from the date of grant of options to the employees. No employee can exercise his/her right during the vesting period. Vesting of options will happen only if the employee is in continuous employment of the Company during the vesting period.

(e) Maximum period within which the options shall be vested:

All the options granted will vest after the completion of one year from the date of grant of Options.

(f) Exercise period and process of exercise:

The exercise period shall commence from the date of vesting of options and will expire after four years from the date of vesting. Special provisions shall apply in case of resignation, death, permanent disability, retirement, misconduct of any employee or Employees who are on long leave. Employee to whom options under ESOS-2020 have been granted (hereinafter referred to as "Identified Employees") may exercise the options vested in him/her during the exercise period by submitting an application in writing.

(g) Exercise Price or pricing formula:

The Exercise Price for the options will be decided by the Board (which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee which the Board may constitute to act as the Compensation Committee under the SEBI Regulations or their delegated authority) but such 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. Share Price on the stock exchange where there is highest trading volume on the date prior to the date of grant of options shall be considered. The Board is authorized to grant a discount not exceeding 15% on the above price. However, the Exercise Price shall not be less than the par value of the Equity Shares of the Company.

(h) Appraisal process for determining the eligibility of employees to the ESOS 2020:

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, potential for growth, overall performance of the Company and such other criteria as may be framed by the Board.

(i) Maximum number of options to be granted per employee and in aggregate:

An employee may be granted options not exceeding 30,000 (Thirty Thousand). The maximum aggregate number of options to be granted under the Scheme is 180,000 (One Lakh Eighty Thousand). Each Option shall entitle the holder of the option thereof to apply for and be allotted one fully paid Equity Share of the Company.

(j) The Maximum quantum of benefits to be provided per employee under the Scheme:

The maximum quantum of benefit that will be provided to every Identified Employee under the Scheme will be the difference between the market value of Company' s equity share on the Stock Exchange as on the date of exercise of options and the exercise price paid by the employee to the Company.

(k) Whether the Scheme is to be implemented and administered directly by the Company or through a trust:

The Scheme shall be implemented by direct route and administered by the Nomination & Remuneration Committee of the Company.

(l) Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the Trust or both:

New issue of shares by the Company through fresh allotment.

(m) The amount of loan to be provided for implementation of the scheme by the company to the trust, its tenure, utilization, repayment terms, etc.:

Not Applicable

(n) The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme:

Not Applicable

(o) Adjustments in case of Corporate Actions:

A fair and reasonable adjustment shall be made by the Board to the number of Options and/or to the exercise price in case of corporate actions such as Rights Issue, Bonus Issue, Merger, Demerger and others between the date of grant of Options and the exercise of the Options as it may deem fit in its absolute discretion and as permitted under applicable laws.

(p) Disclosure and Accounting Policies:

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or as may be prescribed by regulatory authorities from time to time.

(q) The method which the Company shall use to value its Options:

The Company will value its Options on the basis of Fair Value method or such other method as may be prescribed under applicable Laws from time to time.

(r) Disclosure in Board's Report:

The Company is using Fair Value method for expensing of share based employee benefits. However, if in future the Company opts for intrinsic value method, the difference between the employee compensation cost computed on the basis of the intrinsic value method or such other prescribed 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 Board's Report.

(s) Monitoring and Administration:

- The Board has already in place a Compensation Committee referred to as 'Nomination and Remuneration Committee' which shall be responsible for monitoring and administration of the scheme.
- The decision of the Board / Nomination and Remuneration Committee of Directors on all matters/issues pertaining to said ESOS - 2020 shall be final and binding on the identified employees of the Company.

Section 62(1)(b) of the Act and regulation 6(1) of SEBI (Share Based Employee Benefits) Regulations, 2014 provides that allotment of Equity Shares to Employees under a scheme of employee stock options shall require approval of the members in the General Meeting. The consent of the members is, therefore, sought to authorize the Board to issue the equity shares under the Scheme in the manner specified in the Special Resolution set out at Item No. 10 of the Notice. The Special Resolution proposed to be passed is as per and in accordance with the said SEBI Regulations and the Companies Act, 2013.

The Board recommends the Special Resolution set out at Item No. 10 of the Notice for approval of the members.

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested in the Special Resolution set out at Item No. 10 to the extent of the equity shares / options already held by them and the options which may be granted to them under the ESOS-2020.

Annexure

The Statement containing Additional Information as required under Schedule V to the Companies Act, 2013

I	General Information	
1	Nature of Industry	The Company is engaged in the business of manufacturing of fibre cement products with manufacturing facilities located at Madhya Pradesh, West Bengal, Tamil Nadu, Maharashtra, Uttarakhand and Odisha. The Company is also in the business of steel buildings with plants located at Uttarakhand, Jharkhand and Gujarat. The Company offers building products and building solutions for housing, commercial and industrial sectors in India and abroad.
2	Date or expected date of commencement of commercial production	The Company is already in production for more than 86 years.
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
4	Financial performance based on given indicators	(see table below)
5	Foreign investments or collaborators, if any	The Company has not entered into any foreign collaboration. The Company has two subsidiaries outside India viz., Everest Building Products in Mauritius and Everestind FZE in Jebel Ali Free Zone, Dubai, UAE. Some Non Resident Indians & Foreign Institutional Investors hold minor shareholding in the Company.

₹ in Lakhs

	FY 2019-20		FY 2018-19		FY 2017-18	
	Standalone	**Consolidated**	**Standalone**	**Consolidated**	**Standalone**	**Consolidated**
Total Income	1,29,279.82	1,29,486.00	1,41,059.60	1,41,479.37	1,27,859.88	1,30,694.43
Profit Before Tax	2,140.21	2,087.52	8,490.25	8,286.44	6,111.36	6,380.75
Profit After Tax	1,405.01	1,352.32	6,420.38	6,185.75	5,068.31	5,306.08

II.	Information about the appointee		
S. No	**Particulars**	**Information**	
1	Background details	Manish Sanghi	Y. Srinivasa Rao
		Mr. Sanghi is a Mechanical Engineer and a Post Graduate from the Indian Institute of Management, Ahmedabad. Mr. Sanghi joined the Company in 2001 as Marketing Director. Mr. Sanghi has 34 years experience in various reputed organisations.	Mr. Rao graduated with B.Sc. in Mechanical Engineering. Mr. Rao joined the Company in 1997 as Manager (Engineering). He has experience around 34 years in a multi-cultural and international environment in reputed organisations.
2	Past Remuneration (Last 2 Years)	(see table below)	

₹ in Lakhs

	Manish Sanghi		Y. Srinivasa Rao	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	207.90	187.65	162.00	145.80
Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.14	0.14	-	-
Stock Option	-	-	-	-
Commission/Performance Incentive	-	18.00	-	15.00
Others (PF & Superannuation)	55.75	25.99	21.84	18.94
Total	**263.79**	**231.78**	**183.84**	**179.74**

		Manish Sanghi	Y. Srinivasa Rao
3	Recognition or award	N.A.	N.A.
4	Job profile and his suitability	Mr. Manish Sanghi, Managing Director of the Company reports to the Board of Directors. He leads the Company in all aspects of Management, Marketing, Finance and Operations. His strong understanding of the Company's markets and customers, and his managerial acumen add value to the leadership and sustainable growth of the Company.	Mr. Y. Srinivasa Rao, Executive Director of the Company reports to the Managing Director and the Board of Directors. He leads the Company's Operations, Research & Development, Business Excellence and Project Management. His technical expertise and focused process-oriented approach adds value to the operations and leadership position of the Company.
5.	Remuneration proposed	Details of proposed remuneration including perquisites, allowances and performance incentive are given in the explanatory statement.	
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Taking into account the turnover of the Company and the experience and responsibilities of Mr. Manish Sanghi & Mr. Y. Srinivasa Rao, the remuneration being proposed to be paid to them is reasonable and in line with remuneration levels in the industry.	
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Manish Sanghi, Managing Director, does not maintain any pecuniary relationship (except managerial remuneration), directly or indirectly with the Company and does not hold any relationship with any managerial personnel except that he holds 79,707 equity shares as on 31st March, 2020 in the Company.	Mr. Y. Srinivasa Rao, Executive Director does not maintain any pecuniary relationship (except managerial remuneration), directly or indirectly with the Company and does not hold any relationship with any managerial personnel except that he holds 31,810 equity shares as on 31st March, 2020 in the Company.
III.	**Other Information**		
1.	Reasons of loss or inadequate profits	Current economic situation, weak demand, reduced liquidity in the market, increase in price of raw material and low selling price has impacted the performance of the Company.	
2.	Steps taken or proposed to be taken for improvement	The Company is making necessary efforts to maintain its leadership and improve its performance by aggressively implementing its strategies and cost reduction initiatives along with revenue enhancement initiatives.	
3.	Expected increase in productivity and profits in measurable terms	Economic revival is expected. The results of the above initiatives are expected to improve Company's performance and profitability.	

ADDITIONAL INFORMATION IN RESPECT OF MR. ANANT TALAULICAR, MR. Y. SRINIVASA RAO AND MR. MANISH SANGHI PURSUANT TO THE LISTING REGULATIONS AND THE SECRETARIAL STANDARD ON GENERAL MEETINGS

Name of Director	Mr. Anant Talaulicar	Mr. Y. Srinivasa Rao	Mr. Manish Sanghi
Date of Birth	11.7.1961	16.6.1963	4.2.1963
Age	59 Years	57 Years	57 Years
Experience	34 Years	34 Years	34 Years
Date of first appointment on the Board	21.11.2019	23.4.2007	8.7.2002
Expertise in specific functional areas	Manufacturing, Project Management, Finance	Manufacturing, Project Management	Marketing, Project Management
Qualifications	B.E.(Mech), Master's degree in Engineering and MBA	B.Sc. Engg. (Mech).	B. E. (Mech), PGDM (IIM-A)
Remuneration last drawn (Financial Year 2019-20)	₹ 6,20,000/-*	₹ 1,83,84,000/-	₹ 2,63,79,008/-
Names of other entities in which the person also holds the directorship.	1 Birlasoft Limited 2 Force Motors Limited 3 India Nippon Electricals Limited 4 The Hi-Tech Gears Limited 5 KPIT Technologies Limited 6 Ushajaivant Foundation	Everest Building Solutions Limited	Everest Building Solutions Limited

Names of other entities in which the person also holds Membership/ Chairmanship of Committees of the Board	1 KPIT Technologies Limited - [Chairman of Audit Committee, Enterprise Risk Management Committee and Corporate Social Responsibility Committee and Member of Nomination & Remuneration Committee] 2 Birla Soft Limited - [Chairman of Nomination & Remuneration Committee and Member of Audit Committee, Enterprise Risk Management Committee and Corporate Social Responsibility Committee] 3 India Nippon Electricals Limited - [Member of Audit & Risk Management Committee]	Nil	Nil
Shareholding in the Company (as on 31st March, 2020)	Nil	31,810	79,707
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None	None	None
Number of Meetings of Board attended during the year	2 out of 2	5 out of 6	6 out of 6
Terms and conditions of appointment/ re-appointment/ remuneration	Refer to item no. 4 of the Notice and the corresponding Explanatory Statement	Refer to item no 5 of the Notice and the corresponding Explanatory Statement	Refer to item no 8 of the Notice and the corresponding Explanatory Statement

* Commission & Sitting Fees for attending Board and Committee meetings

By Order of the Board
For Everest Industries Limited

Neeraj Kohli
Company Secretary & Head-Legal
Membership No. FCS 3089

Noida, May 29, 2020

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

(Refer Note 15 of the Notice of 87th AGM)

Communication on Tax Deduction at Source (TDS) on Dividend Distribution

As you may be aware w.e.f. 1st April 2020, Dividend Distribution Tax u/s 115-O of the Income-tax Act, 1961 ("the IT Act") payable by domestic companies on declaration of dividend has been abolished. Pursuant to this amendment and certain consequential amendments brought vide Finance Act, 2020, the Company would be under an obligation to deduct tax at source ("TDS") in accordance with the provisions of the IT Act, from dividend distributed on or after 1st April 2020.

Please take note of the below TDS provisions and information/document requirements for each shareholder:

Section 1: For all Members - Details that should be completed and /or updated, as applicable

All Members are requested to ensure that the below details are completed and/or updated, as applicable, in their respective demat account/s maintained with the Depository Participant/s; or in case of shares held in physical form, with the Company, by 10th August 2020. Please note that these details as available on record date will be relied upon by the Company, for the purpose of complying with the applicable TDS provisions:

I. Valid Permanent Account Number (PAN).

II. Residential status as per the Act i.e. Resident or Non-Resident for FY 2020-21.

III. Category of the Member:

- i. Mutual Fund
- ii. Insurance Company
- iii. Alternate Investment Fund (AIF) Category I and II
- iv. AIF Category III
- v. Government (Central/State Government)
- vi. Foreign Portfolio Investor (FPI) /Foreign Institutional Investor (FII): Foreign Company
- vii. FPI/FII: Others (being Individual, Firm, Trust, AJP, etc.)
- viii. Individual
- ix. Hindu Undivided Family (HUF)
- x. Firm
- xi. Limited Liability Partnership (LLP)
- xii. Association of Persons (AOP), Body of individuals (BOI) or Artificial Juridical Person (AJP)
- xiii. Trust
- xiv. Domestic company
- xv. Foreign company.

IV. Email Address.

V. Address.

Section 2: TDS provisions and documents required, as applicable for relevant category of Members

Members are requested to take note of the TDS rates and document/s, if any, required to be submitted to the Company by 10th August, 2020 for their respective category, in order to comply with the applicable TDS provisions.

I. For Resident Members:

- **i. Mutual Funds:** No TDS is required to be deducted as per section 196(iv) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
- **ii. Insurance companies:** No TDS is required to be deducted as per section 194 of the IT Act subject to specified conditions. Self-attested copy of valid IRDA registration certificate needs to be submitted.
- **iii. Category I and II Alternative Investment Fund:** No TDS is required to be deducted as per section 197A (1F) of the IT Act subject to specified conditions. Self-attested copy of valid SEBI registration certificate needs to be submitted.
- **iv. Recognised Provident funds:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self- attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the IT Act, or Self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.

v. **Approved Superannuation fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the IT Act needs to be submitted.

vi. **Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017 subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the IT Act needs to be submitted.

vii. **National Pension Scheme:** No TDS is required to be deducted as per Sec 197A (1E) of the IT Act.

viii. **Government (Central/State)**: No TDS is required to be deducted as per Sec 196(i) of the IT Act.

ix. **Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to exemption from TDS needs to be submitted.

x. **Other resident Members:**

a) TDS is required to be deducted at the rate of 7.5% under u/s 194 of the IT Act.

b) No TDS is required to be deducted, if aggregate dividend distributed or likely to be distributed during the financial year to individual shareholder does not exceed ₹ 5000. Normal dividend/s declared in the preceding financial year 2019 - 2020 would be considered as the basis to determine applicability of the said threshold for the entire financial year.

c) No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income).

d) TDS is required to be deducted at the rate of 20% u/s 206AA of the IT Act, if valid PAN of the shareholder is not available.

e) TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Act, if such valid certificate is provided.

II. **For Non-resident Members:**

i. **FPI and FII:** TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 196D of the IT Act.

ii. **Any entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS needs to be submitted.

iii. **Other non-resident Members:**

a) TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) u/s 195 of the IT Act.

b) Shareholder may be entitled to avail lower TDS rate as per Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, on furnishing the below specified documents

1) Self-attested copy of PAN;

2) Self-attested copy of valid Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident;

3) Self-declaration in Form 10F; and

4) Self-declaration on letterhead of having no Permanent Establishment in India, Beneficial ownership of shares and eligibility to claim treaty benefits (as per Annexure 1 to this Communication).

c) TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued u/s 197 of the IT Act, if such valid certificate is provided.

Details and / or documents as mentioned above in Section 1 and Section 2, as applicable to the Member, need to be sent, duly completed and signed, through registered email address of the Member with PAN being mentioned in the subject of the email to reach by 10th August 2020. Please note that no communication this regard, shall be accepted post 10th August 2020.

Section 3: Other general information for the Members:

I. For all self-attested documents, Members must mention on the document "certified true copy of the original". For all documents being sent / accepted by email, the Member undertakes to send the original document/s on the request by the Company.

II. In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Record Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS credit is to be given and reasons for giving credit to such person.

III. TDS deduction certificate will be sent to the Members' registered email address in due course.

IV. Surcharge rates applicable for financial year 2020 - 21 for non-residents:

a. Non-Resident (other than FII & FPI):

(i) Individual, HUF, AOP, BOI, AJP, Trust

Dividend Income	**Rate**
Upto ₹ 50 lakhs	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore	10%
Income exceeds ₹ 1 crore	15%

(ii) Co-operative society or Firm

Aggregate Income	**Rate**
Income exceeds ₹ 1 crore	12%

(iii) Foreign company

Aggregate Income	**Rate**
Income exceeds ₹ 1 crore but does not exceed ₹ 10 crores	2%
Income exceeds ₹ 10 crores	5%

b. FII & FPI:

(i) Individual, HUF, AOP, BOI, AJP, Trust

Aggregate Income	**Rate**
Upto ₹ 50 lakhs	Nil
Income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore	10%
Income exceeds ₹ 1 crore but does not exceed ₹ 2 crores	15%
Income exceeds ₹ 2 crores but does not exceed ₹ 5 crores	25%
Income exceeds ₹ 5 crores	37%

(ii) Firm

Aggregate Income	**Rate**
Income exceeds ₹ 1 crore	12%

(iii) Foreign Company

Aggregate Income	**Rate**
Income exceeds ₹ 1 crore but does not exceed ₹ 10 crores	2%
Income exceeds ₹ 10 crores	5%

V. Normal dividend/s declared in the preceding financial year 2019 – 2020 would be considered as the basis to determine applicability of the surcharge rate.

VI. Health and Education Cess of 4% is applicable for financial year 2020 – 2021 for non-residents.

VII. Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of Members on the Book Closure Date, documents, information available in public domain, etc. In case of ambiguous, incomplete or conflicting information, or the valid information/documents not being provided, the Company will arrange to deduct tax at the maximum applicable rate.

VIII. In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund, if eligible.

IX. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

Note: Above communication on TDS sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.

(Refer Section 2(II)(iii)(b)(4) of above Communication on TDS on Dividend Distribution)

ANNEXURE 1

Format for Declaration for Claiming Benefits under DTAA

Date:

To,

Everest Industries Limited
D-206, Sector 63, Noida – 201301 (UP)
Email: compofficer@everestind.com

Subject: Declaration for eligibility to claim benefit under Double Taxation Agreement between Government of India and Government of .... ‹mention country of tax residency› ("DTAA"), as modified by Multilateral Instrument ("MLI"), if applicable

With reference to above, I/We wish to declare as below:

1. I / We,... ‹Full name of the shareholder›, having permanent account number (PAN) under the Indian Income tax Act, ... ‹mention PAN › , and holding .... ‹mention number of shares held› number of shares of the Company under demat account number/ folio number .... as on the Record date 20th August 2020, am/are a tax resident of.. ‹country name› in terms of Article 4 of the DTAA as modified by MLI (if applicable) and do not qualify as a 'resident' of India under section 6 of the Indian Income-tax Act, 1961 ("the IT Act").A copy of the valid tax residency certificate for ‹period›, which is valid as on the Record Date, is attached herewith.

2. I/We am/are eligible to be governed by the provisions of the DTAA as modified by MLI (if applicable), in respect of the dividend income and meet all the necessary conditions to claim treaty rate.

3. I/We am/are the legal and beneficial owner of [No of Shares] shares held in the Company. Further, I/ We am/are the beneficial owner of dividend income to be received from the Company in respect of aforementioned shares.

4. I/We am/are tax resident of .... ‹mention country of tax residency› and assessed therein as a tax resident and I/We am/are not a fiscally transparent entity.

5. I/We do not have a Permanent Establishment ("PE") in India in terms of Article 5 of the DTAA as modified by MLI (if applicable) or a fixed base in India and the amounts paid/payable to us, in any case, are not attributable to the PE or fixed base, if any, which may have got constituted otherwise.

6. I/We do not have a PE in a third country and the amounts paid/payable to us, in any case, are not attributable to a PE in third jurisdiction, if any, which may have got constituted otherwise.

7. I/We do not have a Business Connection in India according to the provision of section 9(1)(i) of the Act and the amounts paid/payable to us, in any case, are not attributable to business operations, if any, carried out in India.

I/We hereby certify that the declarations made above are true and bonafide. In case in future, any of the declarations made above undergo a change, we undertake to promptly intimate you in writing of the said event. You may consider the above representations as subsisting unless intimated otherwise.

I/we in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by me, I will be responsible to pay and indemnify such income tax demand (including interest, penalty, etc.) and provide the Company with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

For .... ‹Mention the name of the payee›

Authorised Signatory

‹Name of the person signing›

‹Designation of the person signing›

BOARD'S REPORT

To
The Members of
Everest Industries Limited

Your Directors take great pleasure in presenting Eighty-Seventh (87th) Annual Report of Everest Industries Limited ("Company" or "Everest") together with the Audited Financial Statements for the financial year ended March 31, 2020.

Financial Results

(₹ In Lakhs)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Revenue from Operations & Other Income	1,29,279.82	1,41,059.60	1,29,486.00	1,41,479.37
Profit before Depreciation & Finance Costs	5,218.01	11,307.32	5,165.32	11,105.14
Less : Depreciation	2,373.63	2,055.50	2,373.63	2,055.50
: Finance Costs	704.17	761.57	704.17	763.20
Profit before Tax	2,140.21	8,490.25	2,087.52	8,286.44
Tax Expense	735.20	2,069.87	735.20	2,100.69
Profit for the Year	**1,405.01**	**6,420.38**	**1,352.32**	**6,185.75**
Other comprehensive income for the Year, net of tax	(32.10)	(35.95)	(46.34)	(45.26)
Total comprehensive income for the Year, net of tax	1,372.91	6,384.43	1,305.98	6,140.49
Add: Balance in Profit & Loss Account	32,000.16	26,840.21	31,866.77	26,950.76
Minority share	-	-	-	-
Profit Available for Appropriation	33,373.07	33,224.64	33,172.75	33,091.25
Appropriations:				
General Reserve	-	-	-	-
Dividend	1,172.73	1,015.70	1,172.73	1,015.70
Tax on Dividend	241.06	208.78	241.06	208.78
Closing Balance	**31,959.28**	**32,000.16**	**31,758.96**	**31,866.77**

Dividend

The Board of Directors ("Board") have recommended a dividend of 10% i.e ₹ 1/- per equity share of ₹ 10/- each for the financial year ended March 31, 2020 subject to the approval of the members. The total outgo on account of dividend including tax on dividend will be ₹ 156.36 lakhs as against ₹ 1,413.79 lakhs for the previous financial year.

Performance Review

The Company has achieved a Total Revenue of ₹ 1,293 crores during the financial year 2019-20 ("Year"). The highlights of the Company's performance on standalone basis during the Year are as under:

1. Revenue for the Year at ₹ 1,292.80 crores was lower by 8.4% as compared with ₹1,410.60 crores in the previous year. Top line in Building Products segment recorded a decrease of 7.3% whereas in the Steel Buildings segment the same recorded a decrease of 10.8%.
2. Production volume in the two business segments were as follows:
   a. In Building Products segment the production for the Year at 7,59,276 MT was lower by 11.88% over 8,61,650 MT in the previous year.
   b. In Steel Buildings segment the production for the Year at 46,486 MT during the year was lower by 11.18% over 52,338 MT in the previous year.
3. Operating Profit (EBIDTA) during the Year at ₹ 52.18 crores was lower by 53.85% over ₹ 113.07 crores in the previous year.
4. Profit before Tax during the Year at ₹ 21.4 crores was lower by 74.79% as compared to ₹ 84.90 crores in the previous year.
5. Cash profit was ₹ 40.94 crores as compared to ₹ 85.26 crores in the previous year.

The consolidated revenue of the Company for the Year was ₹ 1,294.86 crores lower by 8.48% from ₹ 1,414.79 crores in the previous year. The consolidated operating profit for the Year was ₹ 51.65 crores as compared to ₹ 111.05 crores in the previous year. Consolidated Profit after Tax for the Year was ₹ 13.52 crores as against ₹ 61.86 crores in the previous year.

COVID-19

Financial year 2019-20 was one of the most challenging years for the Indian economy, which faced several headwinds from a slowdown in domestic and global growth, and geopolitical uncertainties. This was exacerbated by the outbreak of the Coronavirus disease ("COVID-19") pandemic in the second part of the fourth quarter. Faced with a crisis with no parallels in recent history, most governments across the world including in India prioritised life over anything else and imposed a lockdown to break the chain of transmission.

The human impact of the virus and the containment efforts have resulted in supply and demand disruptions, resulting in a sharper growth deceleration. The situation remains volatile with the trajectory of the virus undetermined, evolving hot spot geographies, the success of containment measures uncertain, the severity and duration of resulting economic crisis and the extent of structural damage unknown. There are many unknowns today and hence, the near-term outlook is extremely uncertain. Our focus remains on safety of our people, protecting supply lines, serving demand, contributing to the society and optimising cost and cash.

The Company's focus on liquidity, supported by a strong balance sheet and acceleration in cost optimization initiatives, would help in navigating any near-term challenges in the demand environment. Accordingly, at present the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Transfer to Reserves

The Company proposes to retain the entire amount of profits in the Profit and Loss account.

Share Capital

During the Year under review, there was no change in the Share Capital of the Company. The Share Capital of the Company as on March 31, 2020 was ₹ 15,63,63,400/- divided into 1,56,36,340 equity shares of ₹ 10/- each.

Directors' Responsibility Statement

Your Directors state that:

a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed and there are no material departures from the same;
b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) the Directors have prepared the annual accounts on a 'going concern' basis;
e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 ("Act"), Mr. Y. Srinivasa Rao, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment as Director of the Company.

The Board, on the recommendation of Nomination & Remuneration Committee ("NRC") and in accordance with provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), has appointed Mr. Anant Talaulicar as an Additional Independent Director, for a period of five (5) years on November 21, 2019, subject to the approval of members at the forthcoming 87th Annual General Meeting ("AGM") of the Company. He shall hold office as an Additional Director upto the date of the AGM. Mr. Talaulicar is eligible for appointment as an Independent Director. The Board is of the opinion that Mr. Talaulicar possesses requisite qualification, experience, expertise and holds high standards of integrity. The resolution pertaining to appointment of Mr. Anant Talaulicar as an Independent Director is set out in Item no. 4 of the Notice of the AGM.

The Board in its meeting held on March 24, 2020 has re-appointed Mr. Y. Srinivasa Rao, Whole Time Director designated as Executive Director of the Company for a further period of two years w.e.f. April 23, 2020 to April 22, 2022 subject to the approval of the members of the Company. The resolution pertaining to his re-appointment & the remuneration payable to him is set out at item no. 5 of the Notice of the AGM.

During the Year, members of the Company in the 86th Annual General Meeting have fixed the remuneration to be paid to Mr. Manish Sanghi, Managing Director of the Company for the remaining period of his current term as Managing Director of the Company by passing a Special Resolution.

During the Year, members of the Company in the 86th Annual General Meeting have re-appointed Mr. M. L. Gupta as an Independent Director for a second term of five (5) years on the Board of the Company with effect from October 1, 2019 upto September 30, 2024.

At the time of fixation of remuneration of Mr. Manish Sanghi, Managing Director and Mr. Y. Srinivasa Rao, Executive Director, the Company had adequate profits and the remuneration paid / payable to Mr. Sanghi and Mr. Rao was well within the limits prescribed under section 197 of the Act. However, during the Year, the Company had inadequate profits for payment of remuneration to Managing Director and Executive Director. As a result, the remuneration paid to Mr. Sanghi and Mr. Rao for the Year has exceeded the limits specified under Section 197 of the Act read with Schedule V thereto. Pursuant to Section 197(10) of the Act, the members of the Company can waive the recovery of excess remuneration by passing a special resolution. The Special Resolutions for approval of the members for waiver of recovery of excess managerial remuneration paid by the Company to Mr. Sanghi and Mr. Rao are set out at Item No. 6 & 7 of the Notice of the AGM respectively.

In view of COVID-19 pandemic, it is likely that the Company may have inadequate profits in coming years to pay managerial remuneration to its executive directors. Therefore, Special Resolution for approval of the members for payment of remuneration to Mr. Manish Sanghi, Managing Director of the Company for the period April 01, 2020 to September 30, 2021 is set out at Item No. 8 of the Notice of AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act and Listing Regulations. All the Independent Directors of the Company have registered themselves in the data bank maintained with the Indian Institute of Corporate Affairs.

Board Evaluation

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, leadership attribute of directors through vision and values, strategic thinking and decision making, adequacy of business strategy, etc.

The performance evaluation of the Independent Directors was done by the entire Board excluding the Directors being evaluated. The performance evaluation of the Board as a whole and the Non-Independent Directors was carried out by the Independent Directors.

The Board of Directors expressed their satisfaction with the evaluation process.

Holding, Subsidiaries, Associate & Joint Venture Companies

During the Year under review, Falak Investment Private Limited, promoter of the Company, has become holding company of the Company w.e.f. March 23, 2020.

The Company has a subsidiary in India viz. Everest Building Solutions Limited. This company is engaged mainly in rendering of erection and other related services to its customers. The subsidiary had a total income of ₹ 40.15 Lakhs and incurred a Loss of ₹ 32.01 lakhs during Year.

During the Year, the Board has approved the scheme of merger of Everest Building Solutions Limited (wholly owned subsidiary) with the Company under section 230-232 of the Act in the Board meeting held on May 1, 2019. A joint application under section 230-232 of the Act was made before the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT"). The Hon'ble NCLT vide its order dated December 13, 2019 had dispensed with the requirement of holding meeting of shareholders and secured creditors of the Company and directed that a meeting of those unsecured creditors of the Company who have outstanding amount of ₹ 2 Lakhs or more be held for the purpose of approving the scheme of Merger. Unsecured creditors of the Company approved the aforesaid scheme of merger in their meeting held on February 20, 2020. A joint Petition under Section 230-232 of the Companies Act, 2013 was made before the Hon'ble NCLT for obtaining sanction to the aforesaid scheme of merger and the same was admitted on March 12, 2020. The Hon'ble NCLT, vide its order dated March 12, 2020, had fixed April 9, 2020 as date for hearing of the aforesaid Petition. However, hearing did not take place because of nationwide lockdown due to COVID-19 pandemic.

The Company has a subsidiary in Mauritius viz. Everest Building Products. This company operates as a holding company for its subsidiary in the UAE. During the Year, the subsidiary earned an interest income of ₹ 0.02 lakhs and a net loss of ₹ 25.38 lakhs mainly arising on account of impairment of investment.

The Mauritius subsidiary has a subsidiary, Everestind FZE incorporated in UAE. Everestind FZE is a legal entity involved in the trading of Company's products in the Middle East and foreign markets. During the Year, entity earned a total income of ₹ 2,456.83 lakhs and a net loss of ₹ 47.22 lakhs out of trading of Company's products.

In terms of proviso to sub-section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed Form AOC-1, which forms part of the Board's Report as **ANNEXURE-1.** During the Year, no entity has become or ceased to be a subsidiary or Joint Venture or Associate of the Company.

Deposits

The Company has not accepted any deposits from the public during the Year and, as such, no amount on account of principal or interest on public deposits was outstanding as on March 31, 2020.

Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India ("SEBI"). A separate Report on Corporate Governance along with a certificate from M/s TVA & Co. LLP, Company Secretaries on compliance with the conditions of Corporate Governance as stipulated under Listing Regulations is provided as part of this Annual Report.

Contracts and Arrangements with Related Parties

During the Year, the Company has not entered into any contract/ arrangement with a related party as specified under section 188 of the Act. Therefore, disclosure in Form AOC-2 is not required. The Policy on materiality of related party transactions and dealing with related party transactions is available on the Company's website at the link www.everestind.com/uploads/Files/161invuf_Related-Party.pdf.

Corporate Social Responsibility

In accordance with the requirements of Section 135 of Act, the Company has constituted a Corporate Social Responsibility (CSR) Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report.

The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link www.everestind.com/uploads/Files/194invuf_CSR-Policy_Final.pdf. The Company has identified five focus areas of engagement which are as under:

- Capacity building, skill development, training and employment generation.
- Promotion of education, art, culture and sports.
- Preventive health care and sanitation
- Environmental sustainability
- Eradicating hunger & poverty

The Company also undertakes other need-based initiatives in compliance with Schedule VII to the Act. During the Year, the Company has spent ₹ 117.6 Lakhs on CSR activities as compared to the statutory requirement of ₹118.76 Lakhs. Nationwide lockdown announced by the Government of India from March 25, 2020 necessitated immediate suspension of all the CSR Projects and consequently, the Company could not spend remaining amount of ₹ 1.16 Lakhs. Annual Report on CSR activities for the financial year 2019-20 in the prescribed format is annexed as **ANNEXURE-2** to this Board's Report. The Company is undertaking the CSR activities through its trust "Everest Foundation".

Business Responsibility Report

Business Responsibility Report for the Year under review, as stipulated under regulation 34 of Listing Regulations in the prescribed format is annexed as **ANNEXURE-3** to this Board's Report.

Employees' Stock Option Scheme

The Nomination and Remuneration Committee of the Board of the Company, *inter-alia*, administers and monitors the Employees' Stock Option Schemes of the Company in accordance with the applicable SEBI Regulations.

The applicable disclosures as stipulated under the SEBI (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2020 with regard to the Employees' Stock Option Schemes (ESOS) is annexed as **ANNEXURE-4** to this Board's Report.

The Company has received certificates from the Statutory Auditors of the Company that the Schemes have been implemented in accordance with the applicable SEBI Regulations and as per the special resolutions passed by the members in the Annual General Meetings. The aforesaid certificates shall be available for electronic inspection by the members during the 87th Annual General Meeting.

Statutory Auditors

M/s S.R. Batliboi & Co. LLP, Chartered Accountants has been appointed as Statutory Auditors of the Company in the 83rd Annual General Meeting for a period of five (5) years subject to ratification by the members at every annual general meeting. Pursuant to the amendment to section 139 of the Act effective from May 7, 2018, ratification by members every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of forthcoming 87th Annual General Meeting does not include the proposal for seeking members' approval for ratification of Statutory Auditors' appointment.

Auditors' Report

There are no qualifications, reservations or adverse remarks made by M/s S.R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, in their report for the financial year ended March 31, 2020. The Statutory Auditors have not reported any incident of fraud to the Audit Committee or to the Board under section 143(12) of the Act during the Year under review.

Cost Auditors

The Company is required to maintain the cost records as specified by the Central Government under section 148(1) of the Act and accordingly such accounts and records are made and maintained. As per the requirement of Central Government and pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company has been carrying out audit of its cost records.

The Board on the recommendation of Audit Committee has appointed M/s Chandra Wadhwa & Co., Cost Accountants as Cost Auditors to audit the cost records of the Company for the financial year 2020-21. As required under the Act, a resolution seeking approval of the members for the remuneration payable to the Cost Auditors forms part of the Notice convening the forthcoming 87th Annual General Meeting.

Secretarial Auditor and Secretarial Standards

The Board has appointed M/s TVA & Co. LLP, Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2019-20 as required under Section 204 of the Act and the rules made thereunder. The Secretarial Audit Report for the financial year 2019-20 is attached as **ANNEXURE-5** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

During the Year, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Disclosures

Audit Committee

The Audit Committee of the Board as on March 31, 2020 comprises of Mr. Rajendra Chitale (Chairman), Mr. B. L. Taparia (Member), Mr. M. L. Gupta (Member), Mrs. Bhavna Doshi (Member), Ms. Padmini Somani (Member) and Mr. Anant Talaulicar (Member). Mr. Rajendra Chitale has been appointed as chairman of the Audit Committee w.e.f. May 3, 2019. Ms. Padmini Somani and Mr. Anant Talaulicar have been appointed as members of the Audit Committee w.e.f. July 24, 2019 and December 6, 2019 respectively. For details, please refer to Corporate Governance Report attached to the Annual Report. The Board has accepted all the recommendations made by the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board, as on March 31, 2020, comprises of Mr. B. L. Taparia (Chairman), Mr. M. L. Gupta (Member), Mrs. Bhavna Doshi (Member), Ms. Padmini Somani (Member) and Mr. Anant Talaulicar (Member). Mr. B. L.Taparia has been appointed as Chairman of the Nomination and Remuneration Committee w.e.f October 24, 2019. Ms. Padmini Somani and Mr. Anant Talaulicar have been appointed as Members of the Nomination and Remuneration Committee w.e.f. April 10, 2019 and December 6, 2019 respectively. For details, please refer to Corporate Governance Report attached to this Annual Report.

The Nomination and Remuneration Committee has framed the Nomination, Remuneration and Board Diversity Policy. Nomination, Remuneration and Board Diversity Policy is available on the website of the Company at www.everestind.com/uploads/Files/342invuf_Nomination-BoardDiversityPolicy.pdf.

Corporate Social Responsibility Committee

The CSR Committee of the Board, as on March 31, 2020, comprises of Ms. Padmini Somani (Chairperson), Mr. M. L. Gupta (Member), Mr. Alok Nanda (Member), Mr. Manish Sanghi (Member) and Mr. Y. Srinivasa Rao (Member). For details, please refer to Corporate Governance Report which forms part of this Annual Report.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board, as on March 31, 2020, comprises of Mr. M. L. Gupta (Chairman), Mr. Manish Sanghi (Member) and Mr. Y. Srinivasa Rao (Member). For details, please refer to Corporate Governance Report which forms part of this Annual Report.

Vigil Mechanism Policy

Pursuant to Section 177 of the Act read with rules made thereunder and the Listing Regulations, the Company has in place a mechanism for Directors, employees, vendors, customers and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud, violation of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimization of Whistle Blower who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee. A dedicated helpline managed by an independent professional organisation has been set up by the Company for the Whistle Blowers to report concerns about unethical behaviour, actual or suspected fraud, violation of Code of Conduct etc.

The Vigil Mechanism Policy may be accessed on the Company's website at the link www.everestind.com/uploads/Files/163invuf_VigilMechanisimPolicy.pdf.

Risk Management

The Company has Risk Management Policy to mitigate the risks. The Company manages and monitors the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Internal Auditor of the Company prepares quarterly risk analysis reports which are reviewed and discussed in the Audit Committee Meetings.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the Year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Number of Meetings of the Board

The Board met six (6) times during the Year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Act and Listing Regulations.

Particulars of Loans, Guarantees or Investments by the Company

The details of investments covered under the provisions of Section 186 of the Act are disclosed in the Note No. 2.05 to the Standalone Financial

Statements. The Company has neither given any loans nor provided any security or fresh guarantee under Section 186 of the Act during the Year.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The required particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, are attached as **ANNEXURE-6** to the Board's Report.

Extract of Annual Return

As per the requirements of Section 92(3) of the Act and rules framed thereunder, the Extract of the Annual Return for financial year 2019-20 is given in **ANNEXURE-7** in the prescribed Form No. MGT-9, which is a part of this report. The complete Annual Return is available on the Company's website at www.everestind.com/disclosures-under-statutory-enactments.

Particulars of Employees and Related Disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the top ten employees in terms of remuneration drawn as set out in the said rules are provided in **ANNEXURE-8** to the Board's Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **ANNEXURE-9** to the Board's Report.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the Year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators, Courts or Tribunals which impact the going concern status of the Company and its future operations.
5. No material changes and commitments affecting the financial position of the Company have occurred from the end of the last financial year till the date of this report.
6. No change in the nature of the business of the Company happened during the Year under review.

Your Directors further state that during the Year under review, the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Human Resources

The Company has continuously adopted structures that help to attract best external talent and promote internal talent to higher roles and responsibilities. Everest's people-centric focus providing an open work environment, fostering continuous improvement and development helped several employees realize their career aspiration during the Year.

Industrial Relations

During the Year, the industrial relations at all the works of the Company were cordial.

Acknowledgement

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

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

For and on behalf of the Board

Manish Sanghi Managing Director	**Y. Srinivasa Rao** Executive Director

Noida, May 29, 2020

ANNEXURE – 1

FORM AOC – 1

Statement containing salient features of the financial statements of subsidiaries, associate and joint ventures of the company

(Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014).

PART "A": SUBSIDIARIES

(₹ In Lakhs)

Name of the Subsidiary	Everest Building Products	Everestind FZE	Everest Building Solutions Limited
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2019 To 31.03.2020	01.04.2019 To 31.03.2020	01.04.2019 To 31.03.2020
2. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	USD ₹ 75.3859	AED ₹ 20.536	₹
3. Share Capital	36.67	192.92	5.00
4. Reserves & Surplus	(25.22)	(241.56)	(163.10)
5. Total Assets	14.59	615.31	137.75
6. Total Liabilities	3.14	663.95	295.85
7. Investments	-	-	-
8. Total Income	0.02	2456.83	40.15
9. Profit/(Loss) before Taxation	(25.38)	(47.22)	(32.01)
10. Provision for Taxation	-	-	-
11. Profit/(Loss) after Taxation	(25.38)	(47.22)	(32.01)
12. Proposed Dividend	-	-	-
13. % of Shareholding	100%	100%*	100%

*Everestind FZE is the wholly owned subsidiary of the Company's wholly owned subsidiary i.e. Everest Building Products, Mauritius.

Part B: Associates and joint ventures - not applicable

Note: Everest Building Products, Mauritius was incorporated on September 9, 2013, Everestind FZE in Jebel Ali Free Zone, Dubai, UAE was incorporated on December 18, 2013 and Everest Building Solutions Limited was incorporated on June 16, 2007.

For and on behalf of the Board

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director

Nikhil Dujari
Chief Financial Officer

Neeraj Kohli
Company Secretary

Noida, May 29, 2020

ANNEXURE -2

Annual report on Corporate Social Responsibility (CSR) activities for the Financial Year 2019-20

[Pursuance to Section 135 of Companies Act, 2013 & Rules made thereunder]

1.	A brief outline of the company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes.	The Corporate Social Responsibility (CSR) policy has been developed in consonance with Section 135 of the Companies Act 2013 and in accordance with the CSR Rules notified thereof by the Ministry of Corporate Affairs, Government of India and shall apply to all CSR projects undertaken by Everest Industries Limited ('EIL') as per schedule VII of the Act, within the geographical limits of India only, for the benefit of marginalized, disadvantage, poor or deprived sections of the community and the environment with objective of engaging organizational recourses and capacity to improve the social, economical and environmental conditions of the community at large through sustainable development practices and imbibing the societal values in stakeholders. The activities that the Company has undertaken under the CSR Policy area pertaining to Employment enhancing vocational skills, Health, hygiene & sanitation and Promotion of education and sport etc. The weblink of CSR Policy is www.everestind.com/uploads/Files/194invuf_CSR-Policy_Final.pdf.
2.	The composition of the CSR Committee	Ms. Padmini Somani - Chairperson Mr. M. L. Gupta - Member Mr. Alok Nanda - Member Mr. Manish Sanghi - Member Mr. Y. Srinivasa Rao - Member
3.	Average Net Profit of the company for last 3 financial years	5,938.20 lakhs
4.	Prescribed CSR expenditure (2% of amount)	118.76 lakhs
5.	Details of CSR activities/projects undertaken during the year:	
	a) total amount to be spent for the financial year	119.00 lakhs
	b) total amount spent	117.60 lakhs
	c) amount un-spent, if any	1.16 lakhs
	d) manner in which the amount spent during financial year, is detailed below:	Details given below:

S. No	Name of the CSR Project	Activities relating to (one of the items of Schedule VII in which the Projects / programs falls or is related to)	Geographical Location (District & State)	Amount (Outlay) to be spent (in lakhs)	Amount spent on projects (in lakhs)		Cumulative Expenditure up to the reporting period (in lakhs)	Projects implementation details; direct or through implementation Agency
					Direct	Overheads		
1	Health, Hygiene & Sanitation	Tobacco Control Program Schedule VII (i) Promoting preventive health and sanitation)	Nashik (Maharashtra)	12.50	12.49	0.18	12.67	Everest Foundation & Salaam Mumbai Foundation
		Individual Sanitation program (Construction of Household Toilets) Schedule VII (i) Promoting preventive health and sanitation)	Raigad (Maharashtra)	-	2.17	0.02	2.19	Everest Foundation
2	Training and skill enhancement	Training on computers (Schedule VII (ii) enhancing vocational skills)	Kymore (Katni, Madhya Pradesh)	6.50	5.74	0.81	6.55	Everest Foundation

S. No	Name of the CSR Project	Activities relating to (one of the items of Schedule VII in which the Projects / programs falls or is related to)	Geographical Location (District & State)	Amount (Outlay) to be spent (in lakhs)	Amount spent on projects (in lakhs)		Cumulative Expenditure up to the reporting period (in lakhs)	Projects implementation details; direct or through implementation Agency
					Direct	Overheads		
		Building Master Training (Schedule VII (ii) enhancing vocational skills)	Murshidabad, Paschim Medinipur South 24 Parganas, North 24 Parganas (West Bengal) Tiruppur, Madurai,Salem, Viluppuram, Vellore, Cuddalore, Mayiladhu-turai, Thanjavur, Coimbatore (Tamil Nadu), Rohtak, Panipat, Kurukshetra, Karnal Jind (Harayana) Prayagraj, Sonbhadra, Gorakhpur, Mirzapur, Gautam Buddha Nagar (Uttar Pradesh) Sidhi, Singrauli, Rewa, Shahdol, Anuppur, Dindori, Satna, Sagar, Katni (Madhya Pardesh) Mayurbhanj, Ganjam, Jagatsinghpur, Bargar, Baleswar, Bolangir, Rayagada, Jajpur, Keonjhar, Puri (Odisha) Jalandhar, Ludhiana (Punjab) Haridwar (Uttrakhand), Raigad (Maharashtra)	77.50	77.50	1.83	79.33	Everest Foundation, Construction Industry Development Council, Sattva, IL&FS Skills, B-Able and Ambuja Cement Foundation
3	Promoting Sports	Promoting national sport in rural areas. (Schedule VII (vii) Promoting rural and national sports)	Podanur (Coimbatore, Tamil Nadu) and Kymore (Katni, Madhya Pradesh)	12.50	10.11	0.82	10.93	Everest Foundation
4	Community Development	Community Development (Schedule VII (ii) Promoting education	Baleswar (Odisha)	10.00	0.33	0.00	0.33	Everest Foundation
Total – Expense towards CSR activities (A)				**119.00**			**112.00**	
*Total– Admin Expense (taken 5% as overheads of total CSR expense) (B)							5.60	
Grand Total (A+B)							**117.60**	

***Though Total admin CSR expense is ₹ 15.05 lakhs, however as suggested in the provisions in the notification of MCA dated 27th, Feb. 2014, we have kept it 5 per cent of total direct expense towards admin expenses.

6.	In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report	The CSR projects could not achieve its target numbers due to nationwide health advisory and lockdown because of COVID-19 pandemic.

Responsibility Statement

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and CSR Committee monitors the implementation of the CSR Projects and activities in compliance with our CSR objectives.

For and on behalf of the Board

Manish Sanghi
Managing Director

Noida, May 29, 2020

Padmini Somani
Chairperson, CSR Committee

Mumbai, May 29, 2020

ANNEXURE-3

Business Responsibility Report for the Financial Year 2019-20

In terms of Regulation 34 of the Listing Regulations

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L74999MH1934PLC002093
2.	Name of the Company	Everest Industries Limited
3.	Registered address	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202, Maharashtra
4.	Website	www.everestind.com
5.	E-mail id	mksingh@everestind.com
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Building Products – 23959 Steel Buildings – 41003 (As per NIC 2008)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Building Products: • Roofing, Boards & Panels, • Heavy Duty Boards, • Rapicon walls Steel Buildings: • Pre-Engineering Steel Buildings
9.	Total number of locations where business activity is undertaken by the Company I. Number of International Locations (Provide details of major 5) II. Number of National Locations	The Company operates from India with its 8 manufacturing plants and 3 Offices across the country.
10.	Markets served by the Company – Local/State/ National/International/	The Company serves in both national and international markets.

Section B: Financial Details of the Company

1.	Paid up Capital (INR)	₹ 15,63,63,400
2.	Total Turnover (INR)	₹ 1,292,79,81,617
3.	Total profit after taxes (INR)	₹ 14,05,00,644
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	1.98% (₹ 117.60 Lakhs) of average net profit of the Company for last three financial years calculated as per section 198 of the Companies Act, 2013.
5.	List of activities in which expenditure in 4 above has been incurred:-	The CSR amount is spent in following broad areas: I. Capacity building and skill development training II. Promotion of education and sports. III. Preventive health care IV. Sanitation

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**
   Yes, the Company has 3 subsidiary companies. Please refer to Annexure -1 of Board's Report in the Annual Report.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
   No, the subsidiary companies do not participate in the BR initiatives of the Company.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
   The Company is working towards including its supply chain in their BR initiatives. However, at present none of Company's suppliers or distributors are part of BR Initiatives.

Section D: BR Information

1. Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

The CSR Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

S. No	DIN Number	Name	Designation
1.	00046486	Ms. Padmini Somani	Chairperson of CSR Committee
2.	00088685	Mr. M. L. Gupta	Member of CSR Committee
3.	02149755	Mr. Alok Nanda	Member of CSR Committee
4.	00088527	Mr. Manish Sanghi	Member of CSR Committee
5.	01289086	Mr. Y. Srinivasa Rao	Member of CSR Committee

(b) Details of the BR head

DIN Number (if applicable)	Not Applicable
Name	Manish Kumar Singh
Designation	Head - CSR & BRR
Telephone number	91-120-4791800
E-mail id	mksingh@everestind.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The company's policies are aligned with various standards in order to practice national or international benchmarks such as ISO 9001, ISO 14001, ISO 45001 and NVG Guidelines issued by Ministry of Corporate affairs, Government of India.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.everestind.com/uploads/Files/343invuf_BusinessResponsibilityPolicy.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?*	N	N	N	N	N	N	N	N	N

*The Company has initiated Business Responsibility in Financial Year 2019-20 itself. Business Responsibility initiative of the Company is in the nascent stage and it will take some time to implement the BR Policy completely. The Company is in process of engaging different stakeholders such as suppliers, customers etc. to be part of Business Responsibility initiative of the Company. The Company will carry out independent audit/ evaluation of working of BR Policies as and when it is deemed necessary.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	Not Applicable								
3.	The company does not have financial or manpower resources available for the task	Not Applicable								
4.	It is planned to be done within next 6 months	Not Applicable								
5.	It is planned to be done within the next 1 year	Not Applicable								
6.	Any other reason (please specify)	Not Applicable								

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
The Business Responsibility performance of the Company is assessed annually by the CSR Committee.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
The Business Responsibility Report of the Company is published annually as a part of the Annual Report.

Section E: Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?
Ethics, Transparency and Accountability Policy is applicable to the Directors and employees of the Company across all its functions, units and branches.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.
During the financial 2019-20, 2 complaints were received and are being investigated by the Company.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities
The Company is committed to work with its stakeholders to mitigate the environmental and social impacts of its products throughout their life cycle. We manufacture products responsibly with minimum negative impact on environment, few such products include:

(a) **Roofing (Hitech):** Fibre cement Roofing sheet formulation is a carefully balanced blend of synthetic and natural organic fibres, fillers and cement which produces an eco-friendly product that has become recognized as a major advance in roofing and cladding technology.

(b) **Boards:** Everest Boards and Panels are eco-friendly product made of Hatschek process enabled with HPSC (High Pressure Steam Curing) technology which makes them moisture, fire and termite resistant. These new age panels have edge to other wood based alternatives.

(c) **Rapicon Panels:** Everest Solid Wall Panels (Rapicon) are made of sandwiched Fibre cement boards and light weight aerated concrete as a core material. The Rapicon is eco-friendly product used for rapid wall constructions.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

	FY 2019-20			FY 2018-19		
	Hitech	Boards	Rapicon Panels	Hitech	Boards	Rapicon Panels
Specific Energy Consumption (kwh/MT)	73.06	93.59	31.49	80.00	93.87	33.59
Water Consumption (kL/MT)	0.22	0.48	0.42	0.22	0.47	0.41
Raw Material Yield	153.31	168.2	1.263	152.68	168.5	1.255

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Rapicon Panels: Rapicon is a Dry wall construction, hence Water usage in construction at site is negligible. Further it has excellent thermal properties facilitates in maintaining good Air Conditioning in Building. These are energy efficient building products, also non-combustible and tested for fire and toxicity ratings.

Boards: Board is a Dry wall construction, hence Water usage in construction is negligible, it also exhibit excellent thermal properties if used with rock wool sandwiched in 2 boards. In addition these products are also non-combustible in nature and meet all early fire hazard requirements.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**
   We work in tandem with our suppliers and most of our procurement of raw materials and services are awarded to vendors who have systems in place to ensure responsible behavior such as adherence to local and national compliances, implementation of management systems including ISO 14001, ISO 45001 etc. In addition Suppliers environmental and social audits are also conducted by an independent third party. Further, transportation and logistics optimization is an ongoing activity to reduce the relative environmental impacts. The Company source -7.5% (of total buying value) inputs sustainably.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**
   The company has a vast network of suppliers both in India and abroad. However the procurement decisions are always taken considering the development of local economy. Most of our suppliers are local (from India) thereby leading to an ease of delivery of products and services and minimal environmental footprint.
   Number of capacity building and skill development programmes are being conducted for the local and small vendors.

5. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as ‹5%, 5-10%, ›10%)? Also, provide details thereof, in about 50 words or so**
   At Everest, waste is managed in an efficient manner. In addition to recycling the waste generated from our operations, we also utilize waste from other industries as raw material into our processes. Such as fly ash, secondary pulp etc.
   In the manufacturing of boards, Rapicon and Hitech, we utilize approximately 16-18%, 30-35% and 7-10% of fly ash respectively. In the manufacturing of Boards and Hitech, we utilize approximately 3–4%, and 1.5-2% of secondary pulp respectively.
   Further in the manufacturing of boards, 2.34% of product rejection is recycled and used as Raw material.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the total number of employees, number of employees hired on temporary/ contractual /casual basis, number of permanent women employees and number of permanent employees with disabilities?**
   The total number of permanent employees are 1427 (813 on roll employees and 614 on roll workmen), 2914 employees are hired on temporary/contractual/casual basis, total number of women employees is 35 and there are 4 employees with special abilities.

2. **Do you have an employee association that is recognized by management?**
   Yes, employees associations recognized by management are; Indian National Trinamool Trade Union Congress (INTTUC), Indian National Trade Union Congress (INTUC), Bharatiya Mazdoor Sangh (BMS), Center for Trade Union (CITU), Socialist Unity Centre of India (SUCI), Anna Thozhisangha Peravai (ATP) and Independent Trade Unions of employees of the Company.

3. **What percentage of your permanent employees is members of this recognized employee association?**
   42.95% of total permanent employees are member of these recognized employee associations.

4. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year?**
   No complaints related to child labour, forced labour, involuntary labour and sexual harassment were reported during the year.

5. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

(a) Permanent Employees	80%
(b) Permanent Women Employees	80%
(c) Casual/Temporary/Contractual Employees	75%
(d) Employees with Disabilities	100%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders? Yes/No**
   Yes, during the reporting period, the company has mapped its internal and external stakeholders.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**
   Yes, the Company has identified disadvantaged, vulnerable and marginalized communities in the vicinity of the manufacturing plants as most vulnerable external stakeholders. The youth, marginal construction workers, children and women emerged as target groups and hence are being catered through CSR projects.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so?**
   The company through its CSR arm 'Everest Foundation' initiated various programmes to engage with disadvantaged, vulnerable and marginal stakeholders. The Foundation through its training and skill development programmes are building skills in marginal construction workers, youth and women. The preventive healthcare is educating community on the ill effects of tobacco use and Sanitation project helped people to make them free from Open Defecation. The sport and education promotion initiatives have benefitted community around business.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint ventures/ suppliers/ Contractors/ NGOs/Others?**
   The company ensures that neither the company nor any of its stakeholders indulge in any form of Human rights violations. The policy on Human rights is applicable to employees, directors, customers, suppliers, vendors and investors.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   During the reporting period, no complaints were received.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the group/ joint ventures/ suppliers/ contractors/ NGOs/ other**
   The Policy applies to the directors and employees of the Company across all its directors, employees, suppliers, vendors etc.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**
   The Company has taken initiatives to combat climate change which include reduction of carbon emissions by using alternate renewable energy where we are utilizing 14% (1.1 MWp Solar Power Plant on BOOT) and 7.2% (0.5 MWp Solar Power Plant on BOOT) renewable energy in our Lakhmapur Works and Podanur Works respectively. In addition to solar energy, we are also replacing a part of furnace oil in boilers with biomass briquettes. During the reporting period, we have consumed 6526 MT of Briquettes in thereby replacing 2840 MT of FO.
   Further details can be availed from link: https://www.everestind.com/annual-reports.

3. **Does the company identify and assess potential environmental risks? Y/N**
   The Company believes in taking informed decisions when it comes to environmental risks and opportunities. In order to identify and assess potential risks we conduct Environmental impact assessment at all the manufacturing plants.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**
   No, we don't have any project on Clean Development Mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
   The Company has implemented various initiatives w.r.t. clean technology, energy efficiency and renewable energy such as replacing furnace oil with biomass briquette, increase the use of solar energy (BOOT model) in the total energy consumption etc. We have implemented state of the art technology to increase energy efficiency.
   Further details can be availed from link: https://www.everestind.com/annual-reports.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Yes, the emissions/waste generated by the Company during the year is within permissible limits given by CPCB/SPCB(s).

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   As on March 31, 2020, there is one legal notice pending. The notice was received from SPCB.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
   The Company is a member of the following Industry associations:
   (a) Confederation of Indian Industry
   (b) PHD Chambers of Commerce
   (c) Fiber Cement Products Manufacturer Association (FCPMA)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
   The Company actively participates on these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue.

Principle 8: Businesses should support inclusive growth and equitable development.

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   The Company is "committed to engage organizational resources and knowledge to enhance livelihood and living conditions of communities through sustainable development oriented interventions, capacity building, and projects in the areas of skill building, health, sanitation, education, and sports". The Company has developed a programmes based on its needs and demand in community. All its stakeholder groups which are significant for the projects at various stages of programme development and implantation are engaged in process. The following are the areas of intervention;

   (a) Livelihood enhancement: Training and skill building, based on skills livelihoods assistance are provided to enhance income.
   (b) Living condition (Social Development): Preventive Healthcare and Sanitation, Women Empowerment, Environment, Education, Sport promotion and Disaster Relief

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**
   To give greater attention to the CSR programmes, the Company has established 'Everest Foundation' which is a registered trust under Indian Trust Act. The Foundation implements projects directly by using internal resources and expertise. Although, Everest Foundation is sole owner of all its community programmes, but to bring external expertise and knowledge to make programme more effective, we collaborate with likeminded organizations at different stages of programmes.

3. **Have you done any impact assessment of your initiative?**
   Evaluation and impact assessments are undertaken at every critical phase of the program or at the maturity stage of the project. These assessments are undertaken by internal expert or external consultants and organizations specializing in the subject. During the year, an impact evaluation was carried out for 3 skills centers.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**
   Total amount spend on CSR activities in FY 2019-20 is ₹ 1.18 Crores. The amount was spent on following programmes:

   Training & Skill Building: The Building Master Training and a computer education/training center were run to benefit youths and children, the cumulative spent on both programme is INR 85.88 lakhs.

   Health & Sanitation: A Tobacco Control Programme was implemented to make Nashik district tobacco free, and also undertaken a Sanitation project in Raigadh district of Maharashtra. The cumulative spent on both programme is INR 14.86 lakhs.

   Sports Promotions: A Football Academy is being run at Coimbatore to train youths and organized Football and Badminton tournaments. Also, support provided in the field of education. The cumulative spent on these programme is INR 11.26 lakhs.
   For detail information please refer CSR section and Annexure 2 of Directors Report In Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
   The Company believes in need based CSR, the programmes are designed in consultation with the local communities. Therefore there is a sense of ownership that instills leading to a successful adoption of the community development initiative. Further, during the course of the project implementation, we work towards building the capacity of local community and stakeholders to ensure sustainability of the programme e.g. in skill training programmes, building the capacity of community and empower them to make projects self-sustainable.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
   2.2% of the complaints received are pending resolution as on March 31, 2020 due to COVID- 19 pandemic.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)**
   Yes, the company displays product information on the product label as per local laws and wherever applicable.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
   There is no case against the Company relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during last five years and pending as on end of the financial year 2019-20.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
   The consumer plays an important part in our value chain. We engage with them regularly through feedback, surveys etc. with an objective to improve our performance and consumer satisfaction.

ANNEXURE-4

Statement pursuant to Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014

The Employees Stock Option Schemes approved by the Company are in compliance with SEBI Regulations. There is no variation in the Schemes which are valid as on date.

A. Relevant disclosures in terms of the "Guidance note on accounting for employee share-based payments" issued by ICAI or any other relevant accounting standards as prescribed from time to time are provided on the link www.everestind.com/disclosures-under-statutory-enactments.

B. Diluted EPS on issue of shares in accordance with "Indian Accounting Standard (Ind AS) 33 - Earnings per Share" issued by ICAI: ₹ 8.99 (Standalone) and ₹8.65 (Consolidated).

C. Details related to Employees Stock Option Schemes are given below:

Name of the Scheme	**ESOS - 2014**	**ESOS - 2015**	**ESOS - 2017**	**ESOS - 2018**	**ESOS - 2019**
Date of shareholders approval	July 30, 2014	August 26, 2015	July 26, 2017	July 25, 2018	July 24, 2019
Total number of options approved under ESOS	1,80,000	1,80,000	1,80,000	1,80,000	1,80,000
Total number of options granted under ESOS	1,40,000 Options were granted on January 21, 2015	1,70,000 options were granted on January 13, 2016	1,60,000 options were granted on January 24, 2018	1,70,000 options were granted on January 23, 2019	16,450 Options were granted on March 24, 2020
Vesting requirements	The vesting period is 1 (one) year from the date of grant of options				
Exercise price or pricing formula	₹ 336 per option	₹ 262 per option	₹ 571 per option	₹ 477 per option	₹ 127 per option
	Being the average closing price of the shares during the two weeks preceding the date of grant of options or closing price of the Company's shares on the Exchange on the date prior to the date of grant of options, whichever is less.				
Maximum term of options granted	The Exercise Period shall commence from the date of expiry of Vesting Period and will continue upto four (4) years thereafter.				
Source of shares	Fresh issue of shares				
Variation in terms of options	None				
Method used for accounting of ESOPs	Fair Value of options				
Where the company opts for expensing of the options using the intrinsic value of the options, the Difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed.	NA				
The impact of this difference on profits and on EPS of the company shall also be disclosed.	Nil				

D. Details of options granted to senior managerial personnel or identified employees during the financial year ended March 31, 2020 is as under :

Particulars	**Options**
Senior managerial personnel a. Mr. Rahul Chopra (Sr.Vice President & Business Head Boards & Panel) b. Mr. Neeraj Kohli (Company Secretary & Head Legal)	 1,350 1,250
Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	NA
Identified employees who were granted Options 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.	NA

E. The activity in the Employees Stock Option Schemes during the year ended March 31, 2020 is as under:

Name of the Scheme	ESOS-2014	ESOS - 2015	ESOS - 2017	ESOS - 2018	ESOS - 2019
Number of options outstanding at the beginning of the period	41,530	51,645	1,36,620	1,70,000	NIL
Number of options granted during the year	–	–	–	–	16,450
Number of options forfeited / lapsed during the year	41,530	420	7,120	10,605	150
Number of options vested during the year	–	–	–	1,59,395	–
Number of options exercised during the year	–	–	–	–	–
Number of shares arising as a result of exercise of options	–	–	–	–	–
Money realized by exercise of options (INR), if scheme is implemented directly by the company	–	–	–	–	–
Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA	NA
Number of options outstanding at the end of the year	NIL	51,225	1,29,500	1,59,395	16,300
Number of options exercisable at the end of the year	NIL	51,225	1,29,500	1,59,395	16,300
Weighted average exercise price and weighted average fair value of Options granted during the year 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 of options - Weighted average fair value of options	NA NA	NA NA	NA NA	NA NA	127.00 37.67
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: Weighted average share price - Exercise price - Expected volatility - Option life (comprising vesting period and exercise period) - Expected dividends - Risk free rate of return	₹ 333.40 41.72% 5 years 0.75% 7.72%	₹ 250.00 42.16% 5 years 2.00% 7.88%	₹ 571.00 47.51% 5 years 0.18% 7.26%	₹ 477.00 38.82% 5 years 1.41% 7.35%	₹ 127.00 44.14% 5 years 5.82% 6.35%
The method used and the assumptions made to incorporate the effects of expected early exercise	Historical data and pattern for early exercise of Options is not uniform, hence not considered in expected life calculations.				
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over twelve months period prior to the date of grant has been considered.				
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	No other feature has been considered for fair valuation of options except as mentioned in the points above.				

The Company in its Annual General Meeting held on June 29, 2016 had passed Special Resolution approving Employees' Stock Option Scheme 2016, however, no options have been granted by the Company in the financial year 2016-17.

For and on behalf of the Board

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director

Noida, May 29, 2020

ANNEXURE-5

Secretarial Audit Report

For the Financial Year ended March 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Everest Industries Limited
CIN: L74999MH1934PLC002093
GAT 152, Lakhmapur, Taluka Dindori
Nashik-422202, Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Everest Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with following Acts, Laws and Regulations applicable specifically to the Company:

- a) The Bureau of Indian Standards Act, 2016 and Rules made thereunder;
- b) The Boilers Act, 1923 and Rules made thereunder;
- c) The Petroleum Act, 1934 and Rules made thereunder;
- d) The Explosives Act, 1884 and Rules made thereunder;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. (NSE);
- (iii) Codes and Policies adopted by the Company;

We further report that during the period under review the following Regulations and Guidelines were not applicable to the Company:

(i) Reserve Bank of India regulations only related to the Foreign Direct Investment;

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(v) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

We further report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions carried through by the Board do not have any dissenting views and hence, no relevant recordings were made in the minutes book maintained for the purpose.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were following event/action in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, having a major bearing on the Company's affairs:

(i) Approval of Scheme of merger

The Board of the Company in its meeting held on May 1, 2019 has approved the scheme of merger of the wholly owned subsidiary of the Company i.e. Everest Building Solutions Limited with the Company and their respective shareholders and creditors ("the scheme") and filed first motion petition with the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") to approve the scheme. The NCLT vide its order dated December 13, 2019 has directed the Company to convene a meeting of its unsecured creditors on February 20, 2020 for the purpose of approving the scheme.

The Company has convened the meeting of its unsecured creditors on February 20, 2020 as per the directions of NCLT and the scheme was duly approved by the unsecured creditors with requisite majority. The Company has filed second motion petition with the NCLT along with the results of meeting of its unsecured creditors for approval of merger. The Company has also filed necessary intimations in this regard with the Registrar of Companies (Mumbai), Regional Director (Western Region), Income Tax Department and other statutory authorities. As on March 31, 2020, the matter is pending with the NCLT for its kind approval.

(ii) Change in Board of Directors

Mr. B L Taparia and Mrs. Bhavna G Doshi, Independent Directors, have been re-appointed as independent directors for a second term of 5 (five) years with effect from April 1, 2019 and Mr. M L Gupta, Independent Director, was re-appointed as independent director for a second term of 5 (five) years with effect from October 1, 2019.

The Board of the Company in its meeting held on November 21, 2019 has appointed Mr. Anant Talaulicar as an Independent Director of the Company w.e.f. November 21, 2019 for a term of 5 (five) years subject to the approval of shareholders.

Further, the tenure of Mr. Y Srinivasa Rao, Whole Time Director designated as Executive Director of the Company, was expired on April 22, 2020 and the Board of the Company in its meeting held on March 24, 2020 has re-appointed Mr. Y Srinivasa Rao as Whole Time Director designated as Executive Director for a term of 2 (two) years w.e.f. April 23, 2020 subject to the approval of the shareholders.

For TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253
UDIN: F005621B000270811
PR 708/2020

Delhi, May 26, 2020

Note: This report is to be read with our letter of even date which is annexed as '*Annexure A*' and forms an integral part of our report.

ANNEXURE-A

To,
The Members,
Everest Industries Limited
CIN: L74999MH1934PLC002093
GAT 152, Lakhmapur, Taluka Dindori
Nashik-422202, Maharashtra

1 Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the various compliances but the maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2 We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion and the compliance of the provisions of Corporate and other applicable laws, rules and regulations is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.

3 We have not verified the correctness and appropriateness of the financial records and Books of accounts of the Company.

4 We have obtained necessary management representation about the compliance of various laws, correctness of information shared and happening of events, wherever required.

5 Compliance with respect to the filings of various reports, returns, forms, certificates and documents under the various statutes as mentioned in our report is the responsibility of the management of the Company. Our examination was limited to checking the execution and timeliness of filing and we have not verified the contents of such reports, returns, forms, certificates etc.

6 Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253

Delhi, May 26, 2020

ANNEXURE – 6

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

A. Conservation of Energy :

(i) Steps taken or Impact on Conservation of Energy:

(a) Energy conservations initiatives implemented in Rapicon Panel plants at Bhagwanpur Works and Lakhmapur Works, resulted in reduction of Specific Energy Consumption from 33.59 KWh/MT to 31.49 KWh/MT.

(b) Energy conservations initiatives implemented in Boards units at resulted in reduction of Specific Energy Consumption from 93.87 KWh/MT to 93.59 KWh/MT.

(c) Installation of LED Lightings in place of conventional Lightings in Plants.

(d) Motors Healthiness Audit to identify and replace in-efficient motors with energy efficient IE3 motors.

(ii) Steps taken by the Company for utilizing alternate sources of Energy:

(a) Podanur Works consumes 500 KWp (7.2% of Total power consumed) Solar Power from captive solar power plant.

(b) Lakhmapur Works consumes 1100 KWp (14% of Total Power consumed) Solar Power from captive solar power plant

(iii) Capital Investment on Energy Conservation Equipments:

During the year, Company invested ₹ 26.70 Lakhs in energy conservation equipment.

B. Technology Absorption :

(i) The efforts made towards technology absorption:

(a) Upgraded the Roofing sheet handling line at Lakhmapur Works.

(b) Development of new Paint finishes for roofing sheets and Boards.

(ii) Benefits derived like Product Improvement and Product Development:

(a) With development of new paint finishes launched new product variants in market – ARTEWOOD and Everest Super Border.

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

(a) details of technology imported : European Paint Coating line for Fiber cement products (for internal / external use)

(b) the year of import : 2018

(c) whether the technology been fully absorbed : Yes

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : N.A.

(iv) Expenditure incurred on Research and Development:

(₹ In Lakhs)

Particulars		Current Year	Previous Year
i.	Capital	7.58	-
ii.	Recurring	85.86	98.04
iii.	**Total**	**93.44**	**98.04**
iv.	Total R & D expenditure as a percentage of total turnover	0.07%	0.07%

C. Foreign Exchange Earnings and Outgo:

(₹ In Lakhs)

	Current Year	Previous Year
Foreign Exchange Earnings	2,673.03	2,737.68
Foreign Exchange Used	21,617.01	21,209.85

For and on behalf of the Board

Place : Noida
Date : May 29, 2020

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director

ANNEXURE – 7

FORM NO. MGT- 9

Extract of Annual Return

As on the Financial Year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

1.	CIN	L74999MH1934PLC002093
2.	Registration Date	03.04.1934
3.	Name of the Company	Everest Industries Limited
4.	Category / Sub-Category of the Company	Public Company/ Limited by shares
5.	Address of the Registered Office and contact details	GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422202, Maharashtra. Tel +91 2557 250375/462 Fax +91 2557 250376
6.	Whether listed company	Yes
7.	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	M/s MCS Share Transfer Agent Ltd. F - 65, First Floor, Okhla Industrial Area, Phase – I, New Delhi -110020. Ph. No.: 011-41406149, 41406151 Fax No.: 011-41709881

II. Principal Business Activities of the Company

The business activities contributing 10 % or more of the total turnover of the company are as follows:

Sr. No.	Name and Description of main Products/Services	NIC Code of the Products/Services*	% of total turnover of the Company
1.	Building Products	23959	65.53%
2.	Steel Building	41003	34.47%

*As per NIC 2008

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Falak Investment Private Limited 102, Maker Chambers III, Nariman Point, Mumbai -400 021, Mahrashtra	U67120MH1996PTC095756	Holding	50.74*	2(46)
2.	Everest Building Products, 365, Royal Road, Rose Hill, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
3.	Everestind FZE Jebel Ali Free Zone, Dubai UAE	N.A.	Subsidiary	100**	2(87)(ii)
4.	Everest Building Solutions Limited GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202, Mahrashtra	U45201MH2007PLC171720	Subsidiary	100	2(87)(ii)

*Falak Investment Private Limited has become holding company w.e.f. March 23, 2020

**Everestind FZE is the wholly owned subsidiary of the Company's wholly owned subsidiary i.e. Everest Building Products, Mauritius.

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year (As on 01.04.2019)				No. of shares held at the end of the year (As on 31.03.2020)				% of Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
1.	**Indian**									
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/ State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	7520470	0	7520470	48.10	7933409	0	7933409	50.74	2.64
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	**7520470**	**0**	**7520470**	**48.10**	**7933409**	**0**	**7933409**	**50.74**	**2.64**
2.	**Foreign**									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**7520470**	**0**	**7520470**	**48.10**	**7933409**	**0**	**7933409**	**50.74**	**2.64**
(B)	**Public shareholding**									
1.	**Institutions**									
(a)	Mutual Funds/ UTI	441493	1000	442493	2.83	65376	900	66276	0.42	-2.41
(b)	Financial Institutions/ Banks	17191	50	17241	0.11	175	50	225	0.00	-0.11
(c)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	187	187	0.00	0	187	187	0.00	0.00

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year (As on 01.04.2019)				No. of shares held at the end of the year (As on 31.03.2020)				% of Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(f)	Foreign Institutional Investors	425641	0	425641	2.72	138670	0	138670	0.89	-1.83
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	**884325**	**1237**	**885562**	**5.66**	**204221**	**1137**	**205358**	**1.31**	**-4.35**
2.	**Central Govt/ State Govt/POI**	30095	200	30295	0.19	32517	200	32717	0.21	0.02
	Sub-Total (B)(2)	**30095**	**200**	**30295**	**0.19**	**32517**	**200**	**32717**	**0.21**	**0.02**
3.	**Non-institutions**									
(a)	Bodies Corporate	807597	4575	812172	5.19	837984	4375	842359	5.39	0.20
(b)	Individuals -									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	3854646	196918	4051564	25.91	4362637	179967	4542604	29.05	3.14
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	1981430	0	1981430	12.67	1683935	0	1683935	10.77	-1.9
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	NBFCs Registered with RBI	5005	0	5005	0.03	0	0	0	0.00	-0.03
(e)	Any Other									
i.	Trust & Foundations	550	50	600	0.00	2050	50	2100	0.01	0.01
ii.	Cooperative Societies	0	0	0	0.00	0	0	0	0.00	0.00
iii.	Educational Institutions	0	0	0	0.00	0	0	0	0.00	0.00
iv.	Non Resident Individual	348642	600	349242	2.23	393258	600	393858	2.52	0.29
v.	Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
vi.	OCBs	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(3)	**6997870**	**202143**	**7200013**	**46.05**	**7279864**	**184992**	**7464856**	**47.74**	**1.69**
	Total Public Shareholding (B)= (B) (1)+(B)(2)+(B)(3)	**7912290**	**203580**	**8115870**	**51.90**	**7516602**	**186329**	**7702931**	**49.26**	**-2.64**
	TOTAL (A)+(B)	**15432760**	**203580**	**15636340**	**100.00**	**15450011**	**186329**	**15636340**	**100.00**	**-**

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year (As on 01.04.2019)				No. of shares held at the end of the year (As on 31.03.2020)				% of Change during the year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A) +(B)+(C)	15432760	203580	15636340	100.00	15450011	186329	15636340	100.00	-

ii. **Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the at the end of the year (As on 31.03.2020)			% of Change during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Falak Investment Private Limited	7383470	47.22	0	7933409	50.74	0	3.52
2.	Trapu Cans Private Limited	137000	0.88	0	0	0	0	-0.88
	Total	**7520470**	**48.10**	**0**	**7933409**	**50.74**	**0**	**2.64**

iii. **Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of shares at the beginning 01.04.2019/ end of the year 31.03.2020	% of total share of the Company				No. of shares	% of total share of the Company
1	Falak Investment Private Limited	7383470	47.22	01.04.2019				
				28.11.2019	350000	Purchase	7733470	49.46
				20.03.2020	62939	Purchase	7796409	49.86
				23.03.2020	137000	Purchase	7933409	50.74
		7933409	50.74	31.03.2020			7933409	50.74
2	Trapu Cans Private Limited	137000	0.88	01.04.2019				
				23.03.2020	-137000	Sale	0	0.00
		0	0.00	31.03.2020			0	0.00

iv. **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

S.No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No of Shares at the Beginning 1.4.2019 /end of the Year 31.3.2020	% of total shares of the Company				Shares	% of total shares of the Company
1	Vijay Kedia	950000	6.08	01.04.2019				
				02.08.2019	-45000	Sale	905000	5.79
				09.08.2019	-90000	Sale	815000	5.21
				16.08.2019	-15000	Sale	800000	5.12
				30.08.2019	-25000	Sale	775000	4.96
				06.09.2019	-10000	Sale	765000	4.89
				20.03.2020	-150000	Sale	615000	3.93
		615000	3.93	31.03.2020			615000	3.93
2	Kedia Securities Private Limited	0	0	01.04.2019				
				02.08.2019	22417	Purchase	22417	0.14
				09.08.2019	57583	Purchase	80000	0.51
				16.08.2019	55000	Purchase	135000	0.86
				23.08.2019	15000	Purchase	150000	0.96
				30.08.2019	15000	Purchase	165000	1.06
				06.09.2019	20000	Purchase	185000	1.18
				17.01.2020	-67700	Sale	117300	0.75
				24.01.2020	-5568	Sale	111732	0.71
				31.01.2020	-43965	Sale	67767	0.43
				07.02.2020	-5762	Sale	62005	0.40
				14.02.2020	-19751	Sale	42254	0.27
				21.02.2020	-19006	Sale	23248	0.15
				06.03.2020	-1238	Sale	22010	0.14
				20.03.2020	75000	Purchase	97010	0.62
				27.03.2020	75000	Purchase	172010	1.10
		172010	1.1	31.03.2020			172010	1.10
3	Shubhamangal Credit Capital Private Limited	150000	0.96	01.04.2019		Nil movement during the year		
		150000	0.96	31.03.2020			150000	0.96
4	Dalton India (Master) Fund LP	126170	0.81	01.04.2019		Nil movement during the year		
		126170	0.81	31.03.2020			126170	0.81
5	Sonal D Shah	100000	0.64	01.04.2019		Nil movement during the year		
		100000	0.64	31.03.2020			100000	0.64
6	Urmila D Shah	100000	0.64	01.04.2019		Nil movement during the year		
		100000	0.64	31.03.2020			100000	0.64
7	Preeti N Shah	100000	0.64	01.04.2019		Nil movement during the year		
		100000	0.64	31.03.2020			100000	0.64

S.No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No of Shares at the Beginning 1.4.2019 /end of the Year 31.3.2020	% of total shares of the Company				Shares	% of total shares of the Company
8	Raj Kumar Mittal	117478	0.75	01.04.2019				
				07.06.2019	-21750	Sale	95728	0.61
				22.11.2019	-2000	Sale	93728	0.6
				06.03.2020	-6250	Sale	87478	0.56
		87478	0.56	31.03.2020			87478	0.56
9	Jagan Mohan Rao Ravela	6442	0.04	01.04.2019				
				26.04.2019	68063	Purchase	74505	0.48
		74505	0.48	31.03.2020			74505	0.48
10	ICICI Bank Limited	25058	0.16	1.4.2019				
				5.4.2019	13438	Purchase	38496	0.25
				12.4.2019	-651	Sale	37845	0.24
				19.4.2019	-1156	Sale	36689	0.23
				26.4.2019	1622	Purchase	38311	0.25
				3.5.2019	396	Purchase	38707	0.25
				10.5.2019	401	Purchase	39108	0.25
				17.5.2019	1148	Purchase	40256	0.26
				24.5.2019	80	Purchase	40336	0.26
				31.5.2019	-12296	Sale	28040	0.18
				7.6.2019	155	Purchase	28195	0.18
				14.6.2019	-350	Sale	27845	0.18
				21.6.2019	45	Purchase	27890	0.18
				28.6.2019	84	Purchase	27974	0.18
				5.7.2019	515	Purchase	28489	0.18
				12.7.2019	12379	Purchase	40868	0.26
				19.7.2019	-2041	Sale	38827	0.25
				26.7.2019	116	Purchase	38943	0.25
				2.8.2019	-276	Sale	38667	0.25
				9.8.2019	428	Purchase	39095	0.25
				16.8.2019	283	Purchase	39378	0.25
				23.8.2019	-543	Sale	38835	0.25
				30.8.2019	-11146	Sale	27689	0.18
				6.9.2019	301	Purchase	27990	0.18
				13.9.2019	-225	Sale	27765	0.18
				20.9.2019	3864	Purchase	31629	0.20
				27.9.2019	-3145	Sale	28484	0.18
				30.9.2019	-855	Sale	27629	0.18
				4.10.2019	2710	Purchase	30339	0.19
				11.10.2019	-1094	Sale	29245	0.19

S.No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No of Shares at the Beginning 1.4.2019 /end of the Year 31.3.2020	% of total shares of the Company				Shares	% of total shares of the Company
10	ICICI Bank Limited			18.10.2019	124	Purchase	29369	0.19
				25.10.2019	-10339	Sale	19030	0.12
				1.11.2019	-27	Sale	19003	0.12
				8.11.2019	13596	Purchase	32599	0.21
				15.11.2019	27	Purchase	32626	0.21
				22.11.2019	2932	Purchase	35558	0.23
				29.11.2019	-2788	Sale	32770	0.21
				6.12.2019	3086	Purchase	35856	0.23
				13.12.2019	224	Purchase	36080	0.23
				20.12.2019	297	Purchase	36377	0.23
				27.12.2019	15795	Purchase	52172	0.33
				31.12.2019	-98	Sale	52074	0.33
				3.1.2020	91	Purchase	52165	0.33
				10.1.2020	-15578	Sale	36587	0.23
				17.1.2020	-1381	Sale	35206	0.23
				24.1.2020	7297	Purchase	42503	0.27
				31.1.2020	-3990	Sale	38513	0.25
				7.2.2020	11929	Purchase	50442	0.32
				14.2.2020	1710	Purchase	52152	0.33
				21.2.2020	5215	Purchase	57367	0.37
				28.2.2020	10558	Purchase	67925	0.43
				6.3.2020	-3758	Sale	64167	0.41
				13.3.2020	-7039	Sale	57128	0.37
				20.3.2020	1743	Purchase	58871	0.38
				27.3.2020	-7023	Sale	51848	0.33
		61301	0.39	31.3.2020	9453	Purchase	61301	0.39

v. **Shareholding of Directors and Key Managerial Personnel:**

S.No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No of Shares at the Beginning 1.4.2019 /end of the Year 31.3.2020	% of total shares of the Company				Shares	% of total shares of the Company
1	M. L.Gupta (Independent Director)	30000	0.19	01.04.2019		Nil movement during the year		
		30000	0.19	31.03.2020			30000	0.19

S.No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No of Shares at the Beginning 1.4.2019 /end of the Year 31.3.2020	% of total shares of the Company				Shares	% of total shares of the Company
2	B. L.Taparia (Independent Director)	1000	0.01	01.04.2019				
				20.03.2020	6000	Purchase	7000	0.05
		7000	0.05	31.03.2020			7000	0.05
3	Alok Nanda (Independent Director)	10	0.00	01.04.2019		Nil movement during the year		
		10	0.00	31.03.2020			10	0.00
4	Manish Sanghi (Managing Director)	84707	0.54	01.04.2019				
				27.09.2020	-5000	Sale	79707	0.51
		79707	0.51	31.03.2020			79707	0.51
5	Y. Srinivasa Rao (Executive Director)	19210	0.12	01.04.2019				
				07.06.2019	12500	Purchase	31710	0.20
				27.09.2019	100	Purchase	31810	0.20
		31810	0.20	31.03.2020			31810	0.20

The following Directors/Key Managerial Personnel did not hold any shares during the financial year 2019-20

- Narotam Sekhsaria - Director
- Padmini Somani - Director
- Bhavna Doshi - Director
- Rajendra Chitale - Director
- Anant Talaulicar - Director
- Nikhil Dujari - Chief Financial Officer
- Neeraj Kohli - Company Secretary

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In Lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/04/2019)				
i) Principal Amount	8,998.91	-	-	8,998.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	31.44	-	-	31.44
Total (i+ii+iii)	**9,030.35**	**-**	**-**	**9,030.35**
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	(1,841.77)	-	-	(1,841.77)
Net Change	**(1,841.77)**	**-**	**-**	**(1,841.77)**
Indebtedness at the end of the financial year (31/03/2020)				
i) Principal Amount	7,161.31	-	-	7,161.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	27.27	-	-	27.27
Total (i+ii+iii)	**7,188.58**	**-**	**-**	**7,188.58**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Manish Sanghi	**Y. Srinivasa Rao**	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under 17(2) Income-tax Act, 1961	 207.90 0.14 -	 162.00 - -	 369.90 0.14 -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - Performance Incentive	 - -	 - -	 - -
5.	Others - PF & Superannuation	 24.95	 19.44	 44.39
6.	Others (Leave Encashment)	30.80	2.40	33.20
	Total (A)	**263.79**	**183.84**	**447.63***
	Ceiling as per the Act	₹ 334.32 lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).		

***** The Company is seeking approval of the shareholders in the 87th AGM of the Company for waiver of recovery of excess remuneration paid to Managing Director and Executive Director.

B. Remuneration to Other Directors:

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Non-Executive Director								Total Amount
		M. L. Gupta	**B. L. Taparia**	**Bhavna Doshi**	**Rajendra Chitale**	**Alok Nanda**	**Anant Talaulicar**	**Narotam Sekhsaria**	**Padmini Somani**	
1.	**Independent Directors**									
	Fee for attending board /committee meetings	4.30	4.10	4.10	3.60	2.00	1.20	-	-	19.30
	Commission	5.00	5.00	5.00	6.00	5.00	5.00	-	-	31.00
	Others	-	-	-	-	-	-			
	Total (1)	**9.30**	**9.10**	**9.10**	**9.60**	**7.00**	**6.20**	**-**	**-**	**50.30**
2.	**Other Non-Executive Directors**									
	Fee for attending board /committee meetings	-	-	-	-	-	-	2.00	3.00	5.00
	Commission	-	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**	**2.00**	**3.00**	**5.00**
	Total (B) = (1+2)	**9.30**	**9.10**	**9.10**	**9.60**	**7.00**	**6.20**	**2.00**	**3.00**	**55.30***
	Overall Ceiling as per the Act	₹ 33.43 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)								
	Total Managerial Remuneration									**478.63#**
	Overall Ceiling as per the Act	₹ 367.76 Lakhs (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)								

*Inclusive of sitting fee of ₹ 24.30

#Exclusive of sitting fee of ₹ 24.30

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO (Nikhil Dujari)	Company Secretary (Neeraj Kohli)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under 17(2) Income-tax Act, 1961	Not Applicable	 83.93 8.64 -	 20.30 4.54 -	 104.23 13.18 -
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - as % of profit - Performance Incentive		 - 9.97	 - 1.59	 - 11.56
5.	PF & Superannuation		2.98	1.79	4.77
	Others (Leave Encashment)		-	0.52	0.52
	Total (A)		**105.52**	**28.74**	**134.26**

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT Court]	Appeal Made, if any (give details)
A. COMPANY Penalty Punishment Compounding			None		
B. DIRECTORS Penalty Punishment Compounding			None		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			None		

For and on behalf of the Board

Place : Noida
Date : May 29, 2020

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director

ANNEXURE-8

Statement pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2020

Top ten employees in terms of remuneration drawn and employees in receipt of remuneration of not less than ₹1,02,00,000/- per year

Sr. No.	Name	Designation	Qualification	Age (Years)	Experience (Years)	Remuneration Gross (₹ In Lakhs)	Date of Commence-ment of Employment	Previous Employment	% of shares held in the Company
1.	Manish Sanghi	Managing Director	B.E. (Mech), PGDM (IIM-A)	57	34	263.79	16.01.2001	Delphi Automotive Systems Ltd. (General Manager - Marketing & Planning)	0.51
2.	Y. Srinivasa Rao	Executive Director	B.Sc. Engg. (Mech)	57	34	183.84	20.08.1997	Samcor Glass Ltd. (Manager)	0.20
3.	Nikhil Dujari	Chief Financial Officer	B.Com (H), C.A	47	24	105.52	03.09.2018	Essel Propack Limited	0.00
4.	Krishnakumar Subramanian	Senior Vice President & Head Business Unit	B.Tech (Mech), Executive MBA	48	27	98.33	25.04.2018	Larsen & Toubro Limited	0.00
5.	Rahul Chopra	Sr. Vice President & Head Roofing Business	B.A (H)	55	33	89.36	01.01.1988	Nil	0.04
6.	Hiten Girish Parekh	Head-Solar Business	HSC	41	16	60.38	07.11.2016	Waaree Energies Ltd	0.00
7.	Amit Gupta	Chief Sales & Marketing	Diploma in Civil and Sales & Mktg	46	25	56.33	03.05.2016	Interarch Building Products Pvt. Ltd	0.00
8.	Ruchi Puri	Vice President (Finance)	B.Com (H), AICWAI	53	29	53.62	03.09.1996	Montari Industries Ltd.	0.08
9.	Neelabh Kumar Singh	VP & Head Roofing Business	BBA, MBA (Marketing)	49	27	51.17	12.05.2008	Visaka Industries Ltd.	0.03
10.	Subrata Dutta	Vice President	B.E (Civil), MBA	52	30	48.01	05.11.1997	Polar Latex Limited	0.03

Notes:

1. Gross Remuneration shown above is subject to tax and comprises of salary, allowances, monetary value of perquisites, company's contribution to provident fund, officer's superannuation fund, performance incentive/commission and leave encashment.
2. All the above employments are permanent in nature except Mr. Manish Sanghi & Mr. Y. Srinivasa Rao which are contractual.
3. None of the above employees are related to any Director of the Company.
4. None of the employee was in receipt of remuneration aggregating ₹ 8,50,000 or more per month and employed for part of the Financial Year.

For and on behalf of the Board

Place : Noida
Date : May 29, 2020

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director

ANNEXURE -9

Particulars of Remuneration

Information as per Rule 5 (1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2020;

Particulars	Ratio of the remuneration of each director to Median Remuneration of the employees
Non-Executive Directors	
M. L. Gupta	1:2.53
Bhavna Doshi	1:2.48
B. L. Taparia	1:2.48
Narotam Sekhsaria	1:0.54
Padmini Somani	1:0.82
Rajendra Chitale	1:2.62
Alok Nanda	1:1.91
Anant Talaulicar*	1:1.69
Executive Directors	
Manish Sanghi	1:72
Y. Srinivasa Rao	1:50

***** Appointed as Director w.e.f. 21.11.2019

(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year ended March 31, 2020;

Name of Person	Remuneration (₹ in lakhs)		% increase in remuneration
	2018-19	2019-20	
M. L. Gupta	14.40	9.30	(35.42)
Bhavna Doshi	13.30	9.10	(31.58)
B. L. Taparia	16.20	9.10	(43.83)
Narotam Sekhsaria*	0.80	2.00	N.A.
Padmini Somani*	0.80	3.00	N.A.
Rajendra Chitale**	0.80	9.60	N.A.
Alok Nanda**	0.80	7.00	N.A.
Manish Sanghi***	231.78	263.79	13.81
Y. Srinivasa Rao****	179.74	183.84	2.28
Nikhil Dujari#	81.02	105.52	9.24
Neeraj Kohli##	24.07	28.74	19.40

* Mr. Narotam Sekhsaria & Ms. Padmini Somani have been appointed as non-executive Directors w.e.f. 26.02.2019.
** Mr. Rajendra Chitale & Mr. Alok Nanda have been appointed as Independent Directors w.e.f. 23.01.2019.
*** Remuneration of Mr. Manish Sanghi includes leave encashment of ₹ 3.47 Lakhs for the FY 2018-19 and ₹ 30.80 Lakhs for the FY 2019-20.
**** Remuneration of Mr. Y. Srinivasa Rao includes leave encashment of ₹ 1.44 Lakhs for the FY 2018-19 and ₹ 2.40 Lakhs for the FY 2019-20.
\# Mr. Nikhil Dujari was employed for part of the year in 2018-19. Percentage increase in remuneration is calculated on annualised basis.
\## Remuneration of Mr. Neeraj Kohli includes leave encashment of ₹ 0.51 Lakhs for the FY 2018-19 and ₹ 0.52 Laksh for the FY 2019-20.

Note: Mr. Anant Talaulicar has been appointed as Independent Director w.e.f 21.11.2019. Therefore, his name has not been mentioned in the table.

(c) The percentage increase in the median remuneration of employees in the financial year : 8.00%

(d) The number of permanent employees on the rolls of company: 1428

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average increase in salaries of employees other than managerial personnel in 2019-20 was 8.00%. Percentage increase in the managerial remuneration for the year was 10.93%.

(f) Affirmation that the remuneration is as per the remuneration policy of the Company

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavors to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the quarterly appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board

Place : Noida
Date : May 29, 2020

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director

CORPORATE GOVERNANCE REPORT

1. Company's Practice on Corporate Governance

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the Organization. We consider stakeholders as our partners in our success and remain committed to maximizing stakeholder value. Good Corporate Governance leads to long term stakeholders' value. Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness. Your Company is committed to the adoption of and adherence to the best Corporate Governance practices at all times and continuously benchmarks itself with the best standards of Corporate Governance, not only in form but also in spirit.

2. Board of Directors

The Company has a high profile Board of Directors ("Board") with varied management expertise. The Board's roles, functions, responsibilities and accountabilities are known to them due to their vast experience. Notice, Agenda and Minutes of the Board Meetings/Committee Meetings are circulated to the Directors well in advance and confirmed at the subsequent meetings.

A. Composition of Board

The Board of the Company as on 31st March, 2020 consists of ten Directors, out of which two are Executive Directors and eight are Non-Executive Directors including two women Directors. Out of eight Non-Executive Directors, six are Independent Directors including one woman Independent Director. The Company has an appropriate size of the Board for real strategic discussion and avails benefit of diverse experience and viewpoints. The composition of the Board is in conformity with the requirements of Regulation 17(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

B. Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are paid sitting fee as well as commission for attending various meetings of the Board & Committees within the limits prescribed under Section 197(1) of the Companies Act, 2013 ("Act"). The amount of commission is based on the performance of the Company and role & performance of the Non-Executive Directors. The commission is approved by the Board. No stock options were granted to Non-Executive Directors during the financial year 2019-20 ("year").

The Non-Executive Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees and commission to them during the year.

Directors are not serving as Independent Directors in more than seven listed companies. The Directors of the Company who hold the position of Whole Time Director in a listed company do not serve as Independent Director in more than three listed companies.

C. Key Board skills, expertise and competencies

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Leadership	Ability to inspire, motivate and offer direction & leadership to others and represent the company before internal & external stakeholders
Management	Knowledge or expertise or understanding of sound management and business principles or experience of working in senior management position of any organization
Financial expertise	An understanding of financial statements and the accounting principles used by the company to prepare its financial statements including the ability to assess the general application of such accounting principles in connection with the accounting for the company
Governance	Commitment to the highest standards of governance with clear understanding of roles and responsibilities of Board of a Company and responsibilities as Director
Strategy Development and Implementation	Experience in developing and implementing business strategies or ability to give strategic insights to key business objectives
Global Business	Experience in driving business success in markets around the world, with an understanding of diverse business
Knowledge of Media sector	Understanding of the working of Media Sector including but not limited to areas like challenges, opportunities, business models, revenue streams, business processes & practices etc.
Legal and Regulatory	Understanding of the regulatory environment under which the Company operates along with exposure in handling regulatory matters with a listed company or major organization and/or experience in providing legal/regulatory advice and guidance within a complex regulatory regime
Risk Management	Experience in enterprise risk management in the relevant industry, and understanding of the Boards role in the oversight of risk management principles.

Human resource	Experience in developing strategies or handling matters like development of talent and retention, succession planning etc.
Technical	Experience in Manufacturing, Production process and other technical aspects of the Business, Research and Development knowledge for new products and product lines

Core skills, expertise and competencies	Narotam Sekhsaria Non Executive Director	Padmini Somani Non Executive Director	M. L. Gupta Independent Director	B. L. Taparia Independent Director	Bhavna Doshi Independent Director	Rajendra Chitale Independent Director	Alok Nanda Independent Director	Anant Talaulicar Independent Director	Manish Sanghi Managing Director	Y Srinivasa Rao Executive Director
Leadership	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Financial expertise	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Strategy Development and Implementa-tion	Yes	Yes	-	-	-	-	Yes	Yes	Yes	Yes
Global Business	Yes	-	-	-	Yes	Yes	-	Yes	Yes	Yes
Knowledge of Media sector	Yes	Yes	Yes	-	-	-	Yes	Yes	Yes	-
Legal and Regulatory	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	-
Risk Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Human resource	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical	Yes	-	Yes	-	-	-	-	Yes	Yes	Yes

D. Other provisions as to Board and Committees

The Board as on 31st March, 2020 comprises of Mr. Narotam Sekhsaria and Ms. Padmini Somani as Non-Executive Directors, Mr. M. L. Gupta, Mr. B. L. Taparia, Mrs. Bhavna Doshi, Mr. Rajendra Chitale, Mr. Alok Nanda and Mr. Anant Talaulicar as Non-Executive Independent Directors, Mr. Manish Sanghi as Managing Director and Mr. Y. Srinivasa Rao as Executive Director.

During the year, six meetings of the Board of Directors were held on 1st May, 2019, 23rd July, 2019, 23rd October, 2019, 21st November, 2019, 31st January, 2020, and 24th March, 2020 with clearly defined agenda, circulated well in advance before each meeting. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are members of more than 10 Committees or Chairman of more than 5 Committees across the Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public Companies in the beginning of the every financial year have been made by the Directors as per Regulation 26(2) of the SEBI Listing Regulations.

Details of attendance of Directors at Board Meetings held during the period under review and at the last Annual General Meeting (AGM) held on 24th July, 2019, with particulars of their Directorships and Chairmanship/Membership of Board Committees of other public limited companies and listed companies (as per the disclosures received from Directors) showing the position as on 31st March, 2020 are given below:

Name of Director	Particulars of attendance		No. of Directorships and Committee Membership/Chairmanship held in other public Companies (including listed entities)*			Category of Directors	Directorship in other listed entity (Category of Directorship)
	Board Meetings	Last AGM	Other Directorship	Other Committee Member	Other Committee Chairman		
Mr. Narotam Sekhsaria (DIN: 00276351)	5 of 6	No	3	-	-	Non-Executive Director	• Ambuja Cements Limited (Non-Independent, Non-Executive Director) • ACC Limited (Non-Independent, Non-Executive Director)
Ms. Padmini Somani (DIN: 00046486)	5 of 6	No	-	-	-	Non-Executive Director	Nil
Mr. M. L. Gupta (DIN: 00088685)	6 of 6	Yes	-	-	-	Independent Non-Executive Director	Nil
Mr. B. L. Taparia (DIN: 00016551	6 of 6	Yes	-	-	-	Independent Non-Executive Director	Nil
Mrs. Bhavna Doshi (DIN: 00400508)	6 of 6	Yes	7	1	4	Independent Non-Executive Director	• Sun Pharma Advanced Research Company Limited (Independent, Non-Executive Director) • Torrent Power Limited (Independent, Non-Executive Director) • Indusind Bank Ltd. (Independent, Non-Executive Director)
Mr. Rajendra Chitale (DIN: 00015986)	6 of 6	No	4	3	2	Independent Non-Executive Director	• Ambuja Cements Limited (Independent, Non-Executive Director)

Name of Director	Particulars of attendance		No. of Directorships and Committee Membership/Chairmanship held in other public Companies (including listed entities)*			Category of Directors	Directorship in other listed entity (Category of Directorship)
	Board Meetings	Last AGM	Other Directorship	Other Committee Member	Other Committee Chairman		
Mr. Anant Talaulicar** (DIN: 00031051)	2 of 2	NA	5	2	1	Independent Non-Executive Director	• Birlasoft Limited (Independent, Non-Executive Director) Force Motors Limited (Independent, Non-Executive Director) India Nippon Electricals Limited (Independent, Non-Executive Director) • The HI-Tech Gears Limited (Non-Executive Director) KPIT Technologies Limited (Independent, Non-Executive Director)
Mr. Alok Nanda (DIN: 02149755)	5 of 6	No	-	-	-	Independent Non-Executive Director	Nil
Mr. Manish Sanghi (DIN: 00088527)	6 of 6	Yes	1	-	-	Managing Director	Nil
Mr. Y. Srinivasa Rao (DIN: 01289086)	5 of 6	Yes	1	-	-	Executive Director	Nil

* Other directorships do not include Directorship as alternate directorships, directorships of private limited companies, companies incorporated under section 8 of Companies Act, 2013 and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit and Stakeholders Relationship Committees of public limited companies.

** Mr. Anant Talaulicar has been appointed as an Additional Independent Director of the Company w.e.f. 21.11.2019.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations from Independent Directors. All requisite declarations have been placed before the Board. In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI Listing Regulations and are independent of the Management.

Other than Mr. Narotam Sekhsaria and Ms. Padmini Somani, none of other Directors of the Company are related to any other Director of the Company. Mr. Narotam Sekhsaria is related with Ms. Padmini Somani being her father.

Mr. Tanuj Vohra of TVA & Co. LLP, Practicing Company Secretaries, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified for being appointed or continuing as Directors of companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this report.

E. Code of Conduct

The Board of Directors has adopted and laid down the Code of Conduct for all Directors and Senior Management Personnel, which comprises of members of Management one level below the Executive Director, including all Functional, Works and Zonal Heads. The Code is posted and available at the website of the Company at www.everestind.com/disclosures-under-statutory-enactments.

The members of the Board and Senior Management personnel have affirmed the compliance with the Code during the year ended on 31st March, 2020. The Annual Report of the Company contains a declaration by the Managing Director in terms of Para D of Schedule V of the SEBI Listing Regulations based on the compliance declarations received from the Board Members and Senior Management.

F. Performance Evaluation

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, leadership attribute of directors through vision and values, strategic thinking and decision making, adequacy of business strategy etc.

The performance evaluation of the Independent Directors was done by the entire Board excluding the Directors being evaluated. The performance evaluation of the Board as a whole and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

G. Familiarization Programme conducted for Independent Directors

The Company conducted Familiarization Programme for its independent directors on 31st January, 2020. The details of Familiarization programme are available on the Company's website at the link www.everestind.com/disclosures-under-statutory-enactments.

3. Board Committees

The Board has constituted four Committees namely Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.

3.1 Audit Committee

A. Qualified and Independent Audit Committee

The Company complies with Section 177 of the Act as well as requirements under SEBI Listing Regulations pertaining to the Audit Committee. The Audit Committee, as on 31st March, 2020, consists of six members out of which five members are Independent Directors and one members is Non-Executive Director. All members of the Committee are financially literate and having the requisite financial management expertise. Mr. Rajendra Chitale, Independent Director, has been appointed as Chairman of Audit Committee w.e.f. 03.05.2019.

Mr. Chitale was unable to attend the last Annual General Meeting due to his prior engagement. The Chairman of Audit Committee authorized Mr. B. L. Taparia, member of the Audit Committee to represent the Audit Committee in the last Annual General Meeting of the Company. Mr.Taparia was present at the last Annual General Meeting held on 24th July, 2019 as representative of the Audit Committee.

B. Terms of Reference

The Committee has its Charter. The brief description of terms of reference of the Audit Committee is mentioned below:

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements and auditor's report thereon.
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Approval of the related party transactions as per policy of the Company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Scrutiny of inter-corporate loans and investments.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory and internal auditor(s) and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including frequency of internal audit.
- Discussion with internal auditor(s) of any significant findings and follow up there on.
- Reviewing the findings of any internal observations by the internal auditor(s) into matters where there is irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To review the functioning of the Vigil Mechanism.
- Management discussion and analysis of financial condition and results of operations.

C. Composition, Meetings and Attendance

The Committee, as on 31st March, 2020, comprises of Mr. Rajendra Chitale (Chairman), Mr. B. L. Taparia (Member), Mr. M. L. Gupta (Member), Mrs. Bhavna Doshi (Member), Ms. Padmini Somani (Member) and Mr. Anant Talaulicar (Member).

During the year, six Audit Committee Meetings were held on 22nd April, 2019, 1st May, 2019, 23rd July, 2019, 23rd October, 2019, 21st November, 2019 and 31st January, 2020. The number of meetings held and number of meetings attended by the Members during the year are given below:

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Mr. Rajendra Chitale	Independent Director	6	6
Mr. B. L. Taparia	Independent Director	6	6
Mr. M. L. Gupta	Independent Director	6	6
Mrs. Bhavna Doshi	Independent Director	6	6
Ms. Padmini Somani*	Non Executive Director	3	3
Mr. Anant Talaulicar**	Independent Director	1	1

*Ms. Padmini Somani was co-opted as Member of Audit Committee w.e.f. 24.07.2019.

** Mr. Anant Talaulicar was co-opted as Member of Audit Committee w.e.f. 06.12.2019.

Managing Director, Executive Director, Chief Financial Officer, Internal Auditor, Statutory Auditors and Senior Management Executives of the Company attend the Audit Committee meetings by invitation. The Company Secretary acts as the Secretary of the Committee. All the recommendations made by the Audit Committee during the year were accepted by the Board.

3.2 Stakeholders Relationship Committee

A. Composition

The Stakeholders Relationship Committee, as on 31st March, 2020, comprises of Mr. M. L. Gupta (Chairman), Mr. Manish Sanghi (Member) and Mr. Y. Srinivasa Rao (Member).

B. Terms of Reference

i. To consider and resolve the grievances of security holders of the Company.

ii. To approve applications for transfer, transmission, transposition of shares and mutation of share certificates including issue of duplicate certificates, split, sub-division or consolidation of certificates and to deal with all related matters.

iii. To look into and redress the shareholders / investors grievances relating to:

  a. Transfer of shares;

  b. Non-receipt of dividends;

  c. Non-receipt of annual reports; and

  d. Any other complaint concerning the Shareholders / investors

iv. The Committee will oversee the performance of the Registrars and Share Transfer Agents of the Company.

v. Such other matters as may from time to time be required by any statutory or regulatory authority to be attended by the Committee.

vi. Consider other matters, as from time to time be referred to it by the Board.

C. Meetings and attendance during the year:

During the year, four meetings of the Stakeholders Relationship Committee were held on 22nd April, 2019, 23rd July, 2019, 23rd October, 2019 and 31st January, 2020. The number of meetings held and number of meetings attended by the Members during the year are given below:

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Mr. M. L. Gupta	Independent Director	4	4
Mr. Manish Sanghi	Managing Director	4	4
Mr. Y. Srinivasa Rao	Executive Director	4	4

The Stakeholders Relationship Committee approved transmission, transfer, issue of duplicate shares through resolution by circulation twenty one (21) times during the year. During the year, the Company has received one (1) complaint from a shareholder and the same was duly resolved. Mr. Neeraj Kohli, Company Secretary & Head Legal is the Compliance Officer of the Company.

3.3 Nomination and Remuneration Committee

A. Composition

The Nomination and Remuneration Committee, as on 31st March, 2020, comprises of Mr. B. L. Taparia (Chairman), Mr. M. L. Gupta (Member), Mrs. Bhavna Doshi (Member), Ms. Padmini Somani (Member) and Mr. Anant Talaulicar (Member). Mr. B. L. Taparia, Independent Director, has been appointed as Chairman of Nomination & Remuneration Committee w.e.f. 24.10.2019.

B. Terms of reference

The Terms of reference of Nomination and Remuneration Committee, *inter-alia,* includes:

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

b) Formulation of the criteria for determining qualifications, positive attributes and independence of the Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

c) Determine/ review on behalf of Board of Directors of the Company the compensation package, service agreements and other employment conditions for Managing/Whole Time Director(s).

d) Devising a policy on diversity of Board of Directors.

e) Determine on behalf of the Board of Directors of the Company the quantum of annual increments/incentives on the basis of performance of the Key Managerial Personnel. Delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.

f) Formulate, amend and administer stock options plans and grant stock options to Managing / Whole Time Director(s) and employees of the Company.

g) Delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.

h) Consider other matters, as from time to time be referred to it by the Board.

C. Meetings and attendance during the year

During the year, five meetings of Nomination and Remuneration Committee were held on 22nd April, 2019, 1st May, 2019, 21st November, 2019, 31st January, 2020 and 24th March, 2020.

The number of meetings held and number of meetings attended by the Members during the year are given below:

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Mr. B. L. Taparia	Independent Director	5	5
Mr. M. L. Gupta	Independent Director	5	5
Mrs. Bhavna Doshi	Independent Director	5	5
Ms. Padmini Somani*	Non Executive Director	5	4
Mr. Anant Talaulicar**	Independent Director	2	2

*Ms. Padmini Somani was co-opted as Member of Nomination & Remuneration Committee w.e.f. 10.04.2019.

**Mr. Anant Talaulicar was co-opted as Member of Nomination & Remuneration Committee w.e.f. 06.12.2019.

All recommendations made by the Nomination and Remuneration Committee during the year were accepted by the Board.

D. Remuneration policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the quarterly appraisal process.

The Nomination, Remuneration and Board Diversity Policy of the Company is available on the website of the Company at www.everestind.com/uploads/Files/342invuf_Nomination-BoardDiversityPolicy.pdf.

E. Details of Remuneration of Executive Directors for the Financial Year 2019-20

Name and Designation	Mr. Manish Sanghi Managing Director	Mr. Y. Srinivasa Rao Executive Director
Tenure of Appointment	Five years ending on 30th September, 2021	Five (5) years ended on 22nd April, 2020. Approval for re-appointment for Two (2) years upto 22nd April, 2022 is proposed in the Notice of 87th Annual General Meeting
Salary (₹)	92,40,000	72,00,000
Perquisites/Allowances (₹)	1,15,64,208	90,00,000
Commission (₹)	-	-
Performance Incentive (₹)	-	-
Contributions to Provident Fund/Superannuation Fund (₹)	24,94,800	19,44,000
Others (₹)	30,80,000	2,40,000
Perquisites value of ESOS (₹)	-	
Total (₹)	**2,63,79,008**	**1,83,84,000**

Notice period for termination of appointment of Executive Directors is three months on either side. Apart from the salary in lieu of the notice period, no other severance fees is payable.

During the year, no options under Employees Stock Options Scheme have been granted to Managing Director or Executive Director.

F. Details of Remuneration of Non-Executive Directors for the Financial Year 2019-20

The Non-Executive Directors are entitled to sitting fee for attending the Board/ Committee Meetings. The Non-Executive Directors are paid sitting fees at the rate of ₹ 40,000/- for each Board Meeting; ₹ 20,000/- for each Audit Committee Meeting; ₹ 10,000/- for each Nomination and Remuneration Committee Meeting and ₹ 5,000/- for each Stakeholder Relationship Committee Meeting. The Non-Executive Directors are also paid commission up to 1% of the net profit of the Company as decided by the Board of Directors. The sitting fee and commission paid to the Non-Executive Directors for the year ended 31st March, 2020 are as under:

Name	Mr. Narotam Sekhsaria	Ms. Padmini Somani	Mr. M. L. Gupta	Mr. B. L. Taparia	Mrs. Bhavna Doshi	Mr. Rajendra Chitale	Mr. Alok Nanda	Mr. Anant Talaulicar
Sitting fees (₹)	2,00,000	3,00,000	4,30,000	4,10,000	4,10,000	3,60,000	2,00,000	1,20,000
Commission (₹)	-	-	5,00,000	5,00,000	5,00,000	6,00,000	5,00,000	5,00,000
Total (₹)	**2,00,000**	**3,00,000**	**9,30,000**	**9,10,000**	**9,10,000**	**9,60,000**	**7,00,000**	**6,20,000**

Note:

1. Mr. M. L. Gupta holds 30,000 equity shares, Mr. B. L. Taparia holds 7,000 equity shares and Mr. Alok Nanda holds 10 equity shares of the Company as on 31st March, 2020. None of the remaining Non-Executive Directors hold any shares of the Company.
2. There has been no pecuniary relationship or transactions other than above of the Non-Executive Directors vis-à-vis the Company during the year under review.

G. Performance Evaluation Criteria

Performance Evaluation Criteria for Independent Directors has been explained in the Board's Report under the heading "Board Evaluation".

3.4 Corporate Social Responsibility Committee

A. Composition

The Corporate Social Responsibility Committee, as on 31st March, 2020, comprises of Ms. Padmini Somani (Chairperson), Mr. M. L. Gupta (Member), Mr. Alok Nanda (Member), Mr. Manish Sanghi (Member) and Mr. Y. Srinivasa Rao (Member).

B. Terms of Reference

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

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

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

d) To monitor the implementation of Business Responsibility Policy of the Company from time to time; and

e) To consider other matters, as from time to time, may be referred to it by the Board.

C. Meetings and attendance during the year:

During the year, two meetings of Corporate Social Responsibility Committee were held on 22nd April, 2019 and 31st January, 2020. The number of meetings held and the number of meetings attended by the Members during the year are given below:

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Ms. Padmini Somani	Non Executive Director	2	2
Mr. M. L. Gupta	Independent Director	2	2
Mr. Alok Nanda	Independent Director	2	2
Mr. Manish Sanghi	Managing Director	2	2
Mr. Y. Srinivasa Rao	Executive Director	2	2

The Company has formulated CSR Policy which may be accessed on the Company's website at the link - www.everestind.com/uploads/Files/194invuf_CSR-Policy_Final.pdf.

All the recommendations made by the CSR Committee during the year were accepted by the Board.

4. Independent Directors Meeting

Independent Directors are regularly updated on the performance of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. Mr. M. L. Gupta, Mr. B. L. Taparia, Mrs. Bhavna Doshi, Mr. Rajendra Chitale, Mr. Alok Nanda and Mr. Anant Talaulicar, Independent Directors of the Company, met on 24th March, 2020 without the attendance of non independent directors and members of the management to:

i. Review the performance of non-independent directors and the Board as a whole;

ii. Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

5. Disclosures

5.1 Holding and Subsidiary Company

i. Falak Investment Private Limited, promoter of the Company, has become holding company of the Company w.e.f. March 23, 2020.

ii. The Company has one wholly owned subsidiary company in India viz. Everest Building Solutions Limited.

iii. The Company has two foreign subsidiaries viz., Everest Building Products in Mauritius and Everestind FZE in Jebel Ali Free Zone, Dubai, UAE.

5.2 Basis of Related Party Transactions

The particulars of transactions between the Company and its related parties are as per the Indian Accounting Standard 24 "Related Party Disclosures" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 are disclosed in the Standalone Annual Accounts (Note No. 2.38). During the year, the Company had taken omnibus approval from Audit Committee for export of Fibre Cement Boards and Panels to its wholly owned subsidiary viz. Everestind FZE ("EFZE") in Dubai, UAE and for availing services of Purple Apple Infosystems LLP (a firm in the field of augmented reality solutions and mobile application promoted by Mrs. Y Amrutha Valli wife of Mr. Y. Srinivasa Rao, Executive Director) for development of augmented reality mobile application for marketing of Company's products and for providing training for installation of products . There were no transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis. Further, no related party transaction has been taken place which is materially significant or that may have potential conflict with the interests of the Company at large.

5.3 Disclosure of weblink of Policy for Determining Material Subsidiaries and Policy on Dealing with Related Party Transactions

As required by SEBI Listing Regulations, web link of the website of the Company where members can view or download Policy for determining Material Subsidiaries is www.everestind.com/uploads/Files/162invuf_MaterialSubsidiaryPolicy.pdf and for Policy on dealing with related party transactions is www.everestind.com/uploads/Files/161invuf_Related-Party.pdf.

5.4 Risk Management

The Company has Risk Management Policy to mitigate the risks. The Company manages and monitors the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Internal Auditor of the Company prepares quarterly risk analysis reports which are reviewed and discussed in the Audit Committee Meetings.

5.5 Proceeds from Public Issues, Right Issues and Preferential Issues etc.

During the year, the Company has not raised any money from public issues, right issues, preferential issues etc.

5.6 Vigil Mechanism Policy

Pursuant to Section 177 of the Act and rules made thereunder and the SEBI Listing Regulations, the Company has in place a mechanism for Directors, employees, vendors and customers to report concerns about unethical behaviour, actual or suspected fraud, violation of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimization of Whistle Blower who avail the mechanism and also provides for direct access to the Whistle Blower to the Chairman of the Audit Committee. Pursuant thereto, a dedicated helpline "Ethics Helpline" has been set-up which is managed by an independent professional organization. Whistle Blower can report concern through any of the following:

E-mail	:	everest@ethicalview.com
National Toll Free Phone Number	:	1800 209 9098
Fax Number	:	+91 (22) 66459131
Address	:	PO Box No. 6, Pune – 411001

We affirm that during the financial year ended 31st March, 2020, no employee has been denied access to the Chairman of Audit Committee. The Company has formulated Vigil Mechanical Policy which may be accessed on the Company's website at www.everestind.com/uploads/Files/163invuf_VigilMechanisimPolicy.pdf.

5.7 Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Business risk evaluation is an ongoing process within the Company. The Company imports certain raw materials from various sources for manufacturing of building products. The Company enters into long term contracts with some suppliers for procurement of raw materials. The Company has managed the foreign exchange risk with appropriate activities in accordance with laid down policies of the Company which are regularly assessed. The assessment is periodically evaluated by the Board Members. The Company does not undertake any commodity hedging activities. The details of foreign currency exposure are disclosed in Note No. 2.36 of the standalone financial statements.

5.8 There is no non-compliance by the Company and no penalty, stricture imposed on the Company by Stock Exchange(s) or SEBI or any other Statutory Authority on any matter related to capital markets, during the last three years.

5.9 The Company is in compliance with the mandatory requirements in respect of Corporate Governance to the extent applicable as required under SEBI Listing Regulations.

5.10 The Company has adopted the following non-mandatory requirements under Regulation 27(1) of the SEBI Listing Regulations:

- Modified opinion(s) in Audit Report
- Reporting of Internal Auditor

6. Shareholders

i. The quarterly results and presentations made by the Company to analysts are put on the Company's website www.everestind.com.

ii. The Company sends Annual Report through email to those Shareholders who have registered their email ids with Depository Participant (DP) and with the Registrar and Share Transfer Agent (RTA) of the Company & physical copies of Annual Report to those Shareholders whose email Ids are not registered with DP/RTA. However, in compliance with the circulars issued by Ministry of Corporate Affairs and SEBI, Notice of the 87th Annual General Meeting along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories.

7. Means of Communication

The Quarterly/Half Yearly/Annual Financial Results of the Company are forwarded to BSE Limited and National Stock Exchange of India Limited where the Company's shares are listed and also published in Business Standard, Mumbai & Sakal, Nashik. The Quarterly/ Half Yearly/Annual Financial Results are also displayed on the Company's website www.everestind.com and Stock Exchanges websites www.nseindia.com and www.bseindia.com. Presentations to analysts and institutional investors and other general information about the Company are also available on the Company's website.

8. Prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (" SEBI PIT Regulations"), the Company has adopted Code of Practices and Procedures for Fair Disclosure and Code of conduct to regulate, monitor and reporting trading by insiders. The codes advise procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautioning them on consequences of non-compliances.

In compliance with the SEBI PIT Regulations, the Company has instituted "Everest Insider Compliance Portal" an IT tool through which a structured digital database is maintained containing the names of such persons or entities as the case may be with whom Unpublished Price Sensitive Information is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Database in IT tool is stored with adequate internal controls and checks as per the requirements of SEBI PIT Regulations.

9. Compliance Certificate by CEO/CFO

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI Listing Regulations. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI Listing Regulations. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Annual Report.

10. General Body Meetings (Held in the last 3 years)

Year	AGM/ EGM	Venue of the Meeting	Date	Time
2019	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	24th July, 2019	12.30 P.M.
2019	EGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	26th February, 2019	11.00 A.M.
2018	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	25th July, 2018	12.30 P.M.
2017	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	26th July, 2017	12.30 P.M.

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

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

i. At the 84th Annual General Meeting held on 26th July, 2017, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme-2017 to the specified employees during the financial year 2017-18.

ii. At the 85th Annual General Meeting held on 25th July, 2018, Special Resolutions were passed for:

a) fixing the remuneration payable to Mr. Y. Srinivasa Rao, Whole Time Director designated as Executive Director of the Company.

b) authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme-2018 to the specified employees during the financial year 2018-19.

c) continuation of directorship of Mr. M. L. Gupta as an independent non-executive director of the Company who has attained the age of 75 years.

iii. At the 86th Annual General Meeting held on 24th July, 2019, Special Resolutions were passed for:

a) fixing the remuneration payable to Mr. Manish Sanghi, Managing Director of the Company.

b) re-appointment of Mr. M. L. Gupta as an Independent Director of the Company.

c) authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme -2019 to the specified employees during the financial year 2019-20.

During the year, no approval of shareholders was taken through Postal Ballot.

11. Company is in compliance with the requirement of Corporate Governance specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations. A certificate by practicing company secretary confirming compliance of the conditions of the Corporate Governance is annexed to this report.

12. General Shareholder's Information

i.	Annual General Meeting Day, Date, Time and Venue	Thursday, August 27, 2020 at 11.30 am (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
ii.	Financial Year	1st April, 2019 to 31st March, 2020
iii.	Record Date	20th August, 2020
iv.	Sending of Annual Report	On or before 3rd August, 2020.
v.	Dividend	₹ 1 per equity share of face value of ₹ 10/- each.
vi.	Dividend Payment date	Dividend, if any, declared in the forthcoming 87th Annual General Meeting will be paid on or before 25th September, 2020.
vii.	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 financial year 31st March, 2012 has been transferred to the Investor Education & Protection Fund established by the Government. The Company will transfer the dividend for the financial year ended 31st March, 2013, which have remained unclaimed to the said fund in September, 2020. Members who have not claimed/encashed their dividend/dividend warrants for the Financial Year 2012-2013 & onwards may approach the Company for obtaining demand draft in lieu of unpaid dividend.
viii.	Financial Calendar	
	a) Unaudited Financial Results for the quarter ending 30th June, 2020, Quarter and half year ending 30th September, 2020, Quarter and nine months period ending 31st December, 2020.	Within 45 days from the end of each quarter as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
	b) Audited Financial Results for the quarter/year ending 31st March, 2021.	Within 60 days from the end of the last quarter/year as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
ix.	Stock Exchanges on which Company's Shares are listed	BSE Limited and National Stock Exchange of India Limited Annual Listing fees for the Financial Year 2020-21 has been paid to the respective stock exchanges within the prescribed time.
x.	Corporate Identification Number (CIN) of the Company	L74999MH1934PLC002093
xi.	Registered Office	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)

13. Stock Code

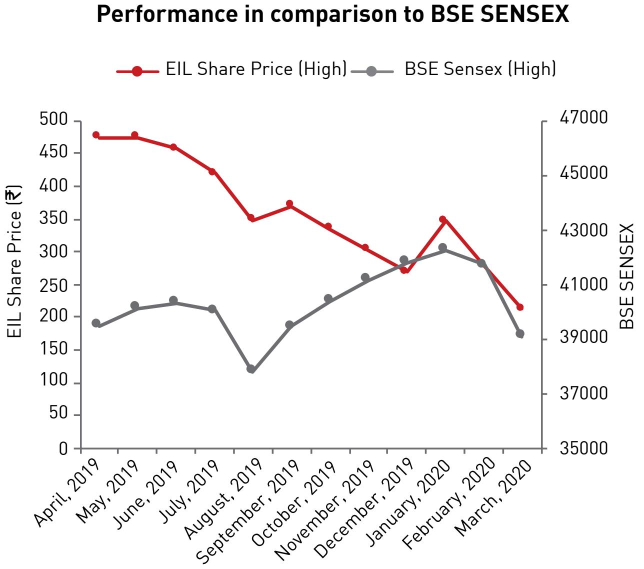
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400 001	-	508906
National Stock Exchange of India Limited Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai-400 051	-	EVERESTIND
ISIN of the Company	-	INE295A01018

14. Market Price Information

i. The reported high and low share prices during the year ended 31st March, 2020 on BSE, where your Company's shares are traded vis-à-vis BSE Sensex, are given below:

MONTH	BSE Limited*		BSE SENSEX*	
	HIGH (₹)	LOW (₹)	HIGH	LOW
April, 2019	475.00	423.95	39,487.45	38,460.25
May, 2019	474.90	392.65	40,124.96	36,956.10
June, 2019	457.55	391.65	40,312.07	38,870.96
July, 2019	419.95	290.25	40,032.41	37,128.26
August, 2019	347.75	283.00	37,807.55	36,102.35
September, 2019	370.00	284.15	39,441.12	35,987.80
October, 2019	334.85	282.20	40,392.22	37,415.83
November, 2019	302.95	254.00	41,163.79	40,014.23
December, 2019	269.50	237.80	41,809.96	40,135.37
January, 2020	346.65	249.40	42,273.87	40,476.55
February, 2020	278.20	206.45	41,709.30	38,219.97
March, 2020	213.00	120.00	39083.17	25,638.90

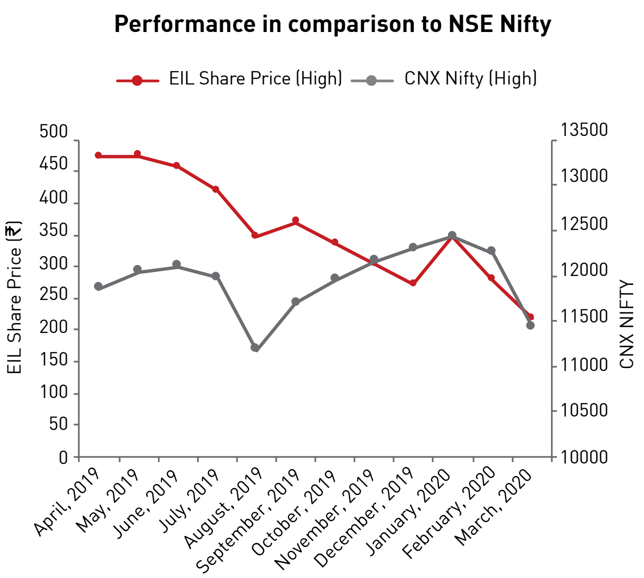
*Based on BSE website



ii. The reported high and low share prices during the year ended 31st March, 2020 on the NSE, where your Company's shares are traded vis-à-vis CNX Nifty are given below:

MONTH	National Stock Exchange of India Limited (NSE)*		CNX NIFTY*	
	HIGH (₹)	LOW (₹)	HIGH	LOW
April, 2019	473.45	425.65	11856.15	11549.10
May, 2019	474.40	392.10	12041.15	11108.30
June, 2019	457.45	392.60	12103.05	11625.10
July, 2019	420.30	290.10	11981.75	10999.40
August, 2019	347.00	282.20	11181.45	10637.15
September, 2019	370.00	285.00	11694.85	10670.25
October, 2019	336.65	281.30	11945.00	11090.15
November, 2019	303.95	253.25	12158.80	11802.65
December, 2019	271.70	238.00	12293.90	11832.30
January, 2020	346.90	249.05	12430.50	11929.60
February, 2020	278.80	206.50	12246.70	11175.05
March, 2020	218.00	117.20	11433.00	7511.10

*Based on NSE website



15. Registrar & Share Transfer Agent (RTA)

M/s MCS Share Transfer Agent Limited
F–65, First Floor, Okhla Industrial Area, Phase - I, New Delhi-110020
Phone No. 011-41406149, 41406151, 41406152, Fax No. 011-41709881
E-mail : helpdeskdelhi@mcsregistrars.com

16. **Share Transfer System**

Pursuant to the amendment in the SEBI Listing Regulations and subsequent notification(s) issued by SEBI, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. All the requests received from shareholders for transmission etc. are processed by the Share Transfer Agent of the Company within the stipulated time as prescribed in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or in any other applicable law.

17. **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 members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transposition and transmission of shares.

18. **Shareholding**

A. Distribution of Shareholding as on 31st March, 2020

No. of Equity Shares	No. of Shareholders	% of Shareholders	Total No. of Shares held	% of Shareholding
1 to 500	22577	91.70	2221673	14.21
501 to 1000	1188	4.82	892318	5.71
1001 to 2000	474	1.92	699783	4.47
2001 to 3000	132	0.54	328130	2.10
3001 to 4000	61	0.25	222266	1.42
4001 to 5000	51	0.21	236943	1.51
5001 to 10000	75	0.30	525549	3.36
10001 to 50000	51	0.21	910098	5.82
50001 to 100000	7	0.03	602991	3.86
100001 and above	5	0.02	8996589	57.54
Total	**24621**	**100.00**	**15636340**	**100.00**

B. Shareholding Pattern as on 31st March, 2020

Sr. No.	Category	No. of Shares held	% of shareholding
1	Promoters	7933409	50.74
2	Mutual Funds/ UTI	66276	0.42
3	Financial Institutions/ Banks	225	0.00
4	Central Government/ State Government(s)	32717	0 .21
5	Insurance Companies	187	0.00
6	Foreign Institutional Investors	138670	0.89
7	Bodies Corporate	842359	5.39
8	Individuals	6226539	39.82
9	Trusts & Foundations	2100	0.01
10	NRI's	393858	2.52
11	NBFC Registered with RBI	-	0.00
	Total	**15636340**	**100.00**

19. **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely Impact on Equity**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

20. **Dematerilization of Shares**

98.81% of the Equity Shares of the Company have been dematerialised as on 31st March, 2020. The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories. The Company's shares are regularly traded on BSE and NSE.

21. **Nomination Facility for Shareholders**

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Those Members who hold shares in physical form may obtain nomination form from the Company Secretary at D-206, Sector-63, Noida-201301 or from RTA i.e. M/s MCS Share Transfer Agent Limited, F–65, First Floor, Okhla Industrial Area, Phase - I, New Delhi-110020.

22. Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practicing Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the share capital held with Depositories (i.e. NSDL & CDSL) in dematerialised form and share capital held in physical form with the total issued and listed share capital of the Company on quarterly basis.

23. Details of total Fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which statutory auditors is a part, are as follows:

(₹ in Lakhs)

Particulars	For the financial year ended 31st March, 2020	For the financial year ended 31st March, 2019
Audit fee	39.00	37.50
Limited Review	24.00	22.50
Other services	-	-
Reimbursement of expenses	6.94	8.31
Total	**69.94**	**68.31**

24. Credit Ratings

The Company has obtained credit ratings from CRISIL Limited and ICRA Limited. During the financial year 2019-20, there is no change in the credit ratings assigned by aforesaid credit rating agencies. Credit ratings of the Company as at the end of the financial year 2019-20 are given below:

Rating Agency	Credit Rating
ICRA Limited	Long term rating : [ICRA] A+ /STABLE Short term rating : [ICRA] A1+
CRISIL Limited	Long term rating : CRISIL A+ / STABLE Short term rating : CRISIL A1+

25. Payment of Dividend through Electronic Clearing Service

The 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 D-206, Sector-63, Noida - 201301.

26. There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

27. Location of Plants of the Company

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

Kolkata Works
1, Taratola Road, Garden Reach
Kolkata-700024
West Bengal

Lakhmapur Works
Gat 152, Lakhmapur
Taluka Dindori, Nashik-422202
Maharashtra

Podanur Works
Podanur P.O.
Coimbatore-641023
756019
Tamil Nadu

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

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

Ranchi Works
Sarwal Namkum, Opp. Tola-Charna Bera
Ranchi-834010
Jharkhand

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

28. Disclosures With Respect To Demat Suspense Account/Unclaimed Suspense Account – Nil

29. Address for Correspondence

a. For any complaints relating to non-receipt of shares after 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 Share Transfer Agent Ltd. (Unit: Everest Industries Limited)
F–65, First Floor, Okhla Industrial Area, Phase - I, New Delhi-110020.
Tel : 011-41406149,41406151, 41406152, Fax : 011-41709881
E-mail : helpdeskdelhi@mcsregistrars.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, Compliance Officer of the Company at the following address:

Everest Industries Limited
D-206, Sector-63, Noida – 201 301 (UP)
Tel.: 0120- 4791800, Fax No.: 0120 – 4791802

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 Regulation 6(2) (d) of SEBI Listing Regulations.

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For Everest Industries Limited

Place : Noida
Date : May 29, 2020

Manish Sanghi
Managing Director

Declaration of Compliance with Code of Conduct of Board of Directors and Senior Management

This is to certify that as provided under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2020.

For Everest Industries Limited

Place : Noida
Date : May 29, 2020

Manish Sanghi
Managing Director

CEO/ CFO Certification

[Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2020 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, if any, over financial reporting during the year;

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

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

For Everest Industries Limited

Place : Noida
Date : May 29, 2020

Nikhil Dujari
Chief Financial Officer

Manish Sanghi
Managing Director

Compliance Certificate

To,
The Members of
Everest Industries Limited
CIN: L74999MH1934PLC002093
GAT 152, Lakhmapur, Taluka Dindori
Nashik-422202, Maharashtra

1. We have examined the compliance of the conditions of Corporate Governance by Everest Industries Limited ('the Company') for the Financial Year ended on 31st March, 2020, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner

M. No.: F5621, C.P. No.: 5253
UDIN: F005621B000262185
PR 708/2020

Delhi, May 20, 2020

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Everest Industries Limited
CIN: L74999MH1934PLC002093
GAT 152, Lakhmapur, Taluka Dindori
Nashik-422202, Maharashtra

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Everest Industries Limited having CIN L74999MH1934PLC002093 and having registered office at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202, Maharashtra (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers and the representation given by the Management, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Rajendra Prabhakar Chitale	00015986	23/01/2019
2	Bhanwarlal Jiwanmal Taparia	00016551	10/05/2013
3	Padmini Aditya Vikram Somani	00046486	26/02/2019
4	Manish Sanghi	00088527	08/07/2002
5	Murari Lal Gupta	00088685	08/07/2002
6	Narotam Satyanarayan Sekhsaria	00276351	26/02/2019
7	Bhavna Gautam Doshi	00400508	25/10/2013
8	Srinivasa Rao Yenduri	01289086	28/07/2007
9	Alok Mahinder Nanda	02149755	23/01/2019
10	Anant Jaivant Talaulicar	00031051	21/11/2019

It is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions. Further, ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate 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 TVA & Co. LLP
Company Secretaries

Tanuj Vohra
Partner

M. No.: F5621, C.P. No.: 5253
UDIN: F005621B000262229
PR 708/2020

Delhi, May 20, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of
Everest Industries Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Everest Industries Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Emphasis of Matter paragraph

We draw attention to Note 2.59 to the accompanying standalone financial statements, which describes the impact of COVID 19 pandemic on the Company's operations and standalone financial statements as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition for long term projects and recoverability of receivables *(as described in note 1.4(a) of the standalone Ind AS financial statements)*	
The Company's significant portion of business is undertaken through long term engineering, procurement and construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, revenue recognition involves usage of input method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, risk on collectability due to liquidation damages, other penalties imposed by the customers and possible effects	• Our audit procedures included testing of Company's revenue recognition accounting policies in compliance with Ind AS 115. • We performed test of controls over management process of assessing its contractual obligation, determining the percentage completion and periodical changes in estimates of project cost and project revenue recognition with specific focus on determination of progress of completion, recording of project costs incurred and estimation of project costs to complete the remaining contract obligations and collection of overdue receivables through inspection of evidence of performance of these controls.

Key audit matters	How our audit addressed the key audit matter
from Covid 19 pandemic, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Accuracy of revenues, onerous obligations, profits and net receivables may deviate significantly on account of change in judgements and estimates, therefore, this has been considered as key audit matter in our audit of the standalone Ind AS financial statements.	• We examined the underlying customer contracts, costs incurred with estimated costs to identify significant variations and assess whether those variations if any, have been considered in estimating the remaining costs to complete and consequential determination of stage of completion. • We performed tests of details to examine the management assessment of estimated project revenue, possible liquidation damages, estimated project cost and cost incurred till the year end. We also tested the invoices raised and computation for revenue recognized, over a period of time under the input method in Ind AS 115. • We examined the management assessment of onerous contracts due to change in estimated project cost, liquidation damages, possible financial exposure from Covid 19 pandemic and other penalties charged by the customer. • We examined contracts and correspondences where there were significant overdue receivable with marginal or no movement to determine the level of provisioning required in the receivable. • We evaluated management's assumption and judgment by comparing to the historical collection trends; • We tested the adequacy of disclosure relating to contractual positions and revenue for the year in the standalone Ind AS financial statements.
Uncertain tax positions impacting valuation of tax provision *(as described in note 1.4(b) of the standalone Ind AS financial statements)*	
The Company has ongoing disputes with the Income tax departments on income tax computation for certain assessment years. These disputes are pending with different Appellate authorities and at the Courts. The management has assessed the future outcome of these ongoing proceedings and exposures which directly affects the valuation of tax provisions in the financial statements. As the future outcome of these matters and the accounting effects thereof, are based on assessment of complex matters which may take time to finally resolve, the valuation of tax provision related to uncertain tax position has been considered as key audit matter in our audit of the standalone Ind As financial statements.	• We obtained details of completed tax assessments and demands for the assessment years under dispute as of March 31, 2020. • We performed test of control over management process of assessment and estimates with regard to the existing tax disputes and uncertain tax positions. • We inspected written communication between the Company and the tax authorities and involved tax specialist to assess the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. • We also considered the effect of any new information in the current financial year 2019-20 in respect of carried forward uncertain tax positions to evaluate if there is any change in the management's position on these uncertainties. • We tested the adequacy of provisioning and disclosure relating to uncertain tax positions in accordance with the compliance of Ind AS 12.
Recognition of Government Grant pending notification for revised calculation criteria post GST implementation *(as described in note 2.56 of the standalone Ind AS financial statements)*	
• The Company is entitled to receive an Orissa State incentive in the form of 75% reimbursement of net VAT paid by the Company. Post GST implementation effective July 1, 2017, the VAT / CST Acts have been repealed and the State Government has not yet issued any clarification on the revised calculation criteria to claim the incentive. • The Company's management is regularly following up with the State Govt officials on the status of revised notification and expect it to be issued soon.	• Our audit procedures included examining of the Company's Government grants and subsidies recognition accounting policy is in compliance with Ind AS 20. • We checked the computation of the said incentives accrued by the Company. • We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the Government grants, including the controls in respect of measurement of the grants.

Key audit matters	How our audit addressed the key audit matter
• The Company on the basis of net SGST paid/ payable in the GST regime, has recognized an incentive income of 75% of SGST paid aggregating ₹.577.07 lakhs from July 1, 2017 to March 31, 2020 including incentive income of ₹ 161.70 lakhs (previous year ₹ 277.82 lakhs) in the statement of profit and loss for the year ended March 31, 2020. • The aforesaid incentive recognized by the Company may significantly deviate on account of change in the revised criteria by the State Government to claim the incentive and therefore, this has been considered as key audit matter in our audit of the Standalone Ind AS financial statements.	• We discussed the matter with the Company's in-house tax counsel for an understanding of the relevant Acts and conditions attached thereto and the legal and constitutional right of the Company to receive the benefit post implementation of GST. • We involved indirect tax specialist to assess the position adopted by the Company. • We examined the State Incentive policy to check the eligible quantum and period of incentives.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2019-20 of the Company but does not include the standalone Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 2.33 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/E300005

per Sanjay Vij
Partner
Membership Number : 95169

UDIN: 20095169AAAABD4416

Place of Signature: Gurugram
Date: May 29, 2020

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Everest Industries Limited ('the Company')

(i) In respect of Fixed Assets

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, plant and equipment.

b. All fixed assets were physically verified by the management in the financial year 2017-18 in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Further, in our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been delays in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

(₹ In Lakhs)

Name of the applicable Act	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved	Amount Paid	Amount unpaid
Income Tax Act, 1961	Demand on account of disallowance of certain claims	High Court	2007-08, 2009-10	79.39	79.39	-
		CIT(Appeals)	AY 2004-05 to 2016-17	3,284.88	3,026.38	258.5
	Total			**3,364.27**	**3,105.77**	**258.5**
The Central Excise Act, 1944	Demand on account of wrong availament of cenvat credit	Assistant Commissioner	2008 to 14	7.54	-	7.54
		Deputy Commissioner	2009-10	0.56	-	0.56
		Joint Commissioner	2009-10	14.29	-	14.29
		Commissioner (Appeals)	2006-07 to 2011-12	7.75	-	7.75
		Commissioner	2007-08 to 2013-14	424.32	-	424.32
		Appellate Tribunal	2009-10, 2014-15, 2015-16	322.52	29.34	293.18
	Demand of service tax under section 76 of Finance Act 1994	Assistant Commissioner	2017-18	13.05	13.05	-
	Total			**790.03**	**42.39**	**747.64**
			2016-17	20.28	-	20.28
		Joint Commissioner	1999-2000, 2000-01, 2007-08 & 2008-09	19.25	9.38	9.87
		Additional Commissioner	2015-16	15.23	1.37	13.86
		Commissioner (Appeal)	1997-98, 2000-01 to 2002-03 & 2006-07	26.07	1.59	24.48
		Joint Commissioner (Appeal)	2009-10 to 2011-12 & 2013-14	79.55	70.40	9.15
		Deputy Commissioner (Assessment)	2012-13 & 2014-15	227.95	86.75	141.2
		Appellate Tribunal	1997-98 to 1998-99 and 2009-10 to 2013-14	57.58	35.56	22.02
	Demand on account of purchase tax on fly ash	Madras High Court	1990-91, 1992-93 & 1995-1996	13.18	12.89	0.29
		Assessing Officer	1996-97	5.83	5.83	-
	Demand on account of reversal of input tax credit	Deputy Commissioner	2013-14	10.76	3.79	6.97
		Additional Joint Commissioner	2009-10	2.33	2.33	-
	Demand on account of stock transfers considered as Interstate sales	Central Sales Tax Appellate Authority	1994-1995 & 1995-1996	676.34	0.26	676.08
	Demand on account of differential rate	Joint Commissioner	2013-14	427.17	33.00	394.17
			2015-16	2,368.78	-	2368.78
	Penalty for late payment of Entry tax	High Court, Orissa	2012-13	4.39	4.39	0
		Assistant Commissioner	2016-17	3.64	-	3.64
	Total			**3,958.80**	**267.54**	**3,691.26**

(Viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans/ borrowings to banks. The Company has not taken any loans/ borrowings from financial institution or government and has not issued any debentures during the year.

(ix) In our opinion and according to information and explanations given by the management, the term loans have been applied for the purpose for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/E300005

per Sanjay Vij
Partner
Membership Number : 95169

UDIN: 20095169AAAABD4416

Place of Signature: Gurugram
Date: May 29, 2020

ANNEXURE 2 REFERRED IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF EVEREST INDUSTRIES LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Everest Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/E300005

per Sanjay Vij
Partner
Membership Number : 95169

UDIN: 20095169AAAABD4416

Place of Signature: Gurugram
Date: May 29, 2020

BALANCE SHEET

AS AT MARCH 31, 2020

(₹ In Lakhs)

	Particulars	Notes Reference	As at 31 March 2020	As at 31 March 2019
A	**ASSETS**			
	1. Non-current assets			
	Property, plant and equipment	**2.01**	35,150.24	33,548.89
	Right to use asset	**2.04**	694.08	-
	Capital work in progress	**2.02**	2,061.35	2,597.71
	Intangible assets	**2.03**	57.62	125.95
	Financial assets			
	(i) Investment	**2.05**	5.00	41.67
	(ii) Other financial assets	**2.06**	1,514.88	1,408.35
	Other non current assets	**2.07**	194.13	477.91
	Income tax assets (net)	**2.08**	3,090.55	2,156.74
	Total - non-current assets		**42,767.85**	**40,357.22**
	2. Current assets			
	Inventories	**2.09**	31,066.45	32,891.59
	Financial assets			
	(i) Trade receivables	**2.10**	6,788.79	9,825.09
	(ii) Cash and cash equivalent	**2.11**	212.67	1,785.12
	(iii) Bank balances other than (ii) above	**2.12**	42.13	42.85
	(iv) Other financial assets	**2.06**	424.09	1,153.16
	Other current assets	**2.07**	3,441.81	3,819.15
	Total - current assets		**41,975.94**	**49,516.96**
	TOTAL ASSETS		**84,743.79**	**89,874.18**
B	**EQUITY AND LIABILITIES**			
	1. Equity			
	Share capital	**2.13**	1,563.63	1,563.63
	Other equity	**2.14**	43,899.53	43,707.01
	Total equity		**45,463.16**	**45,270.64**
	2 Non-current liabilities			
	Financial liabilities			
	(i) Borrowings	**2.15**	4,523.14	4,669.50
	(ii) Lease liability	**2.16**	479.77	-
	Deferred tax liabilities (net)	**2.40**	3,203.20	2,904.77
	Total - non-current liabilities		**8,206.11**	**7,574.27**
	3 Current liabilities			
	Financial liabilities			
	(i) Borrowings	**2.15**	2,118.93	3,637.09
	(ii) Trade payables	**2.17**		
	(a) total outstanding dues of micro, small and medium enterprises		894.56	-
	(b) total outstanding dues of creditors other than micro, small and medium enterprises		13,535.46	18,129.09
	(iii) Lease liability	**2.16**	261.57	-
	(iv) Deposits from dealers	**2.18**	3,214.67	2,629.51
	(v) Other financial liabilities	**2.19**	1,748.05	2,095.30
	Provisions for retirement benefits	**2.20**	536.34	545.93
	Other current liabilities	**2.21**	5,345.20	7,469.36
	Provision for income tax (net)	**2.22**	3,419.74	2,522.99
	Total - current liabilities		**31,074.52**	**37,029.27**
	TOTAL EQUITY AND LIABILITIES		**84,743.79**	**89,874.18**

See accompanying notes forming part of the financial statements
As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169
Gurugram
May 29, 2020

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Noida
May 29, 2020

Y. Srinivasa Rao
Executive Director
DIN No.01289086

Noida
May 29, 2020

Nikhil Dujari
Chief Financial Officer

Noida
May 29, 2020

Neeraj Kohli
Company Secretary

Noida
May 29, 2020

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

	Particulars		Note Reference	Year ended March 31, 2020	Year ended March 31, 2019
A	**Income**				
	Revenue from operations		**2.23**	1,28,374.77	1,40,414.36
	Other income		**2.24**	905.05	645.24
	Total income			**1,29,279.82**	**1,41,059.60**
B	**Expenses**				
	a.	Cost of raw material consumed	**2.25**	71,934.30	81,980.24
	b.	Purchase of traded goods	**2.26**	265.75	667.71
	c.	(Increase)/ decrease in inventories of finished goods, work-in progress and traded goods	**2.27**	1,721.00	(4,326.35)
	d.	Employee benefits expense	**2.28**	11,570.96	11,526.12
	e.	Finance costs	**2.29**	704.17	761.57
	f.	Depreciation and amortization expense	**2.30**	2,373.63	2,055.50
	g.	Other expenses	**2.31**	38,569.80	39,904.56
		Total expenses		**1,27,139.61**	**1,32,569.35**
C	**Profit before tax**			2,140.21	8,490.25
	Tax expenses				
	a.	Current tax	**2.32**	419.53	2,019.75
	b.	Deferred tax (Net of MAT credit entitlement)	**2.32 & 2.40**	315.67	50.12
	Total tax expenses			**735.20**	**2,069.87**
D	**Profit for the year**			**1,405.01**	**6,420.38**
E	**Other comprehensive income**				
	i.	Items that will not be reclassified subsequently to the statement of profit or loss			
		(a) Re-measurement gains/(losses) on defined benefit plans		(49.34)	(55.26)
		(b) Income tax effect		17.24	19.31
	Other comprehensive income for the year, net of tax			**(32.10)**	**(35.95)**
F	**Total comprehensive income for the year, net of tax**			**1,372.91**	**6,384.43**
	Earnings per equity share (refer note 2.42)				
	[Face value - ₹ 10 per share]				
	Basic earnings per share (Rupees)			8.99	41.08
	Diluted earnings per share (Rupees)			8.99	41.08

See accompanying notes forming part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Gurugram
May 29, 2020

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Noida
May 29, 2020

Y. Srinivasa Rao
Executive Director
DIN No.01289086

Noida
May 29, 2020

Nikhil Dujari
Chief Financial Officer

Noida
May 29, 2020

Neeraj Kohli
Company Secretary

Noida
May 29, 2020

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A.	**Cash flow from operating activities**		
	Profit before tax	**2,140.21**	**8,490.25**
	Adjustments for:		
	Depreciation and amortisation expenses	2,373.63	2,055.50
	Finance costs	704.17	761.57
	Interest income	(364.85)	(383.93)
	Loss/ (profit) on sale of property, plant and equipment assets (net)	55.21	60.72
	Liabilities / provisions no longer required written back	(447.49)	(178.47)
	Impairment of investment	36.67	-
	Share based payment expense	233.40	382.26
	Provision for impairment of capital work in progress	160.00	-
	Impairment of doubtful trade receivables	130.65	1,163.55
	Impact of fair valuation of financial instruments	44.13	(12.54)
	Re-measurement (loss)/gain of defined benefit plan	(49.34)	(55.26)
	Net unrealised (gain)/loss on exchange rate fluctuation	412.38	226.17
	Operating profit before working capital changes	**5,428.76**	**12,509.82**
	Working capital adjustments:		
	(Increase)/decrease in inventories	1,825.14	(8,137.59)
	(Increase)/decrease in trade receivables	2,905.65	(4,383.54)
	(Increase)/decrease in other non current financial assets	(108.27)	(63.29)
	(Increase)/decrease in other non current assets	(62.33)	2.26
	(Increase)/decrease in other current financial assets	712.56	(348.87)
	(Increase)/decrease other current asset	377.34	(391.93)
	Increase/(decrease) in trade payables	(3,291.09)	3,306.01
	Increase/(decrease) in deposits from dealers	585.16	(396.54)
	Increase/(decrease) in other financial liabilities	(201.63)	0.53
	Increase/(decrease) in other current/ non current liabilities	(2,124.16)	874.28
	Increase/(decrease) in provisions	(9.59)	24.01
	Cash generated from operations	**6,037.55**	**2,995.15**
	Income tax (paid)/refund	(456.59)	685.82
	Net cash flows from operating activities	**5,580.96**	**3,680.97**
B.	**Cash flow used in investing activities**		
	Capital expenditure on fixed assets, including capital advances	(3,180.17)	(2,741.01)
	Proceeds from sale of fixed assets	20.37	47.18
	Bank balances not considered as cash and cash equivalents		
	- Deposits and unclaimed dividend accounts	0.72	(1.99)
	- Balances held as margin money	(4.40)	103.94
	Interest received	343.40	365.26
	Net cash flow used in investing activities	**(2,820.08)**	**(2,226.62)**
C.	**Cash flow used in financing activities**		
	Proceeds from issue of equity shares	-	1.01
	Securities premium received	-	30.89
	Repayment of long-term borrowings	(692.32)	(692.30)
	Proceeds/(repayment) of short-term borrowings	(1,518.16)	1,059.03

(₹ In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Finance costs	(708.34)	(773.18)
Dividends paid during the year	(1,173.45)	(1,013.71)
Dividend distribution tax on dividend paid	(241.06)	(208.78)
Net cash flows used in financing activities	**(4,333.33)**	**(1,597.04)**
Net change in cash and cash equivalents (A)+(B)+(C)	(1,572.45)	(142.69)
Cash and cash equivalents at the beginning of the year	1,785.12	1,927.81
Cash and cash equivalents at year end	**212.67**	**1,785.12**

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Gurugram
May 29, 2020

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Noida
May 29, 2020

Y. Srinivasa Rao
Executive Director
DIN No.01289086

Noida
May 29, 2020

Nikhil Dujari
Chief Financial Officer

Noida
May 29, 2020

Neeraj Kohli
Company Secretary

Noida
May 29, 2020

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

A. Equity share capital

Particulars	Numbers of share	Amount
Balance as at March 31, 2018	**156,26,160**	**1,562.62**
Changes in equity share capital during the period		
Issue of equity shares under employee share option plan (refer note 2.51)	10,180	1.01
Balance as at 31 March 2019	**156,36,340**	**1,563.63**
Changes in equity share capital during the period		
Issue of equity shares under employee share option plan (refer note 2.51)	-	-
Balance as at 31 March 2020	**156,36,340**	**1,563.63**

B. Other equity

Particulars	Attributable to equity shareholders of the Company				
	Reserves and surplus				
	Securities premium	General reserve	Share based payment reserve	Retained earnings	Total other equity
As at March 31, 2018	1,303.09	9,848.91	141.70	26,840.21	38,133.91
Profit for the period	-	-	-	6,420.38	6,420.38
Other comprehensive income	-	-	-	(35.95)	(35.95)
Total comprehensive income for the year	**1,303.09**	**9,848.91**	**141.70**	**33,224.64**	**44,518.34**
Dividend paid during the year	-	-	-	(1,015.70)	(1,015.70)
Dividend distribution tax on dividend paid	-	-	-	(208.78)	(208.78)
Compensation options granted during the year/ Changes during the year (net)	-	-	382.26	-	382.26
Securities premium on shares issued during the year	30.89	-	-	-	30.89
Transferred from share based payment reserve on exercise and lapse of options	3.10	-	(3.10)	-	-
Balance as at March 31, 2019	**1,337.08**	**9,848.91**	**520.86**	**32,000.16**	**43,707.01**
Balance as at March 31, 2019	1,337.08	9,848.91	520.86	32,000.16	43,707.01
Profit for the year	-	-	-	1,405.01	1,405.01
Other comprehensive income	-	-	-	(32.10)	(32.10)
Total comprehensive income for the year	**1,337.08**	**9,848.91**	**520.86**	**33,373.07**	**45,079.92**
Dividend paid during the year	-	-	-	(1,172.73)	(1,172.73)
Dividend distribution tax on dividend paid	-	-	-	(241.06)	(241.06)
Compensation options granted during the year/ Changes during the year (net)	-	-	233.40	-	233.40
Securities premium on shares issued during the year	-	-	-	-	-

(₹ In Lakhs)

Particulars	Attributable to equity shareholders of the Company				
	Reserves and surplus				
	Securities premium	General reserve	Share based payment reserve	Retained earnings	Total other equity
Transferred from share based payment reserve on exercise and lapse of options	36.09	-	(36.09)	-	-
Balance as at March 31, 2020	**1,373.17**	**9,848.91**	**718.17**	**31,959.28**	**43,899.53**

See accompanying notes forming part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Gurugram
May 29, 2020

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Noida
May 29, 2020

Y. Srinivasa Rao
Executive Director
DIN No.01289086

Noida
May 29, 2020

Nikhil Dujari
Chief Financial Officer

Noida
May 29, 2020

Neeraj Kohli
Company Secretary

Noida
May 29, 2020

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 1.1

Corporate information

Everest Industries Limited ('the Company') is engaged in manufacturing and trading of building products like roofing products, boards and panels, other building products and accessories and manufacturing of components of pre-engineered steel buildings and related accessories.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on May 29, 2020.

Note 1.2

Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared on the historical cost or at amortised cost, except for the following assets and liabilities:

- derivative financial instruments are measured at fair value;
- employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation

Note 1.3

Summary of significant accounting policies

(i) Current Vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

(ii) Cash Dividend

The Company recognises a liability to make cash distributions to the shareholders of the Company when the distribution is approved by the shareholder in the Annual General Meeting of the Company.

(iii) Fair values measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Other techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(iv) Property, Plant and Equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2016, measured as per the previous

GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

Property, plant & equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Such cost includes the cost of replacing part of the plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted, if appropriate.

(v) Depreciation on Property, plant & equipment

- Lease hold improvements (LHI) & leasehold lands are amortised on straight line basis over the period of lease or useful life whichever is lower.

- Depreciation on other Property, plant & equipment is provided on straight line basis at the rates based on the estimated useful life of the assets. The Company, based on management estimates, depreciates the assets over estimated useful lives which coincides with the useful life prescribed in Schedule II to the Companies Act, 2013.

  The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives of 15 years which are different from the useful life of 8 years, prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Depreciation on Property, plant & equipment added/disposed off during the year is provided on pro-rata basis with respect to date of acquisition/ disposal.

(vi) Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Technical know-how is amortised over the term of the agreement. Computer software is amortised over the estimated useful life of 3 years.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised. The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

(vii) Research and development costs

Research and development costs of revenue nature are charged to the Statement of Profit and Loss when incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the rates set out in Note 1.3 (iv) above.

(viii) Revenue Recognition

- **Revenue from contract with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In respect of pre-engineered building contracts, revenue is recognised over a period of time using the input method (equivalent to percentage-of-completion method; POCM) of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers on behalf of the government.

Effective April 1, 2018, the Company has applied Ind AS 115 "Revenue from contracts with customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The Company has adopted Ind AS 115 using the modified retrospective approach. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements.

- **Interest**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR).

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

(ix) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Financial assets**

Initial recognition and measurement

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security deposits & other receivables.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivable.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for estimated losses on the current portfolio. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

- **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method.

Other financial liabilities (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments such as foreign exchange forward contracts, option contracts and swap contracts to hedge its foreign currency risk.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

(x) Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary 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	-	Moving Weighted average
Raw materials	-	Moving Weighted average
Materials in transit	-	At cost
Work in progress and Finished goods	-	Material cost determined on moving

		weighted average basis plus appropriate share of labour, manufacturing and other overheads
Stock in trade	-	Moving Weighted average

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(xi) Retirement and other Employee Benefits

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

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.

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 is considered as defined contribution scheme. The Company has no obligation, other than the contribution payable to the super-annuation fund. The Company recognizes contribution payable to the super-annuation fund scheme as an expense, when an employee renders the related service.

The Provident Fund (administered by a Trust) is a defined benefit scheme where by the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to confirm to the interest rate declared by the government for the Employees Provident Fund. The Company has adopted actuary valuation based on project unit credit method to arrive at provident fund liability as at year end. 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 operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, and the return on plan assets (excluding net interest), are recognised to OCI in the period in which they occur and are not reclassified to profit or loss.

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/losses are immediately taken to the statement of profit and loss for the period in which they are occur.

(xii) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xiii) Foreign Exchange Transactions and balances

The functional currency of the company is India Rupees.

Initial recognition

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(xiv) Taxation

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years. Subject to exceptions below, deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss; deferred income tax is not recognised on the initial recognition (including MAT) of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(xv) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvi) Impairment of Non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, are recognised in the statement of profit and loss

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate and when circumstances indicate that the carrying value may be impaired.

(xvii) Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement.

(xviii) Contingent liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(xix) Share based payment transaction

Selected employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

(xx) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 1.3 (iv) Impairment of tangible and intangible assets.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms.. Contingent rents are recognised as revenue in the period in which they are earned.

(xxi) Segment reporting

Operating segment are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM). The managing director is considered to be the 'Chief Operating Decision Maker' (CODM).

Refer Note 2.38 for segment information presented.

(xxii) Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them, and the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income when on a systematic basis when related conditions or obligations are met by the Company.

(xxiii) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the company's cash management.

(xxiv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded of the nearest two decimal lakhs as per the requirement of schedule III, unless otherwise stated.

Note 1.4

Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) **Uncertainty on the Estimation of the Total Construction Revenue and Total Construction Cost:** The Company recognises revenue from the construction contracts over the period of contract as per the input method of IND AS 115 "Revenue from contracts with the customers". The contract revenue is determined based on proportion of contract cost incurred to date compared to estimated total contract cost which involves significant judgement, identification of contractual obligations, and the company's right to receive payments for performance completed till date, risk on collectability due to liquidation damages and other penalties imposed by the customers, possible effects from Covid 19 pandemic, change in scope and consequential revised contact price and recognition of the liability for loss making contracts/ onerous obligations etc. The Company has efficient, coordinated system for calculation and forecasting its revenue and expense reporting. However actual project outcome may deviate positively or negatively from the company's calculation and forecasting which could impact the revenue recognition up to the stage of project completion and is recognised prospectively in the financial statements.

(b) **Tax Uncertainties:** The Company has open tax issues, ongoing proceedings and exposures at various levels of authorities. Where management makes a judgement that an outflow of funds is probable and a reliable estimate of the outcome of the dispute can be made, provision is made for the best estimate of the liability. In estimating any such liability, the Company applies a risk-based approach. These estimates take into account the specific circumstances of each dispute and relevant external advice, are inherently judgemental and could change substantially over time as each dispute progresses and new facts emerge.

    The Company continues to believe that it has made adequate provision for the liabilities likely to arise from open assessments. Where open issues exist the ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of assessments with the relevant tax authorities or the litigation proceedings.

(c) **Useful Lives of Property, Plant and Equipment:** The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(d) **Measurement of Defined Benefit Obligation:** The cost of the defined benefit gratuity plan and other Long term employee benefits (Compensated Absences) and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions.

(e) **Share-based Payments:** The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

(f) **Impairment in subsidiaries:** Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future commodity prices, capacity utilisation of plant, operating margins, discount rates and other factors of the underlying businesses/operations of the subsidiaries.

(g) **Expected Credit Loss:** The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and Company makes appropriate provision wherever outstanding is for longer period and involves higher risk.

2.01 Property, plant and equipment

(₹ In Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings on Freehold Land	Building on Leasehold Land	Lease Hold Improve-ments	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Others (Roads)	Total
Cost											
At March 31, 2018	**1,408.13**	**2,611.13**	**4,016.89**	**8,194.38**	**47.83**	**20,093.15**	**836.39**	**236.41**	**597.76**	**360.18**	**38,402.25**
Additions	-	-	118.43	-	-	1,517.41	2.75	96.44	40.29	-	1,775.32
Disposals	-	-	-	-	-	(223.76)	-	(90.45)	(0.88)	-	(315.09)
At March 31, 2019	**1,408.13**	**2,611.13**	**4,135.32**	**8,194.38**	**47.83**	**21,386.80**	**839.14**	**242.40**	**637.17**	**360.18**	**39,862.48**
Additions			109.16	63.81		3,507.26	17.84		38.38	12.10	3,748.55
Disposals			(70.85)			(143.91)	(0.10)	(42.19)	(2.21)	-	(259.26)
At March 31, 2020	**1,408.13**	**2,611.13**	**4,173.63**	**8,258.19**	**47.83**	**24,750.15**	**856.88**	**200.21**	**673.34**	**372.28**	**43,351.77**
Accumulated depreciation											
At March 31, 2018	**-**	**54.53**	**324.46**	**439.95**	**2.06**	**3,162.91**	**192.56**	**36.62**	**229.03**	**114.01**	**4,556.13**
Depreciation charge for the year	-	33.55	160.77	222.49	1.21	1,296.17	84.06	39.00	114.74	12.67	1,964.66
Disposals	-	-	-	-	-	(149.98)	-	(56.42)	(0.80)	-	(207.20)
At March 31, 2019	**-**	**88.08**	**485.23**	**662.44**	**3.27**	**4,309.10**	**276.62**	**19.20**	**342.97**	**126.68**	**6,313.59**
Depreciation charge for the year	-	33.54	158.78	210.83	1.20	1,394.98	90.67	33.75	105.92	41.95	2,071.62
Disposals	-	-	(64.03)	-	-	(93.75)	(0.10)	(23.72)	(2.08)	-	(183.68)
At March 31, 2020	**-**	**121.62**	**579.98**	**873.27**	**4.47**	**5,610.33**	**367.19**	**29.23**	**446.81**	**168.63**	**8,201.53**
Net Book Value											
At March 31, 2019	**1,408.13**	**2,523.05**	**3,650.09**	**7,531.94**	**44.56**	**17,077.70**	**562.52**	**223.20**	**294.20**	**233.50**	**33,548.89**
At March 31, 2020	**1,408.13**	**2,489.51**	**3,593.65**	**7,384.92**	**43.36**	**19,139.82**	**489.69**	**170.98**	**226.53**	**203.65**	**35,150.24**

Note: (a) Refer note 2.15 for details of assets hypothecation against borrowings

2.02 Capital work in progress

Particulars	At March 31, 2020	At March 31, 2019
Capital work in progress	2,061.35	2,597.71
Total	**2,061.35**	**2,597.71**

Note : Net off of provision for impairment of ₹ 160 lakhs (previous year ₹ Nil) (refer note 2.31)

2.03 Intangible assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Cost		
At March 31, 2018	**487.59**	**487.59**
Addition	6.48	6.48
Disposals	-	-
At March 31, 2019	**494.07**	**494.07**
Addition	2.31	2.31
Disposals	-	-
At March 31, 2020	**496.38**	**496.38**
Accumulated amortisation		
At March 31, 2018	**277.28**	**277.28**
Amortisation for the year	90.84	90.84
At March 31, 2019	**368.12**	**368.12**
Amortisation for the year	70.64	70.64
At March 31, 2020	**438.76**	**438.76**
Net book Value		
At March 31, 2019	**125.95**	**125.95**
At March 31, 2020	**57.62**	**57.62**

2.04 Right to use asset

Particulars	Right to Use Asset	Total
Cost		
As at transition date April 1, 2019	**925.45**	**925.45**
Addition	-	-
Disposals	-	-
At March 31, 2020	**925.45**	**925.45**
Accumulated depreciation		
As at transition date April 1, 2019	**-**	**-**
Depreciation charge for the year	231.37	231.37
At March 31, 2020	**231.37**	**231.37**
Net book Value		
As at transition date April 1, 2019	**925.45**	**925.45**
At March 31, 2020	**694.08**	**694.08**

Set out below are the carrying amount of lease liabilities and the movement during the period :

	As at March 31, 2020	As at March 31, 2019
As at transition date April 1, 2019		
Opening lease liability		
Lease liability addition	925.45	-
Accretion of interest on lease liability	65.01	-
Payment of lease rentals	249.12	-
Lease liability as at March 31, 2020	**741.34**	**-**
Current lease liability (see note 2.16)	261.57	-
Non-current lease liability (see note 2.16)	479.77	-

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
The maturity analysis of lease liabilities are disclosed		
The effective interest rate for lease liabilities is 9% with maturity between 2021-2023		
The following are the amount recognised in profit or loss:		
Depreciation expense of right of use assets	231.37	-
Interest expense on lease liability	65.01	-
Total amount recognised in profit or loss	**296.38**	**-**

2.05 Investments in subsidiaries - at cost

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Non Current		
Investment in unquoted equity instruments of subsidiaries		
16,87,453 shares (previous year 16,87,453 shares) equity shares of USD. 1. each fully paid up of Everest Building Products, Mauritius*	201.67	201.67
Less: Provision for impairment	(201.67)	(165.00)
	-	**36.67**
50,000 shares (previous year 50,000 shares) equity shares of ₹ 10 each fully paid up of Everest Building Solutions Limited	5.00	5.00
	5.00	**41.67**

* The subsidiary Company, under which the proposed fibre Cement Board project in UAE, was being set up, had decided not to pursue the project in the earlier year. Accordingly, the investment has been carried at the value less provision for impairment.

2.06 Other financial assets

Non Current		
Unsecured, consider good (at amortised cost)		
a. Security deposits	586.03	637.79
b. Government subsidy receivable	577.07	412.51
c. Balances held as margin money (deposit accounts)	351.78	358.05
	1,514.88	**1,408.35**

Current		
Unsecured, consider good		
a. Security deposits	53.53	68.71
b. Interest accrued but not due	58.25	36.80
c. Government subsidy receivables	-	220.78
d. Insurance claim	20.87	77.95
e. Balances held as margin money (deposit accounts)	67.29	56.62
f. Derivative assets	7.06	55.69
g. Other receivables	217.09	636.61
	424.09	**1,153.16**

2.07 Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current		
Unsecured, consider good		
a. Prepaid lease rental	3.63	11.56
b. Capital advances	120.24	466.35
c. Prepaid expenses	70.26	-
	194.13	**477.91**
Current		
Unsecured, consider good		
a. Prepaid lease rental	6.49	2.25
b. Advances to employees	168.99	56.68
c. Prepaid expenses	226.27	322.16
d. Prepaid gratuity	260.46	274.04
e. Advance to supplier	1,627.97	1,662.03
f. Input credit receivables	1,093.88	1,501.99
g. Others	57.75	-
	3,441.81	**3,819.15**

2.08 Income tax assets (net)

Advance income tax (net of provision) [Net of provision for current tax - ₹ 13,155.01 lakhs (previous year ₹ 12,944.46 lakhs)]	3,090.55	2,156.74
	3,090.55	**2,156.74**

2.09 Inventories

a. Raw materials		
i. On hand	14,196.26	12,570.53
ii. In transit	768.76	2,309.33
	14,965.02	**14,879.86**
b. Work-in-progress	3,311.73	3,964.39
c. Finished goods	10,694.82	11,428.84
d. Stock-in-trade	534.59	868.91
e. Stores and spares	1,483.03	1,637.83
f. Packing materials	77.26	111.76
	31,066.45	**32,891.59**

Note: (a) Refer note 2.15 for details of inventories hypothecation against borrowings
(b) The mode of valuation of inventories has been stated in note 1.3 (x)

2.10 Trade receivables

a. Trade receivables		
i. Secured, considered good *	3,946.75	3,415.68
ii. Unsecured, considered good	2,842.04	6,409.41
iii. Doubtful	2,513.85	2,383.20
	9,302.64	**12,208.29**
Less: Impairment of doubtful trade receivables	2,513.85	2,383.20
	6,788.79	**9,825.09**

* Includes dues from subsidiaries (refer note 2.38 (c) (v))

Note:

(a) The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on historical credit loss experience and adjustments for forward looking information. (refer note 2.55)

(b) Refer note 2.15 for details of receivables hypothecation against borrowings

(c) The secured trade receivable including security against Bank Guarantee, Letter of Credit and channel financing of ₹ 1,491.58 lakhs (Previous year ₹ 2,235.05 lakhs)

2.11 Cash and cash equivalent

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Cash on hand	7.94	8.32
b. Cheques on hand	-	69.36
c. Remittance in transit	96.94	-
d. Balances with banks		
i. Current accounts	57.79	1,657.44
ii. Deposit accounts	50.00	50.00
	212.67	**1,785.12**

2.12 Bank balances other than cash and cash equivalent

Earmarked accounts		
i. Unpaid dividend	42.13	42.85
	42.13	**42.85**

2.13 Share capital

1. Authorised Share capital	**1,700.00**	**1,700.00**
1,70,00,000 equity shares of ₹ 10 each (as at March 31, 2019 -1,70,00,000 equity shares of ₹ 10 each)		
2. Issued Share capital	**1,563.63**	**1,563.63**
1,56,36,340 equity shares of ₹ 10 each (as at March 31, 2019 -1,56,36,340 equity shares of ₹ 10 each)		
3. Subscribed and fully paid up (refer note 2.49, 2.50 and 2.51)	**1,563.63**	**1,563.63**
1,56,36,340 equity shares of ₹ 10 each (as at March 31, 2019 - 1,56,36,340 equity shares of ₹ 10 each)		

2.14 Other equity

Share premium account	1,373.17	1,337.08
General reserve	9,848.91	9,848.91
Share based payment reserve	718.17	520.86
Retained earning	31,959.28	32,000.16
	43,899.53	**43,707.01**

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
1. Securities premium account	1,337.08	1,303.09
Add: Premium on shares issued during the year (Including transfer from Share based payment reserve)	36.09	33.99
Closing balance	**1,373.17**	**1,337.08**
2. General reserve		
Opening balance	9,848.91	9,848.91
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing balance	**9,848.91**	**9,848.91**
3. Share based payment reserve		
Opening balance	520.86	141.70
Add: Share based payment expense to employees	233.40	382.26
Less: Transferred from share based payment reserve on exercise and lapse of options	36.09	3.10
Closing balance	**718.17**	**520.86**
4. Retained earning		
Opening balance	32,000.16	26,840.21
Add: Profit for the year	1,405.01	6,420.38
Remeasurement of defined benefit plan	(32.10)	(35.95)
Less: Dividend paid during year 2018-19 @ ₹ 7.50 per share (Previous year final dividend year 2017-18 @ ₹ 6.50 per share)	1,172.73	1,015.70
Dividend distribution tax on dividend paid	241.06	208.78
Closing balance	**31,959.28**	**32,000.16**
	43,899.53	**43,707.01**

In respect of the year ended March 31, 2020, the directors propose that a final dividend of ₹ 1.00 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 156.36 Lakhs. (refer note 2.48)

2.15 Borrowing at amortised cost

Secured		
Non Current		
i. Term loans	5,042.38	5,361.82
Less: Current maturities of long-term debt (secured)	519.24	692.32
(refer note 2.19 (a)		
	4,523.14	**4,669.50**

Note:

External Commercial Borrowing (ECB) from Axis Bank Limited of ₹ 4,523.14 lakhs (USD 60 lakhs) [previous year ₹ 4.150.28 lakhs (USD 60 lakhs)] is secured by first pari-passu charges on all the movable fixed assets situated at Kymore, Lakhmpaur and Bhagwanpur and immoveable fixed assets located at Kymore, Bhagwanpur and Lakhmapur. The ECB is repayable in single instalment; the instalment is due in September 2022. The rate of interest is 3 months Libor + 2.70% per annum(previous year 3 months Libor + 2.70% per annum).

Working Capital Term Loan from Kotak Mahindra Bank Limited of ₹ 519.24 lakhs (including ₹ 519.24 lakhs in current maturity) (previous year ₹ 1,211.54 lakhs) is secured by exclusive charge over the immovable and movable property situated at Dahej. The loan is repayable in 13 quarterly instalments of ₹ 173.08 lakhs; the last instalment is due in December 2020. The rate of interest is banks MCLR +0.20% per annum. For current maturities of long term borrowings see note 2.19 (a).

The Company has financial covenants relating to the borrowing facilities that it has taken from the lenders which is maintained by the Company.

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Current		
i. Cash credit	1,657.67	637.09
ii. Buyers credit	461.26	-
iii Working capital demand loan	-	3,000.00
	2,118.93	**3,637.09**

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, first pari-passu charge on land and building situated at Podanur, second pari-passu charges on all movable fixed assets situated at Kymore, Podanur, Kolkata, Lakhmapur and Bhagwanpur and second pari-pasu charges on land and building situated at Kymore, Lakhmapur and Bhagwanpur.

2.16 Lease liability

a. Non-current	479.77	-
b. Current	261.57	-
	741.34	

2.17 Trade payables

a. total outstanding dues of micro, small and medium enterprises	894.56	-
b. total outstanding dues of creditors other than micro, small and medium enterprises	13,535.46	18,129.09
	14,430.02	**18,129.09**

* Includes dues from subsidiaries (refer note 2.38 (c) (vi))

2.18 Deposits from dealers

a. Stockists' and other deposits	3,214.67	2,629.51
	3,214.67	**2,629.51**

2.19 Other financial liabilities

a. Current maturities of long-term debt (secured)		
i. Term loans from banks	519.24	692.32
b. Interest accrued but not due on borrowings	27.27	31.44
c. Unpaid dividends	42.13	42.85
d. Payables for purchase of fixed assets	115.72	83.37
e. Retention monies	387.95	485.69
f. Other payables	655.74	759.63
	1,748.05	**2,095.30**

2.20 Provisions for retirement benefits

a. Provision for employee benefits:		
i. Provision for compensated absences	536.34	545.93
	536.34	**545.93**

2.21 Other current liabilities

a. Advances from customers	4,910.92	6,176.56
b. Payables in respect of statutory dues	434.28	1,292.80
	5,345.20	**7,469.36**

2.22 Income tax assets/ liability (net)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for income tax (net of advance)	3,419.74	2,522.99
	3,419.74	**2,522.99**
[Net of advance tax - ₹ 494.87 lakhs (previous year ₹ 1182.64 lakhs)]		

2.23 Revenue from operation

Particulars	For the year ended March, 31 2020	For the year ended March, 31 2019
a. Revenue from sale of products		
i. Revenue from building products	82,787.69	89,212.18
ii. Revenue from traded products	708.21	919.56
b. Revenue from steel building contracts	43,433.45	48,956.05
Sub total *	**1,26,929.35**	**1,39,087.79**
c. Other operating revenues		
i. Sale of scrap	1,017.20	834.84
ii. Export incentives	266.52	213.91
iii. Others (including other incentives)	161.70	277.82
	1,445.42	**1,326.57**
	1,28,374.77	**1,40,414.36**

*As per Ind AS 115 , the revenue is reported net of GST.

2.24 Other income

a. Interest income on financial assets carried at amortised cost		
i. Interest from banks on deposits	193.86	198.28
ii Other interest	78.42	37.24
	272.28	**235.52**
b. Interest on Income tax refund	92.57	148.41
c. Other non-operating income		
i Interest Income on Deposit	4.50	5.39
ii Liabilities / provisions no longer required written back	447.49	178.47
iii Miscellaneous income	88.21	77.45
	540.20	**261.31**
	905.05	**645.24**

2.25 Cost of raw material consumed (refer note 2.43)

Cost of material consumed	71,934.30	81,980.24
	71,934.30	**81,980.24**

2.26 Purchase of traded goods

Roofing accessories	70.48	146.84
Other items	195.27	520.87
	265.75	**667.71**

2.27 (Increase) /decrease in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Lakhs)

Particulars	For the year ended March, 31 2020	For the year ended March, 31 2019
Inventories at the end of the year :		
i Finished goods	10,694.82	11,428.84
ii Work-in-progress	3,311.73	3,964.39
iii Stock-in -trade	534.59	868.91
	14,541.14	**16,262.14**
Inventories at the beginning of the year :		
i Finished goods	11,428.84	7,293.72
ii Work-in-progress	3,964.39	3,166.31
iii Stock-in -trade	868.91	1,475.76
	16,262.14	**11,935.79**
	1,721.00	**(4,326.35)**

2.28 Employee benefits expense

a. Salaries and wages	9,955.61	9,794.72
b. Contributions to provident and other funds	574.63	524.25
c. Gratuity expense	117.22	113.50
d. Share based payment to employees	233.40	382.26
e. Staff welfare expenses	690.10	711.39
	11,570.96	**11,526.12**

2.29 Finance costs

a. Interest expense on borrowings	574.71	618.22
b. Exchange differences regarded as an adjustment to borrowing cost	128.46	124.85
c. Other borrowing cost	1.00	18.50
	704.17	**761.57**

2.30 Depreciation and amortisation expenses

a. Depreciation on property, plant and equipment	2,071.62	1,964.66
b. Depreciation on right to use asset	231.37	-
b. Amortisation on intangible assets	70.64	90.84
	2,373.63	**2,055.50**

2.31 Other expenses

(₹ in Lakhs)

	Particulars	For the year ended March, 31 2020	For the year ended March, 31 2019
a.	Consumption of stores and spare parts	4,683.71	5,015.00
b.	Consumption of packing materials	1,196.78	1,168.80
c.	Power and fuel	3,815.94	3,998.07
d.	Repairs and maintenance		
	- Building	372.43	297.51
	- Machinery	763.83	791.64
	- Others	336.12	189.34
e.	Rent (refer note 2.41)	309.99	449.94
f.	Rates and taxes	168.54	281.46
g.	Insurance	289.33	269.43
h.	Travelling	1,807.25	1,747.24
i.	Advertisement and sales promotion expenses	1,282.72	1,763.69
j.	Cost for erection of buildings	4,013.15	3,069.07
k.	Loss on sale of property, plant and equipment (net)	55.21	60.72
l.	Net loss on foreign currency transactions and translation	281.99	151.62
m.	Outward freight charges on finished goods	10,465.02	12,038.86
n.	Professional and consultancy expenses (refer note 2.34)	1,322.08	1,055.14
o.	Contract labour	4,205.03	3,752.08
p.	Research and development expenses (refer note 2.46)	80.63	93.42
q.	Provision for impairment in capital work in progress (refer note 2.02)	160.00	-
r.	Impairment of doubtful trade receivables	130.65	1,163.55
s.	Expenditure on corporate social responsibility (refer note 2.47)	112.00	84.00
t.	Miscellaneous expenses	2,717.40	2,463.98
		38,569.80	**39,904.56**

2.32 Income tax expenses

A. Tax Expenses recognized in Profit or Loss		
Current Tax	419.53	2,019.75
Deferred tax	315.67	50.12
Total tax expenses	**735.20**	**2,069.87**
B. Tax on Other Comprehensive Income		
Remeasurement of defined benefit plans	(17.24)	(19.31)
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before income tax expense	2,140.21	8,490.25
Enacted statutory income tax rate in India applicable to the Company	34.944%	34.944%
Computed expected income tax expense	747.87	2,966.83
Adjustments:		
Effect of MAT credit entitlement of earlier years recognised in the current year	-	(1,016.42)
Additional deduction on research cost under section 35(2AB) of Income Tax Act	(18.07)	(16.17)
Effect of deduction under Section 80G of Income Tax Act, 1961	21.57	15.01
Others	(16.17)	120.62
Current tax expenses recognised in statement of Profit and Loss	**735.20**	**2,069.87**

2.33 Contingent liabilities and commitments

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Contingent liabilities		
Claims against the Company not acknowledged as liabilities in respect of:		
Sales tax matters	3,958.80	2,154.61
Excise and service tax matters	790.03	3,242.49
Income tax matters	3,427.74	3,532.01
Total	**8,176.57**	**8,929.11**
Advance paid/adjusted by authorities against above	3,479.18	3,729.47

The Company had received show cause notice from VAT authorities in previous year which was then responded. As per management assessment the Company has a good case in these matters.

b. There are numerous interpretation issues relating to the Supreme Court judgement on Provident Fund dated February, 28, 2019. The company implemented the same on a prospective basis. Any potential liability on the past years services will be provided after clarity emerges from EPFO.

c. Commitments

a) Estimated amount of contracts to be executed on capital account – ₹ 980.11 lakhs (net of advances – ₹ 197.93 lakhs), (previous year – ₹ 790.85 lakhs (net of advances ₹ 286.64 lakhs).

b) The Company has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, in normal course of business.

c) The Company did not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.

2.34 Professional and consultancy expenses include auditors remuneration (excluding taxes) as follows:

Particulars	For the year ended March, 31 2020	For the year ended March, 31 2019
To statutory auditors		
i. Audit fee	39.00	37.50
ii. Limited Review	24.00	22.50
iii. Reimbursement of expenses	6.94	8.31
	69.94	**68.31**

2.35 Disclosure in respect of revenue from contracts with customers

a. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue by Geography		
Domestic	1,24,211.82	1,36,288.28
Overseas	2,717.53	2,799.51
Total revenue from contract with customers	**1,26,929.35**	**1,39,087.79**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Timing of revenue recognition		
At a point in time	83,495.90	90,131.74
Over time	43,433.45	48,956.05
Total revenue from contract with customers	**1,26,929.35**	**1,39,087.79**

b. Contract Balances
The following table provides information about receivables, contracts assets, and contract liabilities from contracts with customers.

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables	3,563.89	6,786.73
Contract assets	-	-
Contract liabilities	-	-

c. Disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue from steel building contracts	43,433.45	48,956.05
Amounts included in contract liabilities at the beginning of the year	-	-
Performance obligations satisfied in previous years	-	-

d. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at March 31, are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	16,025.51	13,636.80
More than one year	-	-

2.36 Foreign exchange disclosure

Particulars		As at March 31, 2020	As at March 31, 2019
Outstanding forward exchange contracts as on 31 March, 2020:			
Receivables	USD	2.00	18.86
	INR	150.80	1,407.17
Payables	USD	23.96	11.93
	INR	1,809.83	839.82
Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows:			
Receivables	USD	6.62	-
	INR	499.09	-
Payables	AED	-	2.77
	INR	-	52.37
Payables	EUR	-	0.07
	INR	-	5.47

(₹ in Lakhs)

Particulars		As at March 31, 2020	As at March 31, 2019
Payables	USD	-	11.83
	INR	-	818.03
ECB Loan	USD	60.00	60.00
	INR	4,523.14	4,150.28
refer note 2.55 for sensitivity analysis			

2.37 Employee benefit

a. Defined contribution plan

The Company makes superannuation fund contribution to defined contribution retirement plans for covered employees. The Company's contribution towards superannuation fund is deposited in trust. The Company recognised ₹ 79.77 lakhs (previous year ₹ 78.05 lakhs) for superannuation fund contributions in the Statement of Profit and Loss.

b. Defined benefit plan

I. Gratuity Fund

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 following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at March 31, 2020:

(₹ in Lakhs)

i. Reconciliation of fair value of plan assets and defined benefit obligation:

Particulars		As at March 31, 2020	As at March 31, 2019
Defined Benefit Obligation		2,020.48	1,860.32
Fair Value of Plan Assets		2,280.94	2,134.36
Funded Status Surplus/(Deficit)	**Total**	**260.46**	**274.04**

ii. Amount recognised in Statement of Profit and Loss:

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost		141.41	137.83
Net Interest expenses		(24.19)	(24.33)
Amount recognised in Statement of Profit and Loss	**Total**	**117.22**	**113.50**

iii. Amount recognised in Other Comprehensive Income

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gain)/loss due to DBO experience		(22.87)	29.51
Actuarial (gain)/loss due to DBO assumption changes		83.93	24.77
Return on plan assets (greater)/less than discount		(11.72)	0.98
Actuarial (gains)/ losses recognized in OCI	**Total**	**49.34**	**55.26**

(₹ in Lakhs)

iv. **Changes in the present value of the defined benefit obligation are as follows:**

Particulars		As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligations as on April 01, 2019		1,860.32	1,767.61
Current service cost		141.41	137.83
Interest cost		122.67	119.39
Benefits paid		(164.98)	(218.79)
Actuarial (gain)/loss on obligations		61.06	54.28
Present value of defined benefit obligations as on March 31, 2020	**Total**	**2,020.48**	**1,860.32**

v. **Changes in the fair value of plan assets are as follows:**

Particulars		As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year		2,134.36	2,000.74
Interest Income on plan assets		146.86	143.72
Employer contribution		-	3.18
Return on plan assets greater/(lesser) than discount rate		11.72	(0.98)
Benefits paid		(12.00)	(12.30)
Fair value of plan assets at the end of the year	**Total**	**2,280.94**	**2,134.36**

vi. **The major categories of plan assets of the fair value of the total plan assets are as follows:**

Investment details		As at March 31, 2019	As at March 31, 2018
		Funded	**Funded**
With Government of India securities		75.89%	68.08%
With Debt instruments		18.39%	22.26%
With Equity shares		5.55%	6.44%
Other deposits		0.17%	3.22%
	Total	**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 March 31, 2020 has not been provided by the Life Insurance Corporation of India.

vii. **Principal actuarial assumptions used in determining gratuity obligations:**

Assumptions	As at March 31, 2020	As at March 31, 2019
Discount rate	5.80%	6.90%
Rate of return on EPFO	8.00%	8.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (Ult)	
Withdrawal rate	15.00%	15.00%

(₹ in Lakhs)

viii. A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount Rate		
Effect on DBO due to 0.5% increase in Discount Rate	(39.10)	(36.54)
Effect on DBO due to 0.5% decrease in Discount Rate	40.78	38.11
Salary Escalation Rate		
Effect on DBO due to 0.5% increase in Salary Escalation Rate	39.87	37.64
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(38.60)	(36.44)

ix. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
31-Mar-19	-	357.64
31-Mar-20	-	332.94
31-Mar-21	347.44	322.38
31-Mar-22	364.19	376.05
31-Mar-23	397.75	263.71
31-Mar-24	432.69	-
March 31, 2025 to March 31, 2029	1,377.51	1,226.32

II Provident fund

The Company's contribution towards provident fund is a defined benefit retirement plan. The Company makes contributions to the trust from time to time which in turn makes contributions in approved securities. The Company is liable for contribution paid/payable under provident fund scheme and any deficiency in interest cost compared to interest computed based on the interest declared by the Central Government under Employee Provident Fund Scheme, 1952 is recognised as defined benefit obligation.

The following tables set out the funded status of provident fund in the Company's financial statements as at March 31, 2020:

(i) Reconciliation of fair value of plan assets and defined benefit obligation:

Particulars		As at March 31, 2020	As at March 31, 2019
Defined Benefit Obligation		8,857.02	8,380.73
Fair Value of Plan Assets		9,743.66	8,668.53
Funded Status Surplus/(Deficit)	**Total**	**886.64**	**287.80**

(ii) Amount recognised in Statement of Profit and Loss:

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost		235.94	6.21
Net Interest expenses		-	4.11
Immediate recognition of (gain)/losses- other long term employee benefit plan		-	(49.19)
Other adjustments		-	38.87
Amount recognised in Statement of Profit and Loss*	**Total**	**235.94**	**-**

* An employer expense of ₹ NIL has been shown as there is no net liability on account of the interest guarantee. Therefore no expense needs to be recognised.

(₹ in Lakhs)

(iii) Amount recognised in Other Comprehensive Income

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gain)/loss due to DBO experience		8.97	16.04
Actuarial (gain)/loss due to DBO assumption changes		2.78	1.68
Actuarial (gain)/loss arising during period		599.04	17.62
Return on plan assets (greater)/less than discount rate		(610.79)	(66.91)
Actuarial (gains)/ losses recognized in OCI*	**Total**	**-**	**(31.57)**

* An employer expense of ₹ NIL has been shown as there is no net liability on account of the interest guarantee. Therefore no expense needs to be recognised.

(iv) Changes in the present value of the defined benefit obligation are as follows

Particulars		As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligations as on April 01, 2019		8,380.73	7,710.05
Current service cost		235.94	231.94
Interest cost		683.29	653.46
Employee contribution		578.67	497.99
Transfer in/(out)- other provident fund		-	(17.48)
Other adjustments		(65.90)	22.79
Benefits paid		(967.46)	(735.74)
Actuarial (gain)/loss on obligations		11.75	17.72
Present value of defined benefit obligations as on March 31, 2020	**Total**	**8,857.02**	**8,380.73**

(v) Changes in the fair value of plan assets are as follows:

Particulars		As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year		8,668.53	7,958.98
Interest Income on plan assets		683.29	649.35
Employer contribution		814.61	723.72
Transfer in/(out)- other provident fund		(65.90)	(17.48)
Return on plan assets greater/(lesser) than discount rate		610.79	89.70
Benefits paid		(967.46)	(735.74)
Fair value of plan assets at the end of the year	**Total**	**9,743.86**	**8,668.53**

(vi) The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details		As at March 31, 2020	As at March 31, 2019
		Funded	**Funded**
Government of India securities		37.92%	43.48%
PSU		34.20%	18.60%
Private sector bond		0.00%	19.14%
Special deposit scheme		19.02%	16.27%
Mutual Fund		8.86%	2.51%
	Total	**100.00%**	**100.00%**

(₹ in Lakhs)

(vii) Principal actuarial assumptions used in determining provident fund obligations:

Assumptions	As at March 31, 2020	As at March 31, 2019
Discount rate	5.80%	6.90%
Rate of return on EPFO	8.50%	8.65% p.a for first year starting 1 April 2019 and 8.60% p.a thereafter
Mortality rate	Indian Assured Lives Mortality (2006 -08) (modified)	
Withdrawl rate	15.00%	15.00%

2.38 Related party disclosures

a. List of related parties

i. Holding company

Falak Investment Private Limited (with effect from March 23, 2020)

ii. Enterprise excercising significant influence

Falak Investment Private Limited (till March 22, 2020)

iii. Subsidiary companies

Everest Building Products, Mauritius

Everest Building Solutions Limited

Everestind FZE, United Arab Emirates(UAE) – subsidiary of Everest Building Products, Mauritius

iv. Key management personnel/Whole time director

Mr. Aditya Vikram Somani, Chairman (till February 26, 2019)

Mr. Manish Sanghi, Managing Director

Mr. Y. Srinivasa Rao, Executive Director

Mr. Neeraj Kohli, Company Secretary

Mr. Nikhil Dujari, Chief Financial Officer (till July 31, 2018 and from September 3, 2018)

v. Entities on which key management personnel have control/significant influence

Purpleapple Infosystems LLP

b. Transactions with related parties during the year:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
i. Dividend paid		
Falak Investment Private Limited	553.70	479.93
ii. Remuneration to key management personnel/ whole time director		
Mr. Aditya Vikram Somani	-	250.71
Mr. Manish Sanghi	263.79	231.78
Mr. Y. Srinivasa Rao	183.84	179.73
Mr. Neeraj Kohli	28.74	24.07
Mr. Nikhil Dujari	105.52	81.02
iii. Dividend paid to key management personnel		
Mr. Manish Sanghi	6.35	5.28
Mr. Y. Srinivasa Rao	2.38	1.05

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
iv. Dividend paid to Entities which have control/significant influence		
Trapucans Pvt. Ltd.	-	8.91
v. Revenue from sale of products to		
Everestind FZE	2,290.81	1,983.03
vi. Purchase of traded goods		
Everestind FZE	-	39.06
vii. Services received		
Purpleapple Infosystems LLP	4.06	-
viii. Collection received on behalf of Company		
Everest Building Solutions Limited	10.81	-
ix. Paid to Trapucans Pvt. Ltd		
Rent and reimbursement of power	-	35.21
Security deposit	-	(9.00)

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

Particulars	As at March 31, 2020	As at March 31, 2019
i. Share capital from		
Falak Investment Private Limited	793.34	738.35
ii. Share capital from Entities which have control/significant influence		
Trapucans Pvt. Ltd	-	13.70
iii. Investment in equity of subsidiary Company (net of provision for impairment)		
Everest Building Products	-	36.67
Everest Building Solutions Limited	5.00	5.00
iv. Performance incentive due to key management personnel		
Mr. Manish Sanghi	-	18.00
Mr. Y. Srinivasa Rao	-	15.00
v. Trade receivables		
Everestind FZE	608.96	711.95
Everest Building Solutions Limited	10.81	-
vi. Trade payable		
Everest Building Solutions Limited	-	32.91
Everestind FZE	(4.17)	49.87
Purpleapple Infosystems LLP	0.48	-

2.39 Segment information

a. Business segments:

The Company has determined following reporting segments based on the information reviewed by the Chief Operating Decision Maker (CODM).Building products includes manufacturing and trading of roofing products, boards and panels, other building products and accessories. Steel buildings consist of manufacture and erection 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 as such there is only one geographical segment.

c. Segment accounting policies:

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

i. Segment revenue and expenses:

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

ii Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include fixed deposits, advance income tax, borrowings and deferred income tax etc.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Company's financial statements.

Information about business segments:

(₹ in Lakhs)

Particulars	Building products		Steel buildings		Total	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
1. Segment Revenue						
External revenue	83,495.90	90,131.74	43,433.45	48,956.05	1,26,929.35	1,39,087.79
Other operating income	634.27	669.96	811.15	656.61	1,445.42	1,326.57
Total Revenue	**84,130.17**	**90,801.70**	**44,244.60**	**49,612.66**	**1,28,374.77**	**1,40,414.36**
2. Segment Results	5,048.58	12,172.71	1,863.20	1,093.14	6,911.78	13,265.85
Unallocated expenses (net of income)					4,067.40	4,014.03
Operating Profit	5,048.58	12,172.71	1,863.20	1,093.14	2,844.38	9,251.82
Finance costs					704.17	761.57
Profit before tax					2,140.21	8,490.25
Tax expense					735.20	2,069.87
Net Profit					1,405.01	6,420.38

Particulars	Building products		Steel buildings		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
3. Other Information						
a. Assets						
Segment assets	54,479.16	58,522.50	21,607.97	24,498.03	76,087.13	83,020.53
Unallocated assets					8,656.66	6,853.65
Total Assets	**54,479.16**	**58,522.50**	**21,607.97**	**24,498.03**	**84,743.79**	**89,874.18**

(₹ in Lakhs)

Particulars	Building products		Steel buildings		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
b. Liabilities						
Segment liabilities	13,830.05	18,607.97	9,267.94	10,755.96	23,097.99	29,363.93
Unallocated liabilities					16,182.64	15,239.61
Total Liabilities	**13,830.05**	**18,607.97**	**9,267.94**	**10,755.96**	**39,280.63**	**44,603.54**

Particulars	Building products		Steel buildings		Total	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
c. Others*						
Capital expenditure	3,190.05	1,655.71	44.71	471.75	3,234.76	2,127.46
Depreciation	1,458.58	1,048.74	506.11	616.79	1,964.69	1,665.53
Non – cash expenses other than depreciation (includes impairment of trade receivables and other receivables)	21.54	-	109.11	1,032.80	130.65	1,032.80
* Excluding unallocated items						

2.40 Deferred taxation

Particulars	As at March 31, 2020	As at March 31, 2019
a. Deferred tax assets		
Tax impact of:		
i. Expenditure covered by Section 43B of the Income-tax Act, 1961	225.98	236.17
ii. Impairment of trade receivables	979.26	903.59
iii. MAT credit entitlement	158.39	360.00
iv. Others	74.66	57.42
Total deferred tax assets	**1,438.29**	**1,557.18**
b. Deferred tax liabilities		
Tax impact of:		
i. Excess of depreciation allowable under the Income-tax Act, 1961 over depreciation provided in financial statements	4,333.07	4,153.53
ii. Others	308.42	308.42
Total deferred tax liability	**4,641.49**	**4,461.95**
Net deferred tax liability	**3,203.20**	**2,904.77**

2.41 Lease commitments

Operating lease as lessee

The Company has taken properties on cancellable operating leases and has recognised rent of ₹ 309.99 lakhs (previous year ₹ 449.94 lakhs). There are no non-cancellable lease arrangements as at the end of the year.

2.42 Earnings per share

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Number of equity shares of ₹10 each fully paid up at the beginning of the year	156,36,340	156,26,160
b. Number of equity shares of ₹ 10 each fully paid up at the year end	156,36,340	156,36,340
c. Weighted average number of equity shares used in computing earnings per share	156,36,340	156,29,367
d. Weighted average number of options granted	3,40,120	2,35,045
e. Weighted average number of options post adjustment for number of options granted	3,40,120	2,35,045
f. Net profit for the year – (₹ / lakhs)	1,405.01	6,420.38
g. Basic earnings per share (Rupees)	8.99	41.08
h. Diluted earnings per share (Rupees)	8.99	41.08
i. Nominal value of equity shares (Rupees)	10.00	10.00

2.43 Cost of raw material consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	14,879.86	11,168.82
Add: Purchases	72,019.46	85,691.28
Less: Closing stock	86,899.32	96,860.10
Cost of materials consumed*	14,965.02	14,879.86
	71,934.30	**81,980.24**
Materials consumed comprises:*		
i. Raw fibre	18,640.62	20,012.12
ii. Cement	13,497.68	14,197.33
iii. Steel	25,480.59	32,378.19
iv. Other items	14,315.41	15,392.60
	71,934.30	**81,980.24**

* excludes research and development expenses of ₹ 15.01 lakhs (previous year ₹ 29.84 lakhs).

2.44 Details of closing finished goods, work in progress and stock-in-trade

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Finished goods		
i. Building products	9,491.54	10,376.65
ii. Steel buildings	1,203.28	1,052.19
	10,694.82	**11,428.84**
b. Work in progress		
i. Building products	3,149.06	3,665.31
ii. Steel buildings	162.67	299.08
	3,311.73	**3,964.39**
c. Stock-in-Trade		
i. Roofing accessories	291.25	538.17
ii. Other items	243.34	330.74
	534.59	**868.91**

2.45 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2020	As at March 31, 2019
Principal amount due to micro and small enterprises	894.56	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

According to the records available with the Company, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year is ₹ 894.56 lakhs (previous year ₹ Nil). Further no interest has been paid or was payable to such parties under the said Act during the year.

2.46 Expenditure on research and development

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Capital nature*		
Gross block	117.59	110.01
Accumulated depreciation	89.87	84.04
Net block	**27.72**	**25.97**
Additions during the year	7.58	-
b. Revenue nature		
i. Cost of materials consumed	15.01	29.84
ii. Consumption of stores and spare parts	6.59	4.29

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
iii. Employee benefits expense		
- Salaries and wages	22.84	30.09
- Contributions to provident and other funds	1.33	1.64
iv. Miscellaneous expenses	34.86	27.56
	80.63	**93.42**
v. Depreciation	5.23	4.62
Total	**85.86**	**98.04**

*** fixed assets utilised for research and development.**

2.47 The details relating to corporate social responsibility (CSR) expenditure are as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross amount required to be spent by the Company during the year	112.00	84.00
Amount spent during the year (See Note below)	112.00	84.00
i. Construction/ acquisition of assets	-	-
ii. On purposes other than (i) above	112.00	84.00

2.48 Distribution made and proposed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash dividend on Equity shares declared and paid:		
Final dividend for the year ended on March 31, 2019 ₹ 7.50 Per share (March 31, 2018: ₹ 6.50 Per share)	1,172.73	1,015.70
Dividend distribution tax on final dividend	241.06	208.78
Proposed dividends on Equity shares not recognised as liability:		
Final cash dividend for the year ended on March 31, 2020 ₹ 1.00 per share (March 31, 2019: ₹ 7.50 per share)	156.36	1,172.73
Dividend Distribution Tax on proposed dividend	-	241.06

2.49 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.50 Number of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	(No. of shares)	%	(No. of shares)	%
a. Falak Investment Private Limited	79,33,409	50.74	73,83,470	47.22
b. Vijay Kishanlal Kedia	6,15,924	3.94	9,50,000	6.08

(₹ in Lakhs)

2.51 Employee stock option scheme

The Company has granted 16,450 stock options (previous year 1,70,000 stock options) to the employees during the year ended March 31, 2020.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 2014	ESOS 2015	ESOS 2017	ESOS 2018	ESOS 2019
Year in which scheme was established	2014-15	2015-16	2017-18	2018-19	2019-20
Number of options authorised and granted	1,40,000	1,70,000	1,60,000	1,70,000	16,450
Exercise price	₹ 336	₹ 262	₹ 571	₹ 477	₹ 127
Fair value	₹ 151.01	₹ 100.11	₹ 288.37	₹ 182.63	₹ 37.67
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 year after vesting date				
Option activity during the year under the plans is set out below:					
i. Opening balance	41,530	51,645	1,36,620	1,70,000	-
	49,520	*56,955*	*1,60,000*	-	-
ii. Granted during the year	-	-	-	-	16,450
	-	-	-	*1,70,000*	-
iii. Vested during the year	-	-	-	-	-
	-	-	-	-	-
iv. Exercised during the year	-	-	-	-	-
	(7,080)	*(3,100)*	-	-	-
v. Forfeited during the year	(1,510)	(420)	(7,120)	(10,605)	(150)
	(910)	*(2,210)*	*(23,380)*	-	-
vi. Expired during the year	(40,020)	-	-	-	-
	-	-	-	-	-
vii. Outstanding at the year end	-	51,225	1,29,500	1,59,395	16,300
	41,530	*51,645*	*1,36,620*	*1,70,000*	-
viii. Options exercisable at the year end	-	51,225	1,29,500	1,59,395	-
	-	*51,645*	*1,36,620*	*1,70,000*	-
ix. Remaining contractual life (years) at the year end	-	0.80	2.82	3.82	4.98
	0.81	*1.80*	*3.82*	*4.82*	-

Previous year figures are in italics & brackets.

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 5.82% (previous year 1.41%) on the underlying equity shares, volatility in the share price of 44.14% (previous year 38.82%) and a risk free rate of interest of 6.35% (previous year 7.35%). 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.

(₹ in Lakhs)

2.52 Financial instruments - fair values

Particulars	Carrying value	
	As at March 31, 2020	**As at March 31, 2019**
Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:		
Financial assets		
Measured at fair value		
- Derivative assets	7.06	55.69
Measured at cost		
- Investment in Subsidiaries	5.00	41.67
Financial assets		
Measured at amortised cost		
- Security Deposits	639.56	706.50
- Government subsidy receivables	577.07	633.29
- Balances held as margin money (deposit accounts)	419.07	414.67
- Interest accrued on deposits	58.25	36.80
- Insurance claim receivable	20.87	77.95
- Other recoverable	217.09	636.61
- Derivative assets	7.06	-
Trade receivable*	6,788.79	9,825.09
Cash & cash equivalents*	212.67	1,785.12
Other bank balances*	42.13	42.85
Total	**8,994.62**	**14,256.24**
Financial liabilities		
Measured at amortised cost		
Borrowings	7,161.31	8,998.91
Lease liability	741.34	-
Trade payable*	14,430.02	18,129.09
Other financial liabilities*		
- Interest accrued on borrowings	27.27	31.44
- Unpaid dividend	42.13	42.85
- Payable for capital goods	115.72	83.37
- Retention monies	387.95	485.69
- Stockists' and other deposits	3,214.67	2,629.51
Total	**26,120.41**	**30,400.86**

* The management assessed that carrying values approximates their fair value largely due to the short-term maturities of these instruments.

(₹ in Lakhs)

2.53 Financial instruments - fair value hierarchy

The fair value of financial instruments as referred to in note 2.52 above have been classified into three categories depending upon the input used in the valuation technique.

The categories used are as follows :

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

Particulars	Level 1	Level 2	Level 3
Derivative assets	-	(7.06)	-

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019:

Particulars	Level 1	Level 2	Level 3
Derivative assets	-	(55.69)	-

2.54 Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages it's capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company take appropriate steps in order to maintain its capital structure. The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

The capital gearing ratio as on March 31, 2020 and March 31, 2019 was 13.26% and 13.74% respectively.

Particulars		As at March 31, 2020	As at March 31, 2019
Non Current Borrowing		4,523.14	4,669.50
Current Borrowing		2,118.93	3,637.09
Other Financial Liabilities (Long term debt)		519.24	692.32
Cash & Cash Equivalent		(212.67)	(1,785.12)
Net Debt	**Total**	**6,948.64**	**7,213.79**
Total Capital		45,463.16	45,270.64
Capital & Net Debt	**Total**	**52,411.80**	**52,484.43**
Gearing Ratio		**13.26%**	**13.74%**

2.55 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include advances, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises risk of: currency risk and interest rate risk.

The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

Foreign exchange risk

The Company regularly evaluates exchange rate exposure arising from the foreign currency transaction.

The Company uses forward contracts and derivative instruments to mitigate foreign exchange related risk exposures. When a forward contract is entered into for the purpose of being a hedge, the Company negotiates the terms of those contracts to match the terms of the hedged exposure. The Company's exposure to unhedged foreign currency risk as at March 31, 2020 and March 31, 2019 has been disclosed in note 2.36.

For the year ended March 31, 2020, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Company's profit before tax by ₹ 251.11 Lakhs/ ₹ (251.11) Lakhs respectively.

For the year ended March 31, 2019, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Company's profit before tax by ₹ 251.31 Lakhs/ ₹ (251.31) Lakhs respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Companies long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company has ₹ 4,523.14 lakhs (previous year ₹ 4,150.28 lakhs) of term loan carrying a floating interest rate of LIBOR plus 270 bps and ₹ 519.24 lakhs (previous year ₹ 1,211.54 lakhs) of term loans carrying a floating interest rate of MCLR plus 20bps to MCLR minus 20 bps, respectively. These loans expose the Company to risk of changes in interest rates. The remaining loans carry a fixed rate of Interest.

For details of the Company's short-term and long-term loans and borrowings, including interest rate profles, refer to note 2.15 of these financial statements.

For the years ended March 31, 2020 and March 31, 2019, every 1% increase or decrease in the floating interest rate component (i.e., LIBOR and MCLR) applicable to its loans and borrowings would affect the Company's net profit by approximately ₹ 2.84 lakhs and ₹ 2.84 lakhs, respectively.

The Company's investments in term deposits with banks are for short durations, and therefore do not expose the Company to significant interest rates risk. To optimise the interest cost the Company balances the borrowings from commercial paper, working capital loan and non-fund facilities from banks.

Interest rate sensitivity have been calculated assuming the borrowing outstanding at the reporting date have been outstanding for the entire reporting period.

Credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits) and from foreign exchange transactions.

Trade receivables

To manage the credit risk the Company periodically assesses the financial reliability of customers taking into account the financial condition and ageing of accounts receivable.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note.

Reconciliation of the allowances for credit losses:

The details of changes in allowances for credit losses for the year ended March 31, 2020 and March 31, 2019 are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at March 31, 2019	624.00	589.00
Provision/ (reversal) made during the year	-	35.00
Closing provision as on March 31, 2020	**624.00**	**624.00**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

As at March 31, 2020 and March 31, 2019, the Company had unutilised limits from banks of ₹ 11,842.33 lakhs and ₹ 14,352.56 lakhs respectively.

2.56 As per Orissa Industrial Policy 2007, the Company is eligible for State Government incentives in the form of reimbursement of 75% of Value added tax (VAT) paid after adjusting input tax rebate on VAT/ CST.

Post GST implementation effective July 1, 2017, the VAT / CST Acts have been repealed but as the aforesaid Scheme has not been withdrawn by the Orissa Government, the benefits therein continue. Further, the State Government has assured the Company that a notification on revised criteria for the calculation of incentive under GST regime shall be announced soon and the incentive under GST regime should be more or less at par with incentives under VAT regime. Accordingly, the Company has accrued the incentives amounting to ₹ 577.07 lakhs (previous year ₹ 412.51 lakhs) in these financial statements post GST implementation.

2.57 The Board of Directors of the Company at its meeting held on May 1, 2019 has approved a Scheme of merger of its 100% subsidiary company i.e. Everest Building Solutions Limited into Everest Industries Limited under section 230-232 and other applicable provision of the Companies Act, 2013 w.e.f April 1, 2019 or a date as may be approved by National Co. Law Tribunal. The parties to the Scheme are in process of obtaining regulatory and other approvals and the accounting will be done after Scheme becomes effective.

2.58 Capital work in progress includes imported machinery in building products amounting to ₹ 1,560.00 lakhs. Due to delay in land allocation by the State Govt. and by virtue of COVID-19 impact, the Company has deferred its plan to install the machinery in near future. Consequently, the Company has determined the net realizable value of the machinery by an independent certified valuer using cost approach and has made a provision of impairment of ₹ 160.00 lakhs against the said machinery

2.59 World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in all the units of the Company in compliance with the lockdown instructions. COVID-19 has impacted the normal business operations of the Company by way of interruption in production, supply chain and production facilities etc. during the lock-down period which has been extended till May 31, 2020. However, production/manpower availability supply of goods has gradually commenced during the months of April/May 2020 at the manufacturing locations of the Company after obtaining permissions from the appropriate government authorities.

The Company has made detailed assessment of its liquidity position to continue operations for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Gurugram
May 29, 2020

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Noida
May 29, 2020

Y. Srinivasa Rao
Executive Director
DIN No.01289086

Noida
May 29, 2020

Nikhil Dujari
Chief Financial Officer

Noida
May 29, 2020

Neeraj Kohli
Company Secretary

Noida
May 29, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of
Everest Industries Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Everest Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter paragraph

We draw attention to Note 2.58 to the accompanying consolidated financial statements, which describes the impact of COVID-19 pandemic on the Group's operations and consolidated financial statements as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition for long term projects and recoverability of receivables *(as described in note 1.4(a) of the consolidated Ind AS financial stateme*	
The Holding Company's significant portion of business is undertaken through long term engineering, procurement and construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, revenue recognition involves usage of input method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, identification of contractual obligations and the Holding Company's rights to receive payments for performance completed till date, risk on collectability due to liquidation damages, other penalties imposed by the customers and possible effects from COVID-19 pandemic, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Accuracy of revenues, onerous obligations, profits and net receivables may deviate significantly on account of change in judgements and estimates, therefore, this has been considered as key audit matter in our audit of the consolidated Ind AS financial statements.	• Our audit procedures included testing of the Group's revenue recognition accounting policies in compliance with Ind AS 115. • We performed test of controls over management process of assessing its contractual obligation, determining the percentage completion and periodical changes in estimates of project cost and project revenue recognition with specific focus on determination of progress of completion, recording of project costs incurred and estimation of project costs to complete the remaining contract obligations and collection of overdue receivables through inspection of evidence of performance of these controls. • We examined the underlying customer contracts, costs incurred with estimated costs to identify significant variations and assess whether those variations if any, have been considered in estimating the remaining costs to complete and consequential determination of stage of completion. • We performed tests of details to examine the management assessment of estimated project revenue, possible liquidation damages, estimated project cost and cost incurred till the year end. We also tested the invoices raised and computation for revenue recognized, over a period of time under the input method in Ind AS 115. • We examined the management assessment of onerous contracts due to change in estimated project cost, liquidation damages, possible financial exposure from COVID-19 pandemic and other penalties charged by the customer. • We examined contracts and correspondences where there were significant overdue receivables with marginal or no movement to determine the level of provisioning required in the receivable. • We evaluated management's assumption and judgment by comparing to the historical collection trends; • We tested the adequacy of disclosure relating to contractual positions and revenue for the year in the consolidated Ind AS financial statements.
Uncertain tax positions impacting valuation of tax provision *(as described in note 1.4(b) of the consolidated Ind AS financial statements)*	
The Holding Company has ongoing disputes with the Income tax departments on income tax computation for certain assessment years. These disputes are pending with different Appellate authorities and at the Courts. The management has assessed the future outcome of these ongoing proceedings and exposures which directly affects the valuation of tax provisions in the financial statements. As the future outcome of these matters and the accounting effects thereof, are based on assessment of complex matters which may take time to finally resolve, the valuation of tax provision related to uncertain tax position has been considered as key audit matter in our audit of the consolidated Ind AS financial statements.	Our audit procedures included the following: • We obtained details of completed tax assessments and demands for the assessment years under dispute as of March 31, 2020. • We performed test of control over management process of assessment and estimates with regard to the existing tax disputes and uncertain tax positions. • We inspected written communication between the Holding Company and the tax authorities and involved tax specialist to assess the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. • We also considered the effect of any new information in the current financial year 2019-20 in respect of carried forward uncertain tax positions to evaluate if there is any change in the management's position on these uncertainties. • We tested the adequacy of provisioning and disclosure relating to uncertain tax positions in accordance with the compliance of Ind AS 12.

Key audit matters	How our audit addressed the key audit matter
Recognition of Government Grant pending notification for revised calculation criteria post GST implementation *(as described in note 2.55 of the consolidated Ind AS financial statements)*	
The Holding Company is entitled to receive an Orissa State incentive in the form of 75% reimbursement of net VAT paid by the Holding Company. Post GST implementation effective July 1, 2017, the VAT / CST Acts have been repealed and the State Government has not yet issued any clarification on the revised calculation criteria to claim the incentive. The Holding Company's management is regularly following up with the State Govt officials on the status of revised notification and expect it to be issued soon. The Holding Company on the basis of net SGST paid/ payable in the GST regime, has recognized an incentive income of 75% of SGST paid aggregating ₹ 577.07 lakhs from July 1, 2017 to March 31, 2020 including incentive income of ₹ 161.60 lakhs (previous year ₹ 277.82 lakhs) in the statement of profit and loss for the year ended March 31, 2020. The aforesaid incentive recognised by the Holding Company may significantly deviate on account of change in the revised criteria by the State Government to claim the incentive and therefore, this has been considered as key audit matter in our audit of the consolidated Ind AS financial statements.	• Our audit procedures included examining of the Holding Company's Government incentives recognition accounting policy is in compliance with Ind AS 20. • We checked the accuracy and valuation of the said incentives accrued by the Holding Company. • We obtained an understanding, evaluated the design and tested operating effectiveness of the controls related to the government grants, including the controls in respect of measurement of the grants. • We discussed the matter with the Holding Company's in-house tax counsel for an understanding of the relevant Acts and conditions attached thereto and the legal and constitutional right of the Holding Company to receive the benefit post implementation of GST. We involved our indirect tax specialist on the same and obtained their views. • We examined the State Incentive policy to check the eligible quantum and period of incentives.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2019-20, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of subsidiaries viz., Everest Building Products, Mauritius, Everest Ind FZE, UAE and Everest Building Solution Limited whose Ind AS financial statements include total assets of ₹ 767.65 lakhs as at March 31, 2020, and total revenues of ₹ 2,456.83 lakhs and net cash outflows of ₹ 18.56 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, [based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

    i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 2.32 to the consolidated Ind AS financial statements;

    ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2020.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/E300005

per Sanjay Vij
Partner
Membership Number : 95169

UDIN: 20095169AAAABE5372

Place of Signature: Gurugram
Date: May 29, 2020

ANNEXURE 1 REFERRED IN PARAGRAPH (f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EVEREST INDUSTRIES LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Everest Industries Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Everest Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary company which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company, its subsidiary company which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company which is incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to one subsidiary Company, which is incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/E300005

per Sanjay Vij
Partner
Membership Number : 95169

UDIN:20095169AAAABE5372

Place of Signature: Gurugram
Date: May 29, 2020

BALANCE SHEET

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(₹ In Lakhs)

	Particulars	Notes Reference	As at 31 March 2020	As at 31 March 2019
A	**ASSETS**			
	1. Non-current assets			
	Property, plant and equipment	2.01	35,150.24	33,548.89
	Right to use asset	2.04	694.08	
	Capital work in progress	2.02	2,061.35	2,597.71
	Intangible assets	2.03	57.62	125.95
	Financial assets			
	(i) Other financial assets	2.05	1,514.88	1,408.35
	Other non current assets	2.06	194.13	477.91
	Income tax assets (net)	2.07	3,090.55	2,156.74
	Total - non-current assets		**42,762.85**	**40,315.55**
	2. Current assets			
	Inventories	2.08	31,066.45	32,929.66
	Financial assets			
	(i) Trade receivables	2.09	6,728.97	9,926.88
	(ii) Cash and cash equivalent	2.10	301.65	1,892.64
	(iii) Bank balances other than (ii) above	2.11	42.13	42.85
	(iv) Other financial assets	2.05	424.57	1,153.61
	Other current assets	2.06	3,555.87	3,949.40
	Total - current assets		**42,119.64**	**49,895.04**
	TOTAL ASSETS		**84,882.49**	**90,210.59**
B	**EQUITY AND LIABILITIES**			
	1. Equity			
	Share capital	2.12	1,563.63	1,563.63
	Other equity	2.13	43,699.21	43,573.62
	Total equity		**45,262.84**	**45,137.25**
	2 Non-current liabilities			
	Financial liabilities			
	(i) Borrowings	2.14	4,523.14	4,669.50
	(ii) Lease liability	2.15	479.77	-
	Deferred tax liabilities (net)	2.39	3,203.20	2,904.77
	Total - non-current liabilities		**8,206.11**	**7,574.27**
	3 Current liabilities			
	Financial liabilities			
	(i) Borrowings	2.14	2,118.93	3,637.09
	(ii) Trade payables	2.16		
	(a) total outstanding dues of micro, small and medium enterprises		894.56	-
	(b) total outstanding dues of creditors other than micro, small and medium enterprises		13,691.72	18,376.10
	(iii) Lease liability	2.15	261.57	-
	(iv) Deposits from dealers	2.17	3,214.67	2,629.51
	(v) Other financial liabilities	2.18	1,858.08	2,259.62
	Provisions for retirement benefits	2.19	536.34	545.93
	Other current liabilities	2.20	5,387.38	7,519.87
	Provision for income tax (net)	2.21	3,450.29	2,530.95
	Total - current liabilities		**31,413.54**	**37,499.07**
	TOTAL EQUITY AND LIABILITIES		**84,882.49**	**90,210.59**

See accompanying notes forming part of the financial statements
As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169
Gurugram
May 29, 2020

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Noida
May 29, 2020

Y. Srinivasa Rao
Executive Director
DIN No.01289086

Noida
May 29, 2020

Nikhil Dujari
Chief Financial Officer

Noida
May 29, 2020

Neeraj Kohli
Company Secretary

Noida
May 29, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

		Particulars	Note Reference	Year ended March 31, 2020	Year ended March 31, 2019
A	**Income**				
	Revenue from operations		**2.22**	1,28,540.78	1,40,831.90
	Other income		**2.23**	945.22	647.47
	Total income			**1,29,486.00**	**1,41,479.37**
B	**Expenses**				
	a.	Cost of raw material consumed	**2.24**	71,934.30	81,980.24
	b.	Purchase of traded goods	**2.25**	302.48	703.76
	c.	(Increase)/ decrease in inventories of finished goods, work-in progress and traded goods	**2.26**	1,721.00	(4,326.35)
	d.	Employee benefits expense	**2.27**	11,651.91	11,584.29
	e.	Finance costs	**2.28**	704.17	763.20
	f.	Depreciation and amortization expense	**2.29**	2,373.63	2,055.50
	g.	Other expenses	**2.30**	38,711.00	40,432.29
		Total expenses		**1,27,398.48**	**1,33,192.93**
C	**Profit before tax**			2,087.52	8,286.44
	Tax expenses				
	a.	Current tax	**2.31**	419.53	2,050.57
	b.	Deferred tax	**2.31 & 2.39**	315.67	50.12
	Total tax expenses			**735.20**	**2,100.69**
D	**Profit for the year**			**1,352.32**	**6,185.75**
E	**Other comprehensive income**				
	i.	Items that will not be reclassified subsequently to the statement of profit or loss			
		(a) Re-measurement gains/(losses) on defined benefit plans		(49.34)	(55.26)
		(b) Income tax effect		17.24	19.31
		(c) Foreign currency translation reserve		(14.24)	(9.31)
	Other comprehensive income for the year, net of tax			**(46.34)**	**(45.26)**
F	**Total comprehensive income for the year, net of tax**			**1,305.98**	**6,140.49**
	Earnings per equity share (refer note 2.41)				
	[Face value - ₹ 10 per share]				
	Basic earnings per share (Rupees)			8.35	39.29
	Diluted earnings per share (Rupees)			8.35	39.29

See accompanying notes forming part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Gurugram
May 29, 2020

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Noida
May 29, 2020

Y. Srinivasa Rao
Executive Director
DIN No.01289086

Noida
May 29, 2020

Nikhil Dujari
Chief Financial Officer

Noida
May 29, 2020

Neeraj Kohli
Company Secretary

Noida
May 29, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A.	**Cash flow from operating activities**		
	Profit before tax	**2,087.52**	**8,286.44**
	Adjustments for:		
	Depreciation and amortisation expenses	2,373.63	2,055.50
	Finance costs	704.17	763.20
	Interest income	(367.58)	(386.15)
	Loss/ (profit) on sale of property, plant and equipment assets (net)	55.21	60.72
	Liabilities / provisions no longer required written back	(484.93)	(178.47)
	Provision for impairment of CWIP	160.00	-
	Share based payment expense	233.40	382.26
	Impairment of trade receivables	201.45	1,451.99
	Impact of fair valuation of financial instruments	44.13	(12.54)
	Re-measurement (loss)/gain of defined benefit plan	(49.34)	(55.26)
	Net unrealised (gain)/loss on exchange rate fluctuation	398.15	216.86
	Operating profit before working capital changes	**5,355.80**	**12,584.55**
	Working capital adjustments:		
	(Increase)/decrease in inventories	1,863.21	(8,175.66)
	(Increase)/decrease in trade receivables	2,996.45	(4,317.20)
	(Increase)/decrease in other non current financial assets	(108.27)	(57.90)
	(Increase)/decrease in other non current assets	(62.33)	2.26
	(Increase)/decrease in other current financial assets	712.53	(349.31)
	(Increase)/decrease other current Asset	393.53	(120.86)
	Increase/(decrease) in trade payables	(3,344.39)	2,795.37
	Increase/(decrease) in deposits from business partners	585.16	(396.54)
	Increase/(decrease) in other financial liabilities	(255.93)	(3.43)
	Increase/(decrease) in other current/ non current liabilities	(2,132.49)	812.72
	Increase/(decrease) in provisions	(9.59)	24.01
	Cash generated from operations	**5,993.68**	**2,798.01**
	Income tax (paid)/refund	(434.00)	665.97
	Net cash flows from operating activities	**5,559.69**	**3,463.98**
B.	**Cash flow used in investing activities**		
	Capital expenditure on fixed assets, including capital advances	(3,180.16)	(2,741.02)
	Proceeds from sale of fixed assets	20.37	47.17
	- Placed (deposits and unclaimed dividend accounts)	0.72	(1.99)
	- Matured (deposits)		
	Balances held as margin money	4.40	103.94
	Interest received	346.12	362.09
	Net cash flow used in investing activities	**(2,817.35)**	**(2,229.81)**
C.	**Cash flow used in financing activities**		
	Proceeds from issue of equity shares	-	1.01
	Securities premium received	-	30.89
	Share application money received		
	Repayment of long-term borrowings	(692.32)	(692.30)
	Proceeds/(repayment) of short-term borrowings	(1,518.16)	1,059.03

(₹ In Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Finance costs	(708.34)	(774.81)
Dividend paid during the year	(1,173.45)	(1,013.71)
Dividend distribution tax on dividend paid	(241.06)	(208.78)
Net cash flows used in financing activities	**(4,333.33)**	**(1,598.67)**
Net change in cash and cash equivalents (A)+(B)+(C)	(1,590.98)	(364.50)
Cash and cash equivalents at the beginning of the year	1,892.64	2,257.14
Cash and cash equivalents at year end	**301.65**	**1,892.64**

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Gurugram
May 29, 2020

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Noida
May 29, 2020

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Noida
May 29, 2020

Nikhil Dujari
Chief Financial Officer

Noida
May 29, 2020

Neeraj Kohli
Company Secretary

Noida
May 29, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2020

(₹ In Lakhs)

A. Equity share capital

Particulars	Number of shares	Amount
Balance as at March 31, 2018	**156,26,160**	**1,562.62**
Changes in equity share capital during the period		
Issue of equity shares under employee share option plan (refer note 2.50)	10,180	1.01
Balance as at 31 March 2019	**156,36,340**	**1,563.63**
Changes in equity share capital during the period		
Issue of equity shares under employee share option plan (refer note 2.50)	-	-
Balance as at 31 March 2020	**156,36,340**	**1,563.63**

B. Other equity

Particulars	Attributable to equity shareholders of the Company					
	Reserves and surplus					
	Securities premium	General reserve	Share based payment reserve	Retained earnings	Foreign currency translation Reserve	Total other equity
As at March 31, 2018	1,303.09	9,848.91	141.70	27,011.04	(60.28)	38,244.46
Profit for the period	-	-	-	6,185.75		6,185.75
Other comprehensive income	-	-	-	(35.95)	(9.31)	(45.26)
Total comprehensive income for the year	**1,303.09**	**9,848.91**	**141.70**	**33,160.84**	**(69.59)**	**44,384.95**
Dividend paid during the year	-	-	-	(1,015.70)	-	(1,015.70)
Dividend distribution tax on dividend paid	-	-	-	(208.78)	-	(208.78)
Compensation options granted during the year/ Changes during the period	-	-	382.26	-	-	382.26
Securities premium on shares issued during the year	30.89	-	-	-	-	30.89
Transferred from share based payement reserve on exercise and lapse of options	3.10	-	(3.10)	-	-	-
Balance as at March 31, 2019	**1,337.08**	**9,848.91**	**520.86**	**31,936.36**	**(69.59)**	**43,573.62**
Balance as at March 31, 2019	1,337.08	9,848.91	520.86	31,936.36	(69.59)	43,573.62
Profit for the year	-	-	-	1,352.31		1,352.31
Other comprehensive income	-	-	-	(32.10)	(14.24)	(46.34)
Total comprehensive income for the year	**1,337.08**	**9,848.91**	**520.86**	**33,256.57**	**(83.83)**	**44,879.60**
Dividend paid during the year	-	-	-	(1,172.73)	-	(1,172.73)
Dividend distribution tax on dividend paid	-	-	-	(241.06)	-	(241.06)
Compensation options granted during the year/ Changes during the period	-	-	233.40	-	-	233.40
Securities premium on shares issued during the year	-	-	-	-	-	-

(₹ In Lakhs)

Particulars	Attributable to equity shareholders of the Company					
	Reserves and surplus					
	Securities premium	General reserve	Share based payment reserve	Retained earnings	Foreign currency translation Reserve	Total other equity
Transferred from share based payment reserve on exercise and lapse of options	36.09	-	(36.09)	-	-	-
Balance as at March 31, 2020	**1,373.17**	**9,848.91**	**718.17**	**31,842.78**	**(83.83)**	**43,699.21**

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Gurugram
May 29, 2020

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Noida
May 29, 2020

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Noida
May 29, 2020

Nikhil Dujari
Chief Financial Officer

Noida
May 29, 2020

Neeraj Kohli
Company Secretary

Noida
May 29, 2020

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1.1

The consolidated financial statements comprise financial statements of Everest Industries Limited (the company) and its subsidiaries (collectively, "the Group") for the year ended 31 March 2020. Group is primarily engaged in manufacturing and trading of building products like roofing products, boards and panels, other building products and accessories and manufacturing of components of pre-engineered steel buildings and related accessories.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on May 29, 2020.

Note 1.2

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

These consolidated financial statements have been prepared on the historical cost or at amortised cost, except for the following assets and liabilities:

- derivative financial instruments are measured at fair value;
- employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary	
				31 March, 2020	31 March, 2019
Everest Building Products (w.e.f., 9 September, 2013)	Subsidiary	Mauritius	Company	100	100
Everestind FZE (w.e.f., 18 December, 2013)	Subsidiary	United Arab Emirates (UAE)	Everest Building Products	100	100
Everest Building Solutions Limited (w.e.f., 1 August 2015)	Subsidiary	India	Company	100	100

Everest Building Products was incorporated on 9 September, 2013 with limited liability as a wholly owned subsidiary of the Company to promote business of the Company in the overseas market and to carry out the business of international trading of building products and accessories thereof.

Everestind FZE was incorporated on 18 December, 2013 as a free zone establishment with limited liability as a wholly owned subsidiary of Everest Building Products to carry out the business of international trading of building products and accessories thereof.

Everest Building Solutions Limited is a wholly owned subsidiary of the Company with effect from 1 August, 2015.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. Subsidiaries are all entities that are controlled by the Company. Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

Note 1.3

Summary of significant accounting policies

(i) Basis of consolidation

The consolidated financial statements relate to Everest Industries Limited (the Company), and its subsidiaries. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the entities that are consolidated are drawn upto the same reporting date as that of the Company i.e., 31 March, 2020.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- Non Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

- Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- The consolidated financial statements have been prepared using uniform accounting policies in the same manner as the Company's separate financial statements.

(ii) Current Vs Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalent. The Group has identified twelve months as its operating cycle.

(iii) Fair values measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Other techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(iv) Property, Plant and Equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

Property, plant & equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Such cost includes the cost of replacing part of the plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted, if appropriate.

(v) Depreciation on Property, plant & equipment

- Lease hold improvements (LHI) & leasehold lands are amortised on straight line basis over the period of lease or useful life whichever is lower.
- Depreciation on other Property, plant & equipment is provided on straight line basis at the rates based on the estimated useful life of the assets. The Group, based on management estimates, depreciates the assets over estimated useful lives which coincides with the useful life prescribed in Schedule II to the Companies Act, 2013.
- The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives of 15 years which are different from the useful life of 8 years, prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used
- Depreciation on Property, plant & equipment added/disposed off during the year is provided on pro-rata basis with respect to date of acquisition/ disposal.

(vi) Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Technical know-how is amortised over the term of the agreement. Computer software is amortised over the estimated useful life of 3 years.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised. The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

(vii) Research and development costs

Research and development costs of revenue nature are charged to the Statement of Profit and Loss when incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the rates set out in Note 1.3(v) above.

(viii) Revenue Recognition

- **Revenue from contract with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In respect of pre-engineered building contracts, revenue is recognised over a period of time using the input method (equivalent to percentage-of-completion method; POCM) of accounting with contract costs incurred determining the degree of completion of the performance obligation.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers on behalf of the government.

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The Group has adopted Ind AS 115 using the modified retrospective approach. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements.

- **Interest**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR).

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

(ix) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Financial assets**

  Initial recognition and measurement

  On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), their transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

  Subsequent measurement

  Debt instruments at amortised cost

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, Security deposits & other receivables.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivable.

Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for estimated losses on the current portfolio. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

- **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method.

Other financial liabilities (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as foreign exchange forward contracts, option contracts and swap contracts to hedge its foreign currency risk.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss,

(x) Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary 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	-	Moving Weighted average
Raw materials	-	Moving Weighted average
Materials in transit	-	At cost
Work in progress and Finished goods	-	Material cost determined on moving weighted average basis plus appropriate share of labour, manufacturing and other overheads.
Stock in trade	-	Weighted average

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(xi) Retirement and other Employee Benefits

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

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.

Post-employment benefit plans

The Group 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 Group's contributions towards provident fund are deposited in a trust formed by the Group 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 Group's superannuation scheme is considered as defined contribution scheme. The Group has no obligation, other than the contribution payable to the super-annuation fund. The Group recognizes contribution payable to the super-annuation fund scheme as an expense, when an employee renders the related service.

The Provident Fund (administered by a Trust) is a defined benefit scheme where by the Group deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to confirm to the interest rate declared by the government for the Employees Provident Fund. The Group has adopted actuary valuation based on project unit credit method to arrive at provident fund liability as at year end. The Provident Fund scheme additionally requires the Group 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 Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, and the return on plan assets (excluding net interest), are recognised to OCI in the period in which they occur and are not reclassified to profit or loss.

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/losses are immediately taken to the statement of profit and loss for the period in which they are occur.

(xii) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xiii) Foreign Exchange Transactions and balances

The functional currency of the Group is India Rupees.

Initial recognition

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(xiv) Taxation

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years. Subject to exceptions below, deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss; deferred income tax is not recognised on the initial recognition (including MAT) of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(xv) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvi) Impairment of Non-financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, are recognised in the statement of profit and loss

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate and when circumstances indicate that the carrying value may be impaired.

(xvii) Provisions and contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement.

(xviii) Contingent liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(xix) Share based payment transaction

Selected employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

(xx) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease i.e. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 1.3 (iv) Impairment of tangible and intangible assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, that depend on an index or a rate, and amounts expected to be paid under residual value guarantees..

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Contingent rents are recognised as revenue in the period in which they are earned

(xxi) Segment reporting

Operating segment are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM). The managing director is considered to be the 'Chief Operating Decision Maker' (CODM).

See note no. 2.38 for segment information presented.

(xxii) Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them, and the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income when on a systematic basis when related conditions or obligations are met by the Company.

(xxiii) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Group's cash management.

(xxiv) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded of the nearest two decimal lakhs as per the requirement of schedule III, unless otherwise stated.

Note 1.4

Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Uncertainty on the Estimation of the Total Construction Revenue and Total Construction Cost: The holding company recognises revenue from the construction contracts over the period of contract as per the input method of IND AS 115 "Revenue from contracts with the customers". The contract revenue is determined based on proportion of contract cost incurred to date compared to estimated total contract cost which involves significant judgement, identification of contractual obligations, and the company's right to receive payments for performance completed till date, risk on collectability due to liquidation damages and other penalties imposed by the customers, possible effects from COVID-19 pandemic change in scope and consequential revised contact price and recognition of the liability for loss making contracts/ onerous obligations etc. The Group has efficient, coordinated system for calculation and forecasting its revenue and expense reporting. However actual project outcome may deviate positively or negatively from the company's calculation and forecasting which could impact the revenue recognition up to the stage of project completion and is recognised prospectively in the financial statements.

(b) Tax Uncertainties: The holding company has open tax issues at various levels of authorities. Where management makes a judgement that an outflow of funds is probable and a reliable estimate of the outcome of the dispute can be made, provision is made for the best estimate of the liability. In estimating any such liability, the Group applies a risk-based approach. These estimates take into account the specific circumstances of each dispute and relevant external advice, are inherently judgemental and could change substantially over time as each dispute progresses and new facts emerge.

The holding company continues to believe that it has made adequate provision for the liabilities likely to arise from open assessments. Where open issues exist the ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of assessments with the relevant tax authorities or the litigation proceedings.

(c) Useful Lives of Property, Plant and Equipment: The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(d) Measurement of Defined Benefit Obligation: The cost of the defined benefit gratuity plan and other Long term employee benefits (Compensated Absences) and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

(e) **Share-based Payments:** The Group measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

(f) **Impairment in subsidiaries:** Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future commodity prices, capacity utilisation of plant, operating margins, discount rates and other factors of the underlying businesses/operations of the subsidiaries.

(g) **Expected Credit Loss:** The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and Company makes appropriate provision wherever outstanding is for longer period and involves higher risk.

2.01 Property, plant and equipment

(₹ In Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings on Freehold Land	Building on Leasehold Land	Lease Hold Improve-ments	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Others (Roads)	Total
Cost											
At March 31, 2018	**1,408.13**	**2,611.13**	**4,016.89**	**8,194.38**	**47.83**	**20,093.15**	**836.39**	**236.41**	**597.76**	**360.18**	**38,402.25**
Additions	-	-	118.43	-	-	1,517.41	2.75	96.44	40.29	-	1,775.32
Disposals	-	-	-	-	-	(223.76)	-	(90.45)	(0.88)	-	(315.09)
At March 31, 2019	**1,408.13**	**2,611.13**	**4,135.32**	**8,194.38**	**47.83**	**21,386.80**	**839.14**	**242.40**	**637.17**	**360.18**	**39,862.48**
Additions	-	-	109.16	63.81	-	3,507.26	17.84	-	38.38	12.10	3,748.55
Disposals	-	-	(70.85)	-	-	(143.91)	(0.10)	(42.19)	(2.21)	-	(259.26)
At March 31, 2020	**1,408.13**	**2,611.13**	**4,173.63**	**8,258.19**	**47.83**	**24,750.15**	**856.88**	**200.21**	**673.34**	**372.28**	**43,351.77**
Accumulated depreciation											
At March 31, 2018	**-**	**54.53**	**324.46**	**439.95**	**2.06**	**3,162.91**	**192.56**	**36.62**	**229.03**	**114.01**	**4,556.13**
Depreciation charge for the year	-	33.55	160.77	222.49	1.21	1,296.17	84.06	39.00	114.74	12.67	1,964.66
Disposals	-	-	-	-	-	(149.98)	-	(56.42)	(0.80)	-	(207.20)
At March 31, 2019	**-**	**88.08**	**485.23**	**662.44**	**3.27**	**4,309.10**	**276.62**	**19.20**	**342.97**	**126.68**	**6,313.59**
Depreciation charge for the year	-	33.54	158.78	210.83	1.20	1,394.98	90.67	33.75	105.92	41.95	2,071.62
Disposals	-	-	(64.03)	-	-	(93.75)	(0.10)	(23.72)	(2.08)	-	(183.68)
At March 31, 2020	**-**	**121.62**	**579.98**	**873.27**	**4.47**	**5,610.33**	**367.19**	**29.23**	**446.81**	**168.63**	**8,201.53**
Net Book Value											
At March 31, 2019	**1,408.13**	**2,523.05**	**3,650.09**	**7,531.94**	**44.56**	**17,077.70**	**562.52**	**223.20**	**294.20**	**233.50**	**33,548.89**
At March 31, 2020	**1,408.13**	**2,489.51**	**3,593.65**	**7,384.92**	**43.36**	**19,139.82**	**489.69**	**170.98**	**226.53**	**203.65**	**35,150.24**

Note: Net off of provision for impairment of ₹ 160 lakhs (previous year ₹ Nil) (refer note 2.30)

2.02 Capital work in progress

Particulars	At March 31, 2020	At March 31, 2019
Capital work in progress	2,061.35	2,597.71
Total	**2,061.35**	**2,597.71**

Note : Net off of provision for impairment of ₹ 160 lakhs (previous year ₹ Nil) (refer note 2.30)

2.03 Intangible assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Cost		
At March 31, 2018	**487.59**	**487.59**
Addition	6.48	6.48
Disposals	-	-
At March 31, 2019	**494.07**	**494.07**
Addition	2.31	2.31
Disposals	-	-
At March 31, 2020	**496.38**	**496.38**
Accumulated amortisation		
At March 31, 2018	**277.28**	**277.28**
Amortisation for the year	90.84	90.84
At March 31, 2019	**368.12**	**368.12**
Amortisation for the year	70.64	70.64
At March 31, 2020	**438.76**	**438.76**
Net book Value		
At March 31, 2019	**125.95**	**125.95**
At March 31, 2020	**57.62**	**57.62**

2.04 Right to use asset

Particulars	Right to Use Asset	Total
Cost		
As at transition date April 1, 2019		
Addition	925.45	925.45
Disposals	-	-
At March 31, 2020	**925.45**	**925.45**
Amortisation		
As at transition date April 1, 2019		
Amortisation	231.37	231.37
At March 31, 2020	**231.37**	**231.37**
Net book Value		
As at transition date April 1, 2019	**925.45**	**925.45**
At March 31, 2020	**694.08**	**694.08**

Set out below are the carring amount of lease liabilities and the movement during the period

	As at March 31, 2020	As at March 31, 2019
As at transition date April 1, 2019		
Opening lease liability		
Lease liability addition	925.45	-
Accretion of interest on lease liability	65.01	-
Payment of lease rentals	249.12	-
Lease liability as at 31 March 2020	**741.34**	**-**
Current lease liability(see note 2.15)	261.57	-
Non-current lease liability(see note 2.15)	479.77	-

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
The maturity analysis of lease liabilities are disclosed		
The effective interest rate for lease liabilities is 9% with maturity between 2021-2023		
The following are the amount recognised in profit or loss:		
Depreciation expense of right of use assets	231.37	-
Interest expense on lease liability	65.01	-
Total amount recognised in profit or loss	**296.38**	**-**

2.05 Other financial assets

Non Current (at amortised cost)		
Unsecured, consider good		
a. Security deposits	586.03	637.79
b. Government subsidy receivable	577.07	412.51
c. Balances held as margin money (deposit accounts)	351.78	358.05
	1,514.88	**1,408.35**
Current		
Unsecured, consider good		
a. Security deposits	54.01	69.15
b. Interest accrued but not due	58.25	36.80
c. Government subsidy receivables	-	220.79
d. Insurance claim	20.87	77.95
e. Balances held as margin money (deposit accounts)	67.29	56.62
f. Derivative assets	7.06	55.69
g. Other receivables	217.09	636.61
	424.57	**1,153.61**

2.06 Other assets

Non Current		
Unsecured, consider good		
a. Prepaid lease rental	3.63	11.56
b. Capital advances	120.24	466.35
c. Input credit receivables	70.26	-
	194.13	**477.91**
Current		
Unsecured, consider good		
a. Prepaid lease rental	6.49	2.25
b. Advances to employees	170.59	58.30
c. Prepaid expenses	240.35	353.91
d. Prepaid gratuity	260.46	274.04
e. Advance to supplier	1,697.59	1,715.38
f. Input credit receivables	1,122.64	1,545.52
g. Others	57.75	-
	3,555.87	**3,949.40**

2.07 Income tax assets (net)

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provision) [Net of provision for current tax - ₹ 13,155.01 lakhs (previous year ₹ 12,944.46 lakhs)]	3,090.55	2,156.74
	3,090.55	**2,156.74**

2.08 Inventories

a. Raw materials		
i. On hand	14,196.26	12,570.53
ii. In transit	768.76	2,347.40
	14,965.02	**14,917.93**
b. Work-in-progress	3,311.73	3,964.39
c. Finished goods	10,694.82	11,428.84
d. Stock-in-trade	534.59	868.91
e. Stores and spares	1,483.03	1,637.83
f. Packing materials	77.26	111.76
	31,066.45	**32,929.66**

Note : (a) Refer note 2.14 for details of inventories hypothecation against borrowings

(b) The mode of valuation of inventories has been stated in note 1.3 (x)

2.09 Trade receivables

a. Trade receivables		
i. Secured, considered good	3,856.03	3,328.76
ii. Unsecured, considered good	2,872.94	6,598.12
iii. Doubtful	2,831.17	2,671.64
	9,560.14	**12,598.52**
Less: Impairment of doubtful trade receivables	2,831.17	2,671.64
	6,728.97	**9,926.88**

Note :

(a) The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on historical credit loss experience and adjustments for forward looking information. (Refer note 2.54)

(b) Refer note 2.14 for details of receivables hypothecation against borrowings

(c) The secured trade receivable including security against Bank Guarantee, Letter of Credit and channel financing of ₹ 1,491.58 lakhs (Previous year ₹ 2,235.05 lakhs)

2.10 Cash and cash equivalent

a. Cash on hand	8.44	8.32
b. Cheques on hand	-	69.36
c. Remittance in transit	96.94	-
d. Balances with banks		
i. Current accounts	146.27	1,764.96
ii. Deposit accounts	50.00	50.00
	301.65	**1,892.64**

2.11 Bank balances other than cash and cash equivalent

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Earmarked accounts		
i. Unpaid dividend	42.13	42.85
	42.13	**42.85**

2.12 Share capital

1. Authorised Share capital	**1,700.00**	**1,700.00**
1,70,00,000 equity shares of ₹ 10 each (as at March 31, 2019 -1,70,00,000 equity shares of ₹ 10 each)		
2. Issued Share capital	**1,563.63**	**1,563.63**
1,56,36,340 equity shares of ₹ 10 each (as at March 31, 2019 -1,56,36,340 equity shares of ₹ 10 each)		
3. Subscribed and fully paid up (see note 2.48, 2.49 and 2.50)	**1,563.63**	**1,563.63**
1,56,36,340 equity shares of ₹ 10 each (as at March 31, 2019 - 1,56,36,340 equity shares of ₹ 10 each)		

2.13 Other equity

Share premium account	1,373.17	1,337.08
General reserve	9,848.91	9,848.91
Share based payment reserve	718.17	520.86
Retained earning	31,842.78	31,936.36
Foreign currency translation reserve	(83.83)	(69.59)
	43,699.21	**43,573.62**

1. Securities premium account	1,337.08	1,303.09
Add: Premium on shares issued during the year (Including transfer from Share based payment reserve)	36.09	33.99
Closing balance	**1,373.17**	**1,337.08**
2. General reserve		
Opening balance	9,848.91	9,848.91
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing balance	**9,848.91**	**9,848.91**
3. Share based payment reserve		
Opening balance	520.86	141.70
Add: Share based payment expense to employees	233.40	382.26
Less: Transferred from share based payment reserve on exercise and lapse of options	36.09	3.10
Closing balance	**718.17**	**520.86**

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
4. Retained earning		
Opening balance	31,936.36	27,011.04
Add: Profit for the year	1,352.32	6,185.75
Remeasurement of defined benefit plan	(32.10)	(35.95)
Less: Dividend paid during year 2018-19 @ ₹ 7.50 per share (Previous year final dividend year 2017-18 @ ₹ 6.50 per share)	1,172.73	1,015.70
Dividend distribution tax on dividend paid	241.06	208.78
Closing balance	**31,842.78**	**31,936.36**
5. Foreign currency translation reserve		
Opening balance	(69.59)	(60.28)
Add: Addition during the year	(14.24)	(9.31)
Closing balance	**(83.83)**	**(69.59)**
	43,699.21	**43,573.62**

In respect of the year ended March 31, 2020, the directors propose that a final dividend of ₹1.00 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 156.36 Lakhs. (refer note 2.47)

2.14 Borrowing at amortised cost

Secured		
Non Current		
i. Term loans	5,042.38	5,361.82
Less: Current maturities of long-term debt (secured)	519.24	692.32
(refer note 2.18 (a)		
	4,523.14	**4,669.50**

Note:

External Commercial Borrowing (ECB) from Axis Bank Limited of ₹ 4,523.14 lakhs (USD 60 lakhs) [previous year ₹ 4,150.28 lakhs (USD 60 lakhs)] is secured by first pari-passu charges on all the movable fixed assets situated at , Kymore, Lakhmpaur and Bhagwanpur and immoveable fixed assets located at Kymore, Bhagwanpur and Lakhmapur. The ECB is repayable in single instalment; the instalment is due in September 2022. The rate of interest is 3 months Libor + 2.70% per annum(previous year 3 months Libor + 2.70% per annum).

Working Capital Term Loan from Kotak Mahindra Bank Limited of ₹ 519.24 lakhs (including ₹ 519.24 lakhs in current maturity) (previous year ₹ 1,211.54 lakhs) is secured by exclusive charge over the immovable and movable property situated at Dahej. The loan is repayable in 13 quarterly instalments of ₹ 173.08 lakhs; the last instalment is due in December 2020. The rate of interest is banks MCLR +0.20% per annum. For current maturities of long term borrowings see note 2.18 (a).

The Company has financial covenants relating to the borrowing facilities that it has taken from the lenders which is maintained by the Company.

Secured		
Current		
i. Cash credit	1,657.67	637.09
ii. Buyers credit	461.26	-
iii Working capital demand loan	-	3,000.00
	2,118.93	**3,637.09**

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, first pari-passu charge on land and building situated at Podanur, second pari-passu charges on all movable fixed assets situated at Kymore, Podanur, Kolkata, Lakhmapur and Bhagwanpur and second pari-pasu charges on land and building situated at Kymore, Lakhmapur and Bhagwanpur

2.15 Lease liability

(₹ in Lakhs)

		As at March 31, 2020	As at March 31, 2019
a.	Non-current	479.77	-
b.	Current	261.57	-
		741.34	**-**

2.16 Trade payables

a.	total outstanding dues of micro, small and medium enterprises	894.56	-
b.	total outstanding dues of creditors other than micro, small and medium enterprises	13,691.72	18,376.10
		14,586.28	**18,376.10**

* Includes dues from subsidiaries (refer note 2.38 (c) (vi))

2.17 Deposits from dealers

a.	Stockists' and other deposits	3,214.67	2,629.51
		3,214.67	**2,629.51**

2.18 Other financial liabilities

a.	Current maturities of long-term debt (secured)		
	i. Term loans from banks	519.24	692.32
b.	Interest accrued but not due on borrowings	27.27	31.44
c.	Unpaid dividends	42.13	42.85
d.	Payables for purchase of fixed assets	115.72	83.37
e.	Retention monies	497.98	650.01
f.	Other payables	655.74	759.63
		1,858.08	**2,259.62**

2.19 Provisions for retirement benefits

a.	Provision for employee benefits:		
	i. Provision for compensated absences	536.34	545.93
		536.34	**545.93**

2.20 Other current liabilities

a.	Advances from customers	4,953.10	6,226.99
b.	Payables in respect of statutory dues	434.28	1,292.88
		5,387.38	**7,519.87**

2.21 Provision for income tax (net)

Provision for income tax net of advance	3,450.29	2,530.95
	3,450.29	**2,530.95**

[Net of advance tax - ₹ 494.87 lakhs (previous year ₹ 1,182.64 lakhs)]

2.22 Revenue from operation

(₹ in Lakhs)

Particulars	For the year ended March, 31 2020	For the year ended March, 31 2019
a. Revenue from sale of products		
i. Revenue from building products	82,787.69	89,212.18
ii. Revenue from traded products	874.22	1,069.48
b. Revenue from steel building contracts	43,433.45	49,223.67
Sub total *	**1,27,095.36**	**1,39,505.33**
c. Other operating revenues		
i. Sale of scrap	1,017.20	834.84
ii. Export incentives	266.52	213.91
iii. Others (including other incentives)	161.70	277.82
	1,445.42	**1,326.57**
	1,28,540.78	**1,40,831.90**

*As per Ind AS 115 , the revenue is reported net of GST .

2.23 Other income

a. Interest income on financial assets carried at amortised cost		
i. Interest from banks on deposits	194.59	200.47
ii. Other interest	78.44	37.27
	273.03	**237.74**
b. Interest on Income tax refund	94.55	148.41
c. Other non-operating income		
i. Interest Income on Deposit	4.50	5.39
ii. Liabilities / provisions no longer required written back	484.93	178.47
iii. Miscellaneous income	88.21	77.46
	577.64	**261.32**
	945.22	**647.47**

2.24 Cost of raw material consumed (refer note 2.42)

Cost of materials consumed	71,934.30	81,980.24
	71,934.30	**81,980.24**

2.25 Purchase of traded goods

Roofing accessories	70.48	146.84
Other items	232.00	556.92
	302.48	**703.76**

2.26 Increase/(decrease) in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Lakhs)

Particulars	For the year ended March, 31 2020	For the year ended March, 31 2019
Inventories at the end of the year :		
i Finished goods	10,694.82	11,428.84
ii Work-in-progress	3,311.73	3,964.39
iii Stock-in-trade	534.59	868.91
	14,541.14	**16,262.14**
Inventories at the beginning of the year :		
i Finished goods	11,428.84	7,293.72
ii Work-in-progress	3,964.39	3,166.31
iii Stock-in-trade	868.91	1,475.76
	16,262.14	**11,935.79**
	1,721.00	**(4,326.35)**

2.27 Employee benefits expense

a. Salaries and wages	10,035.62	9,851.52
b. Contributions to provident and other funds	575.57	525.62
c. Gratuity expense	117.22	113.50
d. Share based payment to employees	233.40	382.26
e. Staff welfare expenses	690.10	711.39
	11,651.91	**11,584.29**

2.28 Finance costs

a. Interest expense on borrowings	574.71	619.66
b. Exchange differences regarded as an adjustment to borrowing cost	128.46	124.85
c. Other borrowing cost	1.00	18.69
	704.17	**763.20**

2.29 Depreciation and amortisation expenses

a. Depreciation on property, plant and equipment	2,071.62	1,964.66
b. Depreciation on right to use asset	231.37	-
b. Amortisation on intangible assets	70.64	90.84
	2,373.63	**2,055.50**

2.30 Other expenses

a. Consumption of stores and spare parts	4,683.71	5,015.00
b. Consumption of packing materials	1,196.78	1,168.80
c. Power and fuel	3,815.94	3,998.07
d. Repairs and maintenance		
- Building	372.43	297.51
- Machinery	763.83	791.64
- Others	336.12	189.34

(₹ in Lakhs)

	Particulars	For the year ended March, 31 2020	For the year ended March, 31 2019
e.	Rent (refer note 2.40)	314.80	454.39
f.	Rates and taxes	170.27	284.07
g.	Insurance	289.33	269.43
h.	Travelling	1,833.64	1,770.36
i.	Advertisement and sales promotion expenses	1,285.70	1,769.91
j.	Cost for erection of buildings	4,013.15	3,230.65
k.	Loss on sale of fixed assets (net)	55.21	60.72
l.	Net loss on foreign currency transactions and translation	287.93	156.01
m.	Outward freight charges on finished goods	10,488.98	12,038.86
n.	Professional and consultancy expenses (refer note 2.33)	1,337.31	1,072.60
o.	Contract labour	4,205.03	3,752.08
p.	Research and development expenses (refer note 2.45)	80.63	93.42
q.	Provision for impairment in CWIP	160.00	-
r.	Impairment of trade receivables	201.45	1,451.99
s.	Expenditure on corporate social responsibility (refer note 2.46)	112.00	84.00
t.	Miscellaneous expenses	2,706.76	2,483.44
		38,711.00	**40,432.29**

2.31 Income tax expenses

a.	**Tax expenses recognized in profit or loss**		
	Current Tax	419.53	2,050.57
	Deferred Tax	315.67	50.12
	Total tax expenses	**735.20**	**2,100.69**
b.	**Tax on other comprehensive income**		
	Current Tax		
	Remeasurement of defined benefit plans	(17.24)	(19.31)
	Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
	Profit before Income Tax Expense	2,087.52	8,286.44
	Enacted Statutory Income Tax Rate in India applicable to the Company	34.944%	34.944%
	Computed Expected Income Tax Expense	729.46	2,895.61
	Adjustments:		
	Adjustment effect of deduction under section 80IC of Income tax Act	-	-
	Effect of MAT credit entitlement of earlier years recognised in the current year	-	(1,016.42)
	Additional deduction on reserarch cost under section 35(2AB) of Income Tax Act	(18.07)	(16.17)
	Effect of deduction under Section 80G of Income Tax Act, 1961	21.57	15.01
	Effect of KPT Rent and Interest on security	-	
	Others	2.24	222.66
	Current tax expenses recognised in Statement of Profit and Loss	**735.20**	**2,100.69**

2.32 Contingent liabilities and commitments

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
a. Contingent liabilities		
Claims against the Company not acknowledged as liabilities in respect of:		
Sales tax matters	3,958.80	2,154.61
Excise and service tax matters	790.03	3,242.49
Income tax matters	3,427.74	1,822.88
Total	**8,176.57**	**7,219.98**
Advance paid/adjusted by authorities against above	3,479.18	2,041.42

The Company had received show cause notice from VAT authorities in previous year which was then responded. As per management assessment the Company has a good case in these matters.

b. There are numerous interpretation issues relating to the Supreme Court judgement on Provident Fund dated February, 28, 2019. The company implemented the same on a prospective basis. Any potential liability on the past years services will be provided after clarity emerges from EPFO.

c. Commitments

a) Estimated amount of contracts to be executed on capital account – ₹ 980.11 lakhs (net of advances – ₹ 197.93 lakhs), [previous year –₹ 790.85 lakhs (net of advances ₹ 286.64 lakhs).

b) The Company has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, in normal course of business.

c) The Company did not have any long term commitments/contracts including derivative contracts for which there will be any material foresseeable losses.

2.33 Professional and consultancy expenses include auditors remuneration (excluding taxes) as follows:

Particulars	For the year ended March, 31 2020	For the year ended March, 31 2019
To statutory auditors		
i. Audit fee	39.00	37.50
ii. Limited Review	24.00	22.50
iii. Reimbursement of expenses	6.94	8.31
	69.94	**68.31**

2.34 Disclosure in respect of revenue from contracts with customers

a. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue by Geography		
Domestic	124,377.83	136,705.82
Overseas	2,717.53	2,799.51
Total revenue from contract with customers	**127,095.36**	**139,505.33**

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Timing of revenue recognition		
At a point in time	83,661.91	90,281.66
Over time	43,433.45	49,223.67
Total revenue from contract with customers	**127,095.36**	**139,505.33**

b. Contract Balances

The following table provides information about receivables, contracts assets, and contract liabilities from contracts with customers.

Particulars	As at March 31, 2020	As at March 31, 2019
Receivables	3,563.89	7,004.37
Contract assets	-	-
Contract liabilities	-	-

c. Disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue from steel building contracts	43,433.45	49,223.67
Amounts included in contract liabilities at the beginning of the year	-	-
Performance obligations satisfied in previous years	-	-

d. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	16,025.51	13,636.80
More than one year	-	-

2.35 Foreign exchange disclosure

Particulars		As at March 31, 2020	As at March 31, 2019
Outstanding forward exchange contracts as on March 31, 2020:			
Receivables	USD	2.00	18.86
	INR	150.80	1,407.17
Payables	USD	23.96	11.93
	INR	1,809.83	839.82
Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows:			
Receivables	USD	6.62	-
	INR	499.09	-
Payables	AED	-	2.77
	INR	-	52.37
Payables	EUR	-	0.07
	INR	-	5.47

(₹ in Lakhs)

Particulars		As at March 31, 2020	As at March 31, 2019
Payables	USD	-	11.83
	INR	-	818.03
ECB Loan	USD	60.00	60.00
	INR	4,523.14	4,150.27
refer note 2.54 for sensitivity analysis			

2.36 Employee benefit

a. Defined contribution plan

The Group makes superannuation fund contribution to defined contribution retirement plans for covered employees. The Group's contribution towards superannuation fund is deposited in trust. The Group recognised ₹ 79.77 lakhs (previous year ₹ 78.05 lakhs) for superannuation fund contributions in the Statement of Profit and Loss.

b. Defined benefit plan

I. Gratuity Fund

The Group's contribution towards its gratuity liability is a defined benefit retirement plan. The Group 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 following tables set out the funded status of the gratuity plan and amounts recognised in the Group's financial statements as at March 31, 2020:

i. Reconciliation of fair value of plan assets and defined benefit obligation:

Particulars		As at March 31, 2020	As at March 31, 2019
Defined Benefit Obligation		2,020.48	1,860.32
Fair Value of Plan Assets		2,280.94	2,134.36
Funded Status Surplus/(Deficit)	**Total**	**260.46**	**274.04**

ii. Amount recognised in Statement of Profit and Loss:

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost		141.41	137.83
Net Interest expenses		(24.19)	(24.33)
Amount recognised in Statement of Profit and Loss	**Total**	**117.22**	**113.50**

iii. Amount recognised in Other Comprehensive Income

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gain)/loss due to DBO experience		(22.87)	29.51
Actuarial (gain)/loss due to DBO assumption changes		83.93	24.77
Return on plan assets (greater)/less than discount rate		(11.72)	0.98
Actuarial (gains)/ losses recognized in OCI	**Total**	**49.34**	**55.26**

(₹ in Lakhs)

iv. **Changes in the present value of the defined benefit obligation are as follows:**

Particulars		As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligations as on April1, 2019		1,860.32	1,767.61
Current service cost		141.41	137.83
Interest cost		122.67	119.39
Benefits paid		(164.98)	(218.79)
Actuarial (gain)/loss on obligations		61.06	54.28
Present value of defined benefit obligations as on March 31, 2020	**Total**	**2,020.48**	**1,860.32**

v. **Changes in the fair value of plan assets are as follows:**

Particulars		As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year		2,134.36	2,000.74
Interest Income on plan assets		146.86	143.72
Employer contribution		-	3.18
Return on plan assets greater/(lesser) than discount rate		11.72	(0.98)
Benefits paid		(12.00)	(12.30)
Fair value of plan assets at the end of the year	**Total**	**2,280.94**	**2,134.36**

vi. **The major categories of plan assets of the fair value of the total plan assets are as follows:**

Investment details		As at March 31, 2019	As at March 31, 2018
		Funded	**Funded**
With Government of India securities		75.89%	68.08%
With Debt instruments		18.39%	22.26%
With Equity shares		5.55%	6.44%
Other deposits		0.17%	3.22%
	Total	**100.00%**	**100.00%**

The planned assets of the Group are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Group with respect to its gratuity plan. Information on categories of plan assets as at March 31, 2020 has not been provided by the Life Insurance Corporation of India.

vii. **Principal actuarial assumptions used in determining gratuity obligations:**

Assumptions	As at March 31, 2020	As at March 31, 2019
Discount rate	5.80%	6.90%
Salary escalation	8.00%	8.00%
Mortality rate	Indian Assured Lives Mortality (2006 -08) (Ult)	
Withdrawal rate	15.00%	15.00%

(₹ in Lakhs)

viii. A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount Rate		
Effect on DBO due to 0.5% increase in Discount Rate	(39.10)	(36.54)
Effect on DBO due to 0.5% decrease in Discount Rate	40.78	38.11
Salary Escalation Rate		
Effect on DBO due to 0.5% increase in Salary Escalation Rate	39.87	37.64
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(38.60)	(36.44)

ix. The following payments are expected contributions to the defined benefit plan in future years:

31-Mar-19	-	357.64
31-Mar-20	-	332.94
31-Mar-21	347.44	322.38
31-Mar-22	364.19	376.05
31-Mar-23	397.75	263.71
31-Mar-24	432.69	-
March 31, 2025 to March 31, 2029	1,377.51	1,226.32

II Provident fund

The Group's contribution towards provident fund is a defined benefit retirement plan. The Group makes contributions to the trust from time to time which in turn makes contributions in approved securities. The Group is liable for contribution paid/payable under provident fund scheme and any deficiency in interest cost compared to interest computed based on the interest declared by the Central Government under Employee Provident Fund Scheme, 1952 is recognised as defined benefit obligation.

The following tables set out the funded status of provident fund in the Group's financial statements as at March 31, 2020:

(i) Reconciliation of fair value of plan assets and defined benefit obligation:

Particulars		As at March 31, 2020	As at March 31, 2019
Defined Benefit Obligation		8,857.02	8,380.73
Fair Value of Plan Assets		9,743.66	8,668.53
Funded Status Surplus/(Deficit)	**Total**	**886.64**	**287.80**

(ii) Amount recognised in Statement of Profit and Loss:

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Current service cost		235.94	6.21
Net Interest expenses		-	4.11
Immediate recognition of (gain)/losses- other long term employee benefit plan		-	(49.19)
Other adjustments		-	38.87
Amount recognised in Statement of Profit and Loss*	**Total**	**235.94**	**-**

* An employer expense of ₹ NIL has been shown as there is no net liability on account of the interest guarantee. Therefore no expense needs to be recognised.

(₹ in Lakhs)

(iii) Amount recognised in Other Comprehensive Income

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (gain)/loss due to DBO experience		8.97	16.04
Actuarial (gain)/loss due to DBO assumption changes		2.78	1.68
Actuarial (gain)/loss arising during period		599.04	17.62
Return on plan assets (greater)/less than discount rate		(610.79)	(66.91)
Actuarial (gains)/ losses recognized in OCI*	**Total**	**-**	**(31.57)**

* An employer expense of ₹ NIL has been shown as there is no net liability on account of the interest guarantee. Therefore no expense needs to be recognised.

(iv) Changes in the present value of the defined benefit obligation are as follows:

Particulars		As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligations as on April 1, 2019		8,380.73	7,710.05
Current service cost		235.94	231.94
Interest cost		683.29	653.46
Employee contribution		578.67	497.99
Transfer in/(out)- other provident fund		-	(17.48)
Other adjustments		(65.90)	22.79
Benefits paid		(967.46)	(735.74)
Actuarial (gain)/loss on obligations		11.75	17.72
Present value of defined benefit obligations as on March 31, 2020	**Total**	**8,857.02**	**8,380.73**

(v) Changes in the fair value of plan assets are as follows:

Particulars		As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the beginning of the year		8,668.53	7,958.98
Interest Income on plan assets		683.29	649.35
Employer contribution		814.61	723.72
Transfer in/(out)- other provident fund		(65.90)	(17.48)
Return on plan assets greater/(lesser) than discount rate		610.79	89.70
Benefits paid		(967.46)	(735.74)
Fair value of plan assets at the end of the year	**Total**	**9,743.86**	**8,668.53**

(vi) The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details		As at March 31, 2020	As at March 31, 2019
		Funded	**Funded**
Government of India securities		37.92%	43.48%
PSU		34.20%	18.60%
Private sector bond		0.00%	19.14%
Special deposit scheme		19.02%	16.27%
Mutual Fund		8.86%	2.51%
	Total	**100.00%**	**100.00%**

(₹ in Lakhs)

(vii) Principal actuarial assumptions used in determining provident fund obligations:

Assumptions	As at March 31, 2020	As at March 31, 2019
Discount rate	5.80%	6.90%
Rate of return on EPFO	8.50%	8.65% p.a for first year starting 1 April 2019 and 8.60% p.a thereafter
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified)	
Withdrawal rate	15.00%	15.00%

2.37 Related party disclosures

a. List of related parties

i. Holding company

Falak Investment Private Limited (with effect from March 23, 2020)

ii. Enterprise excercising significant influence

Falak Investment Private Limited (till March 22, 2020)

iii. Key management personnel/Whole time director

Mr. Aditya Vikram Somani, Chairman (till February 26, 2019)

Mr. Manish Sanghi, Managing Director

Mr. Y. Srinivasa Rao, Executive Director

Mr. Neeraj Kohli, Company Secretary

Mr. Nikhil Dujari, Chief Financial Officer (till July 31, 2018 and from September 3, 2018)

iv. Entities on which key management personnel have control/significant influence

Purpleapple Infosystems LLP

b. Transactions with related parties during the year:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
i. Dividend paid		
Falak Investment Private Limited	553.70	479.93
ii. Dividend paid to Entities which have control/significant influence		
Trapucans Pvt. Ltd	-	8.91
iii. Remuneration to key management personnel/ whole time director		
Mr. Aditya Vikram Somani	-	250.71
Mr. Manish Sanghi	263.79	231.78
Mr. Y. Srinivasa Rao	183.84	179.73
Mr. Neeraj Kohli	28.74	24.07
Mr. Nikhil Dujari	105.52	81.02
iv. Dividend paid to key management personnel		
Mr. Manish Sanghi	6.35	5.28
Mr. Y. Srinivasa Rao	2.38	1.05

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
v. Services received		
Purpleapple Infosystems LLP	4.06	-
vi. Paid to Trapucans Pvt. Ltd		
Rent and reimbursement of power	-	35.21
Security deposit	-	(9.00)

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

Particulars	As at March 31, 2020	As at March 31, 2019
i. Share capital from		
Falak Investment Private Limited	793.34	738.35
ii. Share capital from Entities which have control/significant influence		
Trapucans Pvt. Ltd	-	13.70
iv. Performance incentive due to key management personnel		
Mr. Manish Sanghi	-	18.00
Mr. Y. Srinivasa Rao	-	15.00
vi. Trade payable		
Purpleapple Infosystems LLP	0.48	-

2.38 Segment information

a. Business segments:

The Group has determined following reporting segments based on the information reviewed by the Chief Operating Decision Maker (CODM).Building products includes manufacturing and trading of roofing products, boards and panels, other building products and accessories. Steel buildings consist of manufacture and erection of pre – engineered and smart steel buildings and its accessories.

b. Geographical segments:

Since the Group's activities/operations are primarily within the country and as such there is only one geographical segment.

c. Segment accounting policies:

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

i. Segment revenue and expenses:

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

ii Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include fixed deposits, advance income tax, borrowings and deferred income tax etc.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's financial statements.

Information about business segments:

(₹ in Lakhs)

Particulars	Building products		Steel buildings		Total	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
1. Segment Revenue						
External revenue	83,661.91	90,281.66	43,433.45	49,223.67	127,095.36	139,505.33
Other operating income	634.27	669.96	811.15	656.61	1,445.42	1,326.57
Total Revenue	**84,296.18**	**90,951.62**	**44,244.60**	**49,880.28**	**128,540.78**	**140,831.90**
2. Segment Results	4,991.22	12,158.57	1,831.19	905.11	6,822.41	13,063.68
Unallocated expenses (net of income)					4,030.73	4,014.04
Operating Profit	4,991.22	12,158.57	1,831.19	905.11	2,791.68	9,049.64
Finance costs					704.17	763.20
Profit before tax					2,087.51	8,286.44
Tax expense					735.20	2,100.69
Net Profit					1,352.31	6,185.75

Particulars	Building products		Steel buildings		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
3. Other Information						
a. Assets						
Segment assets	54,485.12	56,895.55	21,745.72	24,824.23	76,230.83	81,719.78
Unallocated assets					8,651.66	8,490.81
Total Assets	**54,485.12**	**56,895.55**	**21,745.72**	**24,824.23**	**84,882.49**	**90,210.59**
b. Liabilities						
Segment liabilities	13,873.22	18,625.48	9,563.79	11,208.25	23,437.01	29,833.73
Unallocated liabilities					16,182.64	15,239.61
Total Liabilities	**13,873.22**	**18,625.48**	**9,563.79**	**11,208.25**	**39,619.65**	**45,073.34**

Particulars	Building products		Steel buildings		Total	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
c. Others*						
Capital expenditure	3,190.05	1,534.34	44.71	155.83	3,234.76	1,690.17
Depreciation	1,458.58	1,298.35	506.11	762.30	1,964.69	2,060.65
Non – cash expenses other than depreciation (includes impairment of trade receivables and other receivables)	21.54	94.69	109.11	262.56	130.65	357.25
* Excluding unallocated items						

2.39 Deferred taxation

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Deferred tax assets		
Tax impact of:		
i. Expenditure covered by Section 43B of the Income-tax Act, 1961	225.98	236.17
ii. Impairment of trade receivables	979.26	903.59
iii. MAT credit entitlement	158.39	360.00
iv. Others	74.66	57.42
Total deferred tax assets	**1,438.29**	**1,557.18**
b. Deferred tax liabilities		
Tax impact of:		
i. Excess of depreciation allowable under the Income-tax Act, 1961 over depreciation provided in financial statements	4,333.07	4,153.53
ii. Others	308.42	308.42
Total deferred tax liability	**4,641.49**	**4,461.95**
Net deferred tax liability	**3,203.20**	**2,904.77**

2.40 Lease Commitments

Operating lease as lessee

The Company has taken properties on cancellable operating leases and has recognised rent of ₹ 314.80 lakhs (previous year ₹ 454.39 lakhs). There are no non-cancellable lease arrangements as at the end of the year.

2.41 Earnings per share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Number of equity shares of ₹10 each fully paid up at the beginning of the year	15,636,340	15,626,160
b. Number of equity shares of ₹ 10 each fully paid up at the year end	15,636,340	15,636,340
c. Weighted average number of equity shares used in computing earnings per share	15,636,340	15,629,367
d. Weighted average number of options granted	340,120	235,045
e. Weighted average number of options post adjustment for number of options granted	340,120	235,045
f. Net profit for the year – (₹ / lakhs)	1,352.32	6,185.75
g. Basic earnings per share (Rupees)	8.35	39.29
h. Diluted earnings per share (Rupees)	8.35	39.29
i. Nominal value of equity shares (Rupees)	10.00	10.00

2.42 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	14,917.93	11,168.82
Add: Purchases	71,981.39	85,729.35
	86,899.32	96,898.17
Less: Closing stock	14,965.02	14,917.93
Cost of materials consumed*	**71,934.30**	**81,980.24**
Materials consumed comprises:*		
i. Raw fibre	18,640.62	20,012.12
ii. Cement	13,497.68	14,197.33
iii. Steel	25,480.59	32,378.19
iv. Other items	14,315.41	15,392.60
	71,934.30	**81,980.24**

* excludes research and development expenses of ₹15.01 lakhs (previous year ₹ 29.84 lakhs).

2.43 Details of finished goods, work in progress and stock-in-trade

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Finished goods		
i. Building products	9,491.54	10,376.65
ii. Steel buildings	1,203.28	1,052.19
	10,694.82	**11,428.84**
b. Work in progress		
i. Building products	3,149.06	3,665.31
ii. Steel buildings	162.67	299.08
	3,311.73	**3,964.39**
c. Stock-in-Trade		
i. Roofing accessories	291.25	538.17
ii. Other items	243.34	330.74
	534.59	**868.91**

2.44 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

Principal amount due to micro, small and medium enterprises	894.56	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

According to the records available with the Company, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year is ₹ 894.56 lakhs (previous year ₹ Nil). Further no interest has been paid or was payable to such parties under the said Act during the year.

2.45 Expenditure on research and development

(₹ in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Capital nature*		
Gross block	117.59	110.01
Accumulated depreciation	89.87	84.04
Net block	**27.72**	**25.97**
Additions during the year	7.58	-
Capital work in progress	-	-
b. Revenue nature		
i. Cost of materials consumed	15.01	29.84
ii. Consumption of stores and spare parts	6.59	4.29
iii. Employee benefits expense		
- Salaries and wages	22.84	30.09
- Contributions to provident and other funds	1.33	1.64
iv. Miscellaneous expenses	34.86	27.56
	80.63	**93.42**
v. Depreciation	5.23	4.62
Total	**85.86**	**98.04**

*** fixed assets utilised for research and development.**

2.46 The details relating to corporate social responsibility (CSR) expenditure are as follows :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross amount required to be spent by the Company during the year	112.00	84.00
Amount spent during the year (See Note below)	112.00	84.00
i. Construction/ acquisition of assets	-	-
ii. On purposes other than (i) above	112.00	84.00

2.47 Distribution made and proposed:

Cash dividend on Equity shares declared and paid:		
Final dividend for the year ended on March 31, 2019 ₹ 7.50 Per share (March 31, 2018: ₹ 6.50 Per share)	1,172.73	1,015.70
Dividend distribution tax on final dividend	241.06	241.06
Proposed dividends on Equity shares not recognised as liability:		
Final cash dividend for the year ended on March 31, 2020 ₹ 1.00 per share (March 31, 2019: ₹ 7.50 per share)	156.36	1,172.73
Dividend Distribution Tax on proposed dividend	-	241.06

2.48 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.49 Number of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2020		As at March 31, 2019	
	(No. of shares)	%	(No. of shares)	%
a. Falak Investment Private Limited	7,933,409	50.74	7,383,470	47.22
b. Vijay Kishanlal Kedia	615,924	3.94	950,000	6.07

2.50 Employee stock option scheme

(₹ in Lakhs)

The Company has granted 16,450 stock options (previous year 1,70,000 stock options) to the employees during the year ended March 31, 2020.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 2014	ESOS 2015	ESOS 2017	ESOS 2018	ESOS 2019
Year in which scheme was established	2014-15	2015-16	2017-18	2018-19	2019-20
Number of options authorised and granted	1,40,000	1,70,000	1,60,000	1,70,000	16450
Exercise price	₹ 336	₹ 262	₹ 571	₹ 477	₹ 127
Fair value	₹ 151.01	₹ 100.11	₹ 288.37	₹ 182.63	₹ 37.67
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 year after vesting date				
Option activity during the year under the plans is set out below:					
i. Opening balance	41,530	51,645	136,620	170,000	-
	49,520	*56,955*	*160,000*	-	-
ii. Granted during the year	-	-	-	-	16,450
	-	-	-	*170,000*	-
iii. Vested during the year	-	-	-	-	-
	-	-	-	-	-
iv. Exercised during the year	-	-	-	-	-
	(7,080)	*(3,100)*	-	-	-
v. Forfeited during the year	(1,510)	(420)	(7,120)	(10,605)	(150)
	(910)	*(2,210)*	*(23,380)*	-	-
vi. Expired during the year	(40,020)	-	-	-	-
	-	-	-	-	-
vii. Outstanding at the year end	-	51,225	129,500	159,395	16,300
	41,530	*51,645*	*136,620*	*170,000*	-

(₹ in Lakhs)

Particulars	ESOS 2014	ESOS 2015	ESOS 2017	ESOS 2018	ESOS 2019
viii. Options exercisable at the year end	-	51,225	129,500	159,395	-
	-	*51,645*	*136,620*	*170,000*	-
ix. Remaining contractual life (years) at the year end	-	0.80	2.82	3.82	4.98
	0.81	*1.80*	*3.82*	*4.82*	-
Previous year figures are in italics & brackets.					

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 5.82% (previous year 1.41%) on the underlying equity shares, volatility in the share price of 44.14% (previous year 38.82%) and a risk free rate of interest of 6.35% (previous year 7.35%). 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.

2.51 Financial instruments - fair values

Particulars	Carrying value As at March 31, 2020	Carrying value As at March 31, 2019
Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:		
Financial assets		
Measured at fair value		
- Derivative assets	7.06	55.69
Financial Assets		
Measured at amortised cost		
- Security Deposits	640.03	706.95
- Government subsidy receivables	577.07	633.29
- Balances held as margin money (deposit accounts)	419.07	414.67
- Interest accrued on deposits	58.25	36.80
- Insurance claim receivable	20.87	77.95
- Other recoverable in cash or kind	217.09	636.61
- Derivative assets	7.06	-
Trade receivable*	6,728.97	9,926.88
Cash & cash equivalents*	301.65	1,892.64
Other bank balances*	42.13	42.85
Total	**9,019.25**	**14,424.33**
Financial Liabilities		
Measured at amortised cost		
Borrowing	7,161.31	8,998.91
Lease liability	741.34	-
Trade Payable*	14,586.28	18,376.10

(₹ in Lakhs)

Particulars	Carrying value	
	As at March 31, 2020	As at March 31, 2019
Other Financial Liabilities*		
- Interest accrued on borrowings	27.27	31.44
- Unpaid dividend	42.13	42.85
- Payable for capital goods	115.72	83.37
- Retention monies	497.98	650.01
- Stockists' and other deposits	3,214.67	2,629.51
Total	**26,386.69**	**30,812.19**

* The management assessed that carrying values approximates their fair value largely due to the short-term maturities of these instruments.

2.52 Financial instruments - fair value hierarchy

The fair value of financial instruments as refered to in note 2.51 above have been classified into three categories depending upon the input used in the valuation technique.

The categories used are as follows :

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

Particulars	Level 1	Level 2	Level 3
Derivative assets	-	(7.06)	-

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2019:

Derivative assets	-	(55.69)	-

2.53 Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages it's capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company take appropriate steps in order to maintain its capital structure. The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

The capital gearing ratio as on March 31, 2020 and March 31, 2019 was 13.16% and 13.60% respectively.

Particulars	As at March 31, 2020	As at March 31, 2019
Non Current Borrowing	4,523.14	4,669.50
Current Borrowing	2,118.93	3,637.09
Other Financial Liabilities (Long term debt)	519.24	692.32
Cash & Cash Equivalent	(301.65)	(1,892.64)

(₹ in Lakhs)

Particulars		As at March 31, 2020	As at March 31, 2019
Net Debt	**Total**	**6,859.66**	**7,106.27**
Total Capital		45,262.84	45,137.25
Capital & Net Debt	**Total**	**52,122.50**	**52,243.52**
Gearing Ratio		**13.16%**	**13.60%**

2.54 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include advances, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises risk of: currency risk and interest rate risk.

The Group is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Group's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

Foreign exchange risk

The Company regularly evaluates exchange rate exposure arising from the foreign currency transaction.

The Company uses forward contracts and derivative instruments to mitigate foreign exchange related risk exposures. When a forward contract is entered into for the purpose of being a hedge, the Company negotiates the terms of those contracts to match the terms of the hedged exposure. The Company's exposure to unhedged foreign currency risk as at March 31, 2020 and March 31, 2019 has been disclosed in note 2.35.

For the year ended March 31, 2020, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Company's profit before tax by ₹ 251.11 Lakhs/ ₹ (251.11) Lakhs respectively.

For the year ended March 31, 2019, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Company's profit before tax by ₹ 251.31 Lakhs/ ₹ (251.31) Lakhs respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group has ₹ 4,523.14 lakhs (previous year ₹ 4,150.28 lakhs) of term loan carrying a floating interest rate of LIBOR plus 270 bps and ₹ 519.24 lakhs (previous year ₹ 1,211.54 lakhs) of term loans carrying a floating interest rate of MCLR plus 20bps to MCLR minus 20 bps, respectively. These loans expose the Group to risk of changes in interest rates. The remaining loans carry a fixed rate of Interest.

For details of the Group's short-term and long-term loans and borrowings, including interest rate profiles, refer to note 2.14 of these financial statements.

For the years ended March 31, 2020 and March 31 2019, every 1% increase or decrease in the floating interest rate component (i.e., LIBOR and MCLR) applicable to its loans and borrowings would affect the Company's net profit by approximately ₹ 2.84 lakhs and ₹ 2.84 lakhs, respectively.

The Group's investments in term deposits with banks are for short durations, and therefore do not expose the Group to significant interest rates risk. To optimise the interest cost the Group's balances the borrowings from commercial paper, working capital loan and non-fund facilities from banks.

Interest rate sensitivity have been calculated assuming the borrowing outstanding at the reporting date have been outstanding for the entire reporting period.

Credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. The Group is exposed to credit risk from its operating activities (primarily trade receivables and deposits) and from foreign exchange transactions.

Trade receivables

To manage the credit risk the Group periodically assesses the financial reliability of customers taking into account the financial condition and ageing of accounts receivable.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note.

Reconciliation of the allowances for credit losses :

The details of changes in allowances for credit losses for the year ended March 31, 2020 and March 31, 2019 are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at April 01, 2019	624.00	624.00
Provision/(reversal) made during the year	-	35.00
Closing provision as on 31st March	**624.00**	**624.00**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

As at March 31, 2020 and March 31, 2019, the Group had unutilised limits from banks of ₹ 11,842.33 lakhs and ₹ 14,352.56 lakhs respectively.

2.55 As per Orissa Industrial Policy 2007, the Group is eligible for State Government incentives in the form of reimbursement of 75% of Value added tax (VAT) paid after adjusting input tax rebate on VAT/ CST.

Post GST implementation effective July 1, 2017, the VAT / CST Acts have been repealed but as the aforesaid Scheme has not been withdrawn by the Orissa Government, the benefits therein continue. Further, the State Government has assured the Company that a notification on revised criteria for the calculation of incentive under GST regime shall be announced soon and the incentive under GST regime should be more or less at par with incentives under VAT regime. Accordingly, the Group has accrued the incentives amounting to ₹ 577.07 lakhs (previous year ₹ 412.51 lakhs) in these financial statements post GST implementation.

2.56 The Board of Directors of the Company at its meeting held on May 1, 2019 has approved a Scheme of merger of its 100% subsidiary company i.e. Everest Building Solutions Limited into Everest Industries Limited under section 230-232 and other applicable provision of the Companies Act, 2013 w.e.f April 1, 2019 or a date as may be approved by National Co. Law Tribunal. The parties to the Scheme are in process of obtaining regulatory and other approvals and the accounting will be done after Scheme becomes effective.

2.57 Capital work in progress includes imported machinery in building products amounting to ₹ 1,560.00 lakhs. Due to delay in land allocation by the State Govt. and by virtue of COVID-19 impact, the Group has deferred its plan to install the machinery in near future. Consequently, the Group has determined the net realizable value of the machinery by an independent certified valuer using cost approach and has made a provision of impairment of ₹ 160.00 lakhs against the said machinery

2.58 World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Group temporarily suspended the operations in all the units of the Group in compliance with the lockdown instructions. COVID-19 has impacted the normal business operations of the Group by way of interruption in production, supply chain and production facilities etc. during the lock-down period which has been extended till May 31, 2020. However, production/manpower availability supply of goods has gradually commenced during the months of April/May 2020 at the manufacturing locations of the Group after obtaining permissions from the appropriate government authorities.

The Group has made detailed assessment of its liquidity position to continue operations for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, inventory and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Gurugram
May 29, 2020

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Noida
May 29, 2020

Y. Srinivasa Rao
Executive Director
DIN No.01289086

Noida
May 29, 2020

Nikhil Dujari
Chief Financial Officer

Noida
May 29, 2020

Neeraj Kohli
Company Secretary

Noida
May 29, 2020

everest

REGISTERED OFFICE

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