EVEREST

Complete Building Solutions

EVEREST INDUSTRIES LIMITED
ANNUAL REPORT 2012-13

Contents

01 Complete Building Solutions

09 About Everest

10 Corporate Information

11 Financial Highlights

12 Management Discussion & Analysis

29 Notice

37 Directors' Report

45 Corporate Governance Report

55 Auditors' Report

60 Balance Sheet

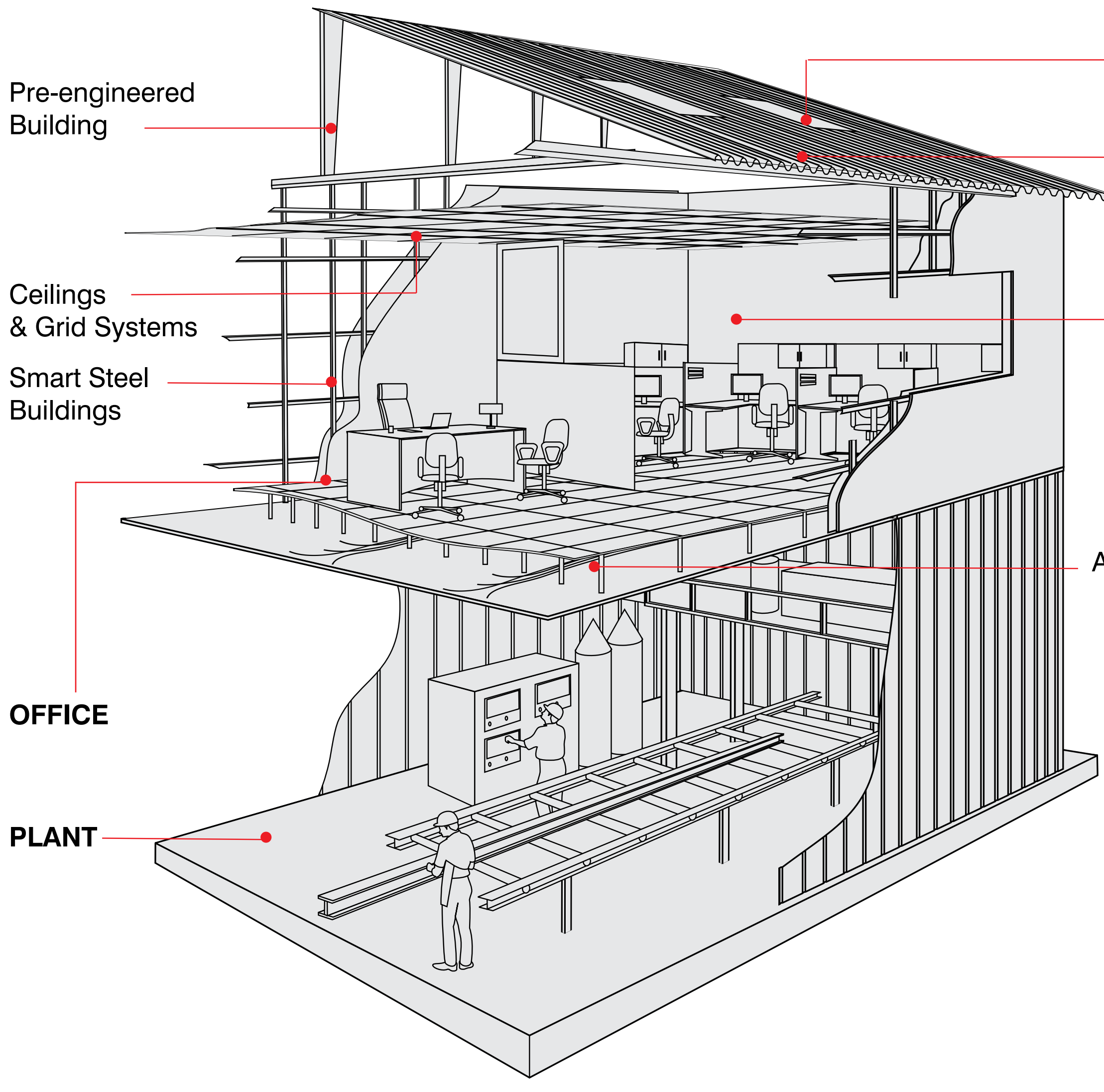
61 Statement of Profit and Loss

62 Cash Flow Statement

64 Notes forming part of the Financial Statements

Forward looking statement

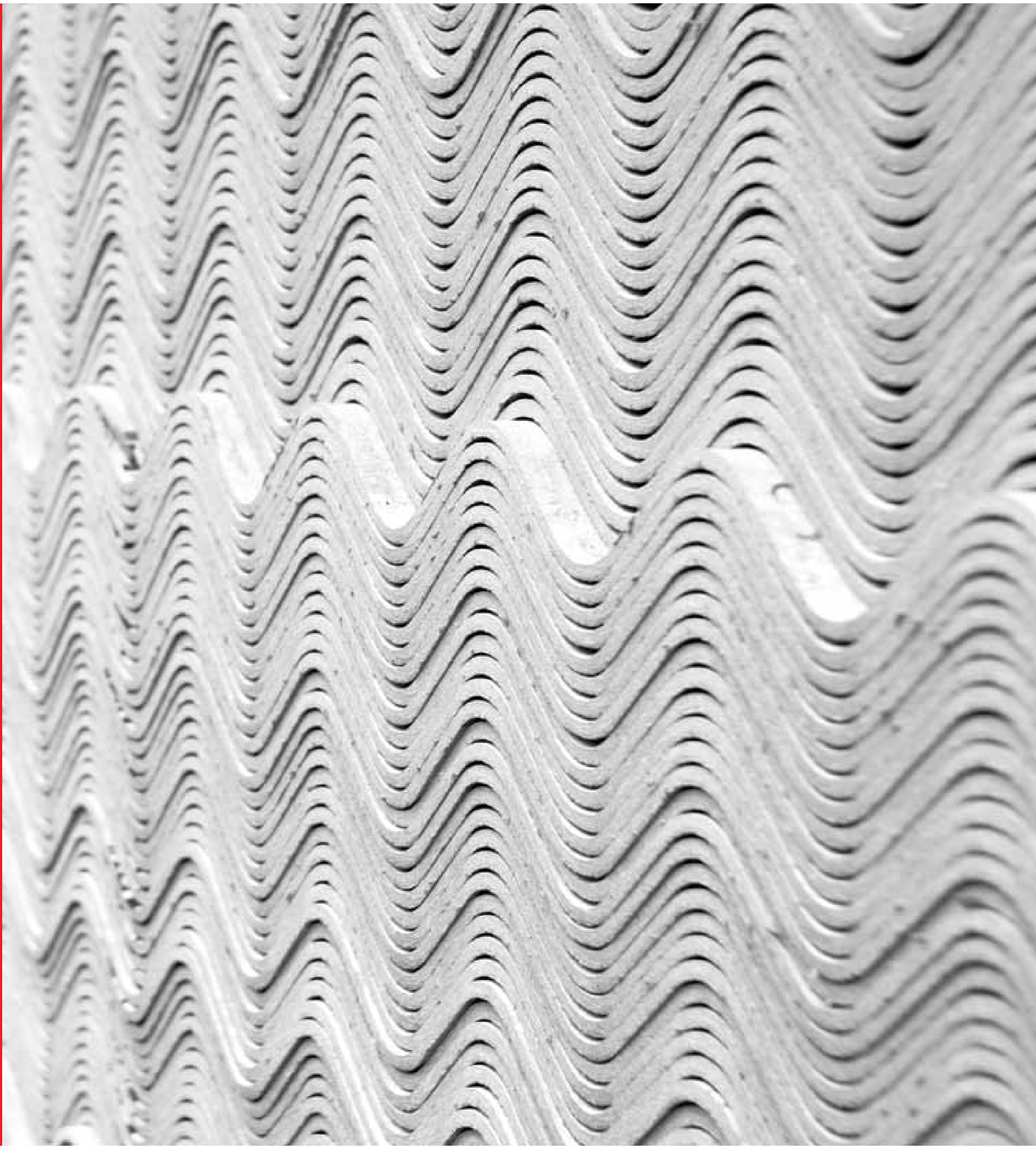
This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations of projections about the future, including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



Complete Building Solutions

India is growing rapidly. Construction and infrastructure activity is expanding across the nation. Demand for modern building systems is increasing. Everest is committed to providing building solutions which are innovative, strong, sustainable and can be erected with speed.

Strength



Construction industry in modern India demands products which are stronger, faster and durable.

At Everest, our focus is on manufacturing products which deliver strength, and are easy to install. Our products undergo rigorous quality checks to provide our customers with a strong, long-lasting building solution.

Everest Fibre Cement Roofing Sheets have covered more than 100 crore sq.mt. of buildings, homes and factories in India. Brand Everest holds a leadership position in the markets it serves.

Everest's Galvalume metal sheets are made of high strength steel with an aluminum-zinc alloy coating. They are corrosion resistant and durable, ideal for commercial and industrial use in roofing and cladding.

Everest Ceiling solutions are easy to install and are available in a range of textures. They are an ideal choice for aesthetic interiors and are resistant to moisture and fire.

Pre-engineered Buildings

Metal Roofs

Ceiling Solutions

Speed

Time and cost of construction is critical. Architects, structural engineers and site managers in every construction project in India prefer products that can be erected faster and require less labour.

Everest has introduced superior products and turnkey solutions which deliver high speed of construction with ease and flexibility of installation.

Everest Pre-engineered Steel Buildings and Smart Steel Structures are acknowledged globally as the fastest method of manufacturing and erecting industrial and commercial buildings. These buildings are strong, durable and offer high flexibility in design and expansion.

Everest Solid Wall Panels are a revolutionary dry wall solution which maintains the solid feel of brick and mortar and can be constructed four times faster than a conventional brick wall.

Pre-engineered Buildings

Solid Wall Panels

Smart Steel Buildings

Sustainability

With an increasing concern for environment sustainability globally, green and energy-efficient products are the future of the construction industry.

At Everest, we have introduced many products that cater to this growing demand. Our products positively contribute to LEED and GRIHA ratings for construction projects.

Rooflights reduce electricity consumption in factories and industrial sheds.

Cement planks are fibre cement boards with the aesthetics of real wood. Ideal for interior and exterior applications, they provide high resistance to moisture, fire and termites.

Access floors are easy to install or relocate and they reduce the energy cost of cooling commercial spaces.

Rooflight

Access Floor

Cement Planks

About Everest

About us

Everest is one of India's fastest growing building solutions companies. The brand has a strong presence in the country for 79 years. The company has kept up with changing techniques in construction and consumer preferences in the building industry and has evolved by introducing modern building products and offering turnkey solutions for design, erection and installation. Our strong network of channel partners, across the nation, provide us powerful insights on customer needs and trends to serve them better.

Vision

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

Product portfolio

Our product portfolio comprises of Fibre Cement Roofing sheets, Metal Roofing sheets & accessories, Fibre Cement Boards for ceilings, walls, flooring & cladding, solid wall panels and Pre-engineered & Smart Steel Buildings.

Manufacturing units

Everest's roofing products are manufactured at six locations: Bhagwanpur (Uttarakhand), Kolkata (West Bengal), Kymore (Madhya Pradesh), Lakhmapur (Maharashtra), Podanur (Tamil Nadu) and Baleshwar (Odisha). Everest Boards and Panels are manufactured at Bhagwanpur (Uttarakhand) and Lakhmapur (Maharashtra). Everest Pre-engineered Steel Buildings and Smart Steel Buildings are manufactured at Bhagwanpur (Uttarakhand).

Market reach

Today, the company offers building products and solutions in India for housing, commercial and industrial sectors and exports to 20 countries. In India, the company distributes its products across 1,00,000 villages and 600 cities, through 6 modern manufacturing facilities. The Company has a strong network of 6,000 dealer outlets, 38 sales depots and 14 branch offices across the country.

Corporate Information

BOARD OF DIRECTORS

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

*Appointed w.e.f. 10 May, 2013

COMPANY SECRETARY

Neeraj Kohli

AUDITORS

M/s Deloitte Haskins & Sells
Chartered Accountants, Gurgaon

BANKERS

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

REGISTERED OFFICE

Gat 152 Lakhmapur Taluka Dindori
Nashik - 422 202 Maharashtra

CORPORATE OFFICE

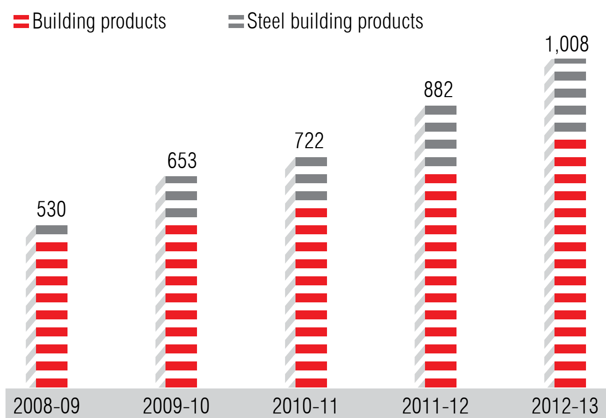
Genesis A-32 Mohan Co-operative Industrial Estate Mathura Road New Delhi - 110 044

REGISTRAR AND SHARE TRANSFER AGENTS

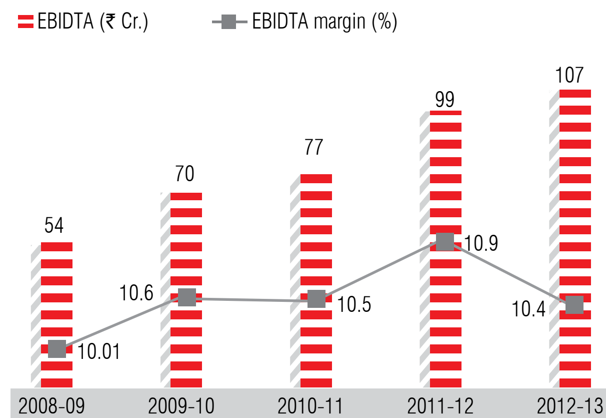
MCS Limited F-65 Okhla Industrial Area Phase – I New Delhi - 110 020

Financial Highlights

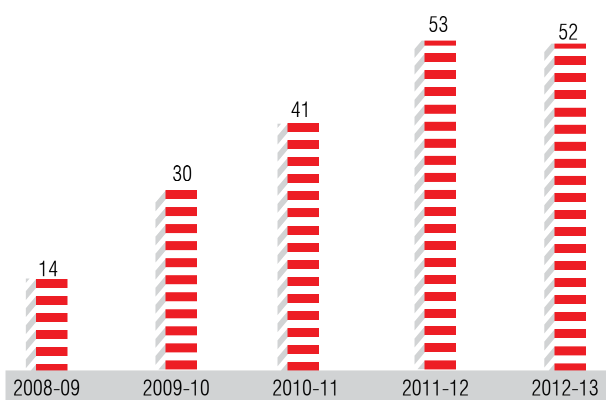
Sales revenue (₹ Cr.)



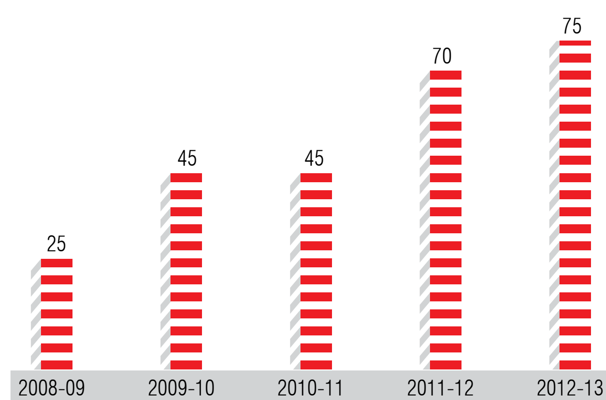
EBIDTA and EBIDTA margin



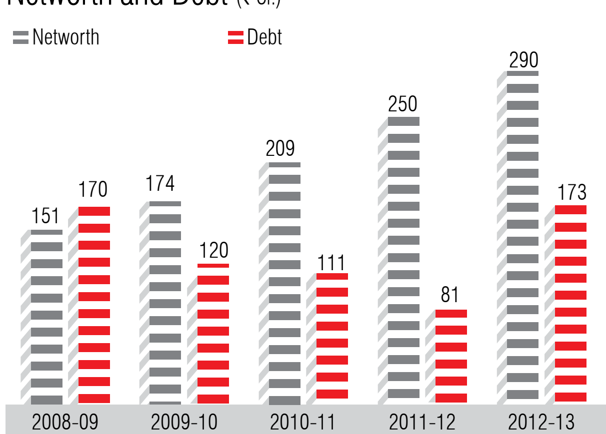
Net Profit (₹ Cr.)



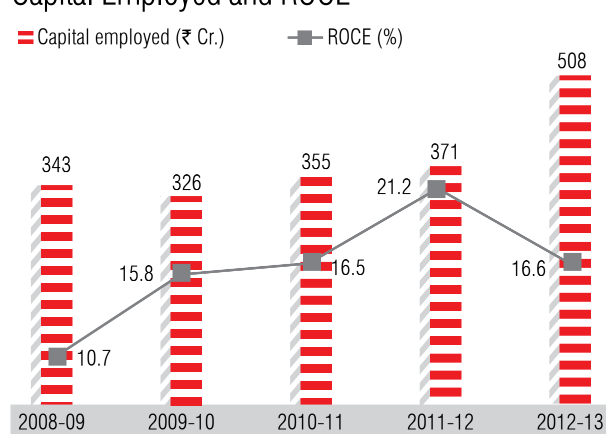
Dividend (%)



Networth and Debt (₹ Cr.)



Capital Employed and ROCE



Management Discussion and Analysis

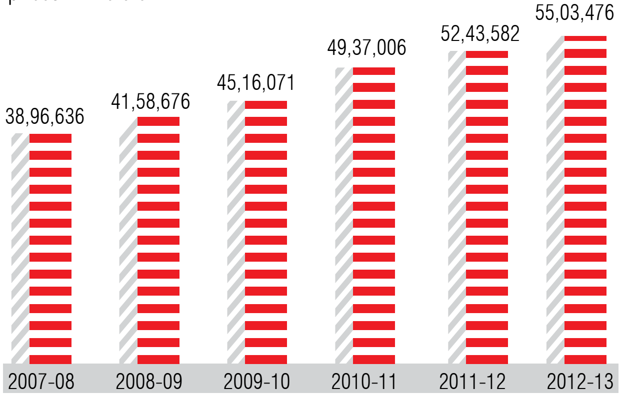
Heavy Duty Cement Boards

1. Indian economy

Indian economy countered multi-fold challenges in the fiscal year 2012-13. The growth of the economy was affected by slowing of infrastructure investments, tight monetary conditions, higher fiscal deficit, increasing current account deficit, higher inflation, and global recessionary conditions in the developed economies. As a result, the GDP growth slowed down to 5% in 2012-13 compared to the 6.2% growth witnessed in 2011-12.

The outlook of the Indian economy on a long term looks optimistic. With the softening global commodity prices, improved economic conditions in the US, pickup in Indian exports, reversal of interest rates, fiscal consolidation, reviving of private investment and implementation of various policy measures, the growth of the economy is expected to be better. Further, with the general elections due in 2014, the government will expedite its policy measures to boost the growth of the economy.

GDP at Factor Cost (2004-05)
prices in ₹ crore



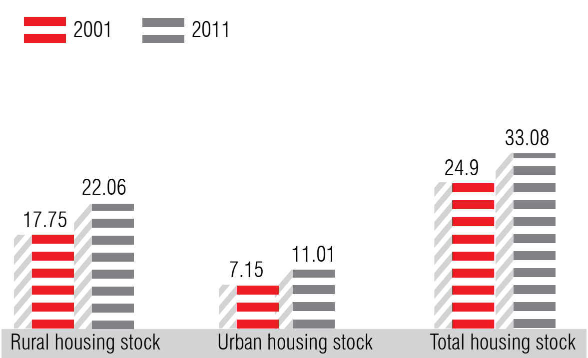
Source: Central Statistical Organisation

2. Industry overview

Roofing segment

Healthy economic growth recorded in the first decade (2001-2010) had an impressive impact on the housing sector in India. From 24.90 crore in 2001 to 33.08 crore in 2011, the total number of houses in India increased by 8.17 crore units, recording a growth of 32.81% in the last 10 years. Urban housing recorded a growth of 53.91% while rural housing grew by 24.30% *(Source: Census 2011).* At present, housing sector contributes around 5% of India's GDP. With institutional credit for housing investment poised to grow at a CAGR of 18-20% in the next 3-5 years, housing sector's contribution to GDP is likely to increase to 6%.

Housing Stock (in crore)



(Source: Census of India 2011 & 2001)

Rural Housing

About 72% of India's population live in rural areas and depend on agriculture and allied activity for their sustenance. Of this, nearly half of the population lives in kutcha (thatched roofs) or semi-pucca houses (clay tiles), lacking access to basic amenities like drinking water, sanitation and electricity. Security concerns coupled with rising income level drives the desire of rural India to shift from kutcha house (having thatched roof) to pucca house. The cost of a pucca roof using fibre cement roofing is only one-third the cost of an RCC slab, making it more affordable. This is driving the demand for fibre cement roofing in rural India.

As per the Working Group on Rural Housing for the Twelfth Five Year Plan (2012-17), the total rural housing shortage is estimated at around 4.36 crore units. This will translate into a tremendous demand for roofing products in rural areas *(Source: Census of India 2011 & 2001).*

Rural Commercial

With rising disposable income in the hands of rural India, roofing sheets are extensively used in all form of construction such as farm house, poultry farms, cow sheds, generator rooms, shops, parking sheds, room extensions, garages, workshops, toilets, etc. With purchasing power in rural India increasing rapidly over the years, and commercial activity in rural parts of the country expanding, demand for roofing products will increase significantly.

Institutional buildings segment

Institutional buildings sector comprises of large organized commercial buildings, retail outlets, warehousing and industrial spaces.

Commercial buildings

Commercial real estate market was subdued during 2012-13. Demand for office lease rentals gained momentum briefly in the first half of 2012 but existing vacancy levels prevented major appreciation in lease rentals. A lean demand scenario has delayed project execution. It is estimated that by 2012-14 around 229 million sq. ft. of additional office space will be released in 10 major cities *(Source: CRISIL research)*.

Organized retail space

Organized retail real estate segment has faced an oversupply situation in anticipation of retail boom in the country. Since the first half of 2012, lease rentals have remained flat in most micro-markets of the 10 major cities. Total planned supply across 10 major cities is 81 million sq. ft. of which around 44 million sq. ft. is expected to be released in the next two years.

Warehousing space

Growth of organized retail, manufacturing sector, factory production, logistics outsourcing and the likely rollout of Goods and Service Tax (GST) is pushing the need for better and improved warehousing facilities. As per a KPMG report on warehousing industry in India, the demand for warehousing space is estimated to grow from around 391 mn sq. ft. in

2010 to around 476 mn sq. ft. in 2013, at a CAGR of around 6.8% during this period. The relaxation of foreign direct investment (FDI) policies in multi-brand retail and a 100% FDI permitted under the automatic route in built-up infrastructure is likely to further boost investments in this sector.

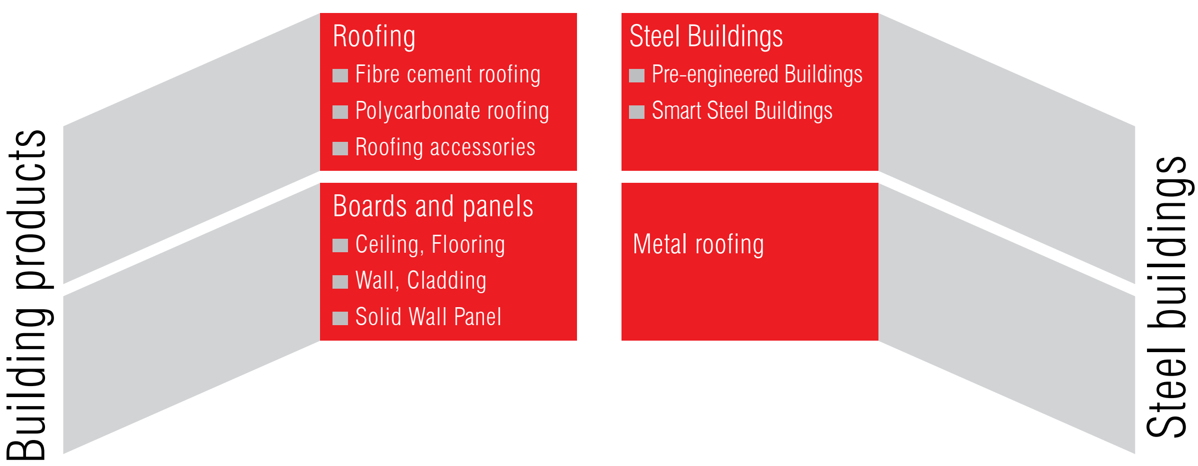
Industrial space

Roofing sheets and steel buildings are the most sought after construction systems in industrial spaces owing to ease and speed of installation, high strength, light weight and resistance to fire. Roofing products are in high demand for factories, site offices, security cabins, parking sheds, canteens, storage godowns, etc. With the rise in industrialization, construction of industrial spaces will see a huge growth which will translate into an even higher demand for roofing and building products.

3. Business segment review

Business segments

Everest's business operations are divided into two strategic business units - Building Products and Steel Buildings.



Building products

Segment snapshot

Contribution of the segment to the total revenue	76%
Total turnover of the segment	₹ 768.55 crore
Percentage increase in revenue over the previous year	15.80%
Operating profit of the segment	₹ 87.60 crore

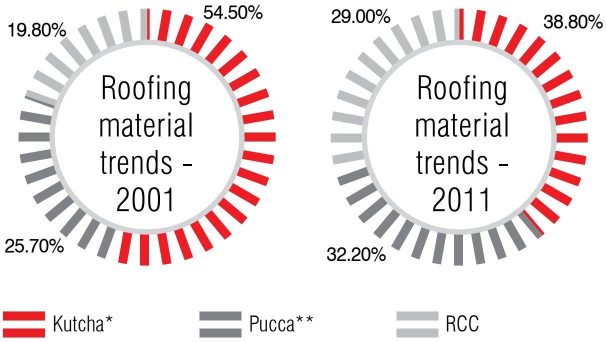
i. Roofing products

Roofing industry overview

Between 2001 and 2011, the total share of pucca roofing and RCC has increased from 45.5% to 61.2% *(Source: Census 2011)*. With improvement in economic conditions, improvement in agricultural income, government thrust on rural housing and improving disposable income, home owners in rural and semi-urban areas aspire to improve their living conditions by migrating from kutcha roofs to more durable and convenient pucca roofing systems. The attractiveness of this space is reflected by the fact that nearly half of the country's rural population lives in kutcha or semi-pucca dwellings, which need to be transformed into organized homes. As Kutcha roofs need regular maintenance, users are shifting their preference towards fibre cement roofing and concrete slabs as their income grows. As a result, fibre cement roofing is in high demand for housing solutions in rural and semi-urban India.

Manufacturing of Fibre Cement Boards

Changing preference towards durable roofing systems



Source: Census of India 2011 & 2001)

*Kutcha roofs include – Grass, thatch, bamboo, wood, mud, handmade tiles, machine made tiles

**Pucca roofs include – Fibre cement roofing sheets, GI sheets, Galvalume sheets and others

Growth drivers for roofing products

- **Increasing rural purchasing power**

  With a strong increase in rural incomes due to rising non-farm employment opportunities and government focus on employment generation schemes, discretionary spending in rural areas has increased significantly. Between 2009-10 and 2011-12, rural spending was significantly higher at ₹ 3,75,000 crores as compared to urban spending of ₹ 2,99,400 crores *(Source: Capital Market, 29 August, 2012)*. Monthly per capita expenditure (MPCE) at constant prices in rural areas has increased from ₹ 558.78 in 2004-05 to ₹ 707.24 in 2011-12, a significant increase of 26.56%.

- **Government schemes for rural development and housing growth**

  - **Rural development:** Budget allocation to Ministry of Rural Development (MoRD) has increased nearly three fold since 2006-07. In 2012-13, the ministry was allocated a budget of ₹ 90,435 crore.

  - **Rural Infrastructure Development Fund (RIDF):** RIDF was created to provide a thrust to rural housing and development in order to ensure sustainable and inclusive growth. In 2012-13 the government had allocated an amount of ₹ 20,000 crore for RIDF and it has maintained a similar allocation for 2013-14.

  - **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):** MGNREGA aims at enhancing the livelihood security of people in rural areas by guaranteeing 100 days of wage-employment in a financial year to a rural household. During 2012-13, the budgetary allocation for MGNREGA was ₹ 33,000 crore, which accounted for 36% of the total MoRD budget. For the year 2013-14, this allocation has been increased to 41% of the MoRD Budget.

  - **Pradhan Mantri Gram Sadak Yojana (PMGSY):** PMGSY is a nationwide plan to provide good all-weather road connectivity to unconnected villages. Government had allocated ₹ 24,000 crore for PMGSY in 2012-13 to enhance rural connectivity and it has allocated ₹ 21,700 crore for 2013-14.

- **Indira Awas Yojana (IAY):** IAY is a social welfare programme to provide housing for the rural poor in India. Over seven years, there has been a four-fold growth in allocation to IAY. The allocation for IAY for 2012-13 was ₹ 9,996 crore and the government has increased the allocation by 52% for 2013-14 to ₹ 15,184 crore, which will improve demand for rural housing.

- **Rural Housing Fund (RHF):** The National Housing Bank, with its purpose to create "affordable housing opportunities for all" has formulated the Rural Housing Fund, which aims at offering financial assistance to weaker sections of society. The government had allocated a fund of ₹ 4,000 crore for RHF in 2012-13 and has increased it by 50% to ₹ 6,000 crore for 2013-14, to promote easier housing financing to target groups.

Roofing division

Everest caters to the growing demand of housing, building and construction industry with a strong portfolio of roofing products for rural housing and commercial applications. Everest provides a wide variety of roofing solutions such as corrugated fibre cement roofing sheets, Hi-tech non-asbestos roofing sheets, Metal Roofs, polycarbonate Rooflights and a range of roofing accessories like Ridges, Gutters, North Light Curves etc. Everest's corrugated roofing sheets are used extensively throughout the country for factories, power plants, stadiums, schools, urban/rural houses, animal shelters, poultry farms and commercial establishments. Its fibre cement roofing solutions are preferred in rural and agriculture based housing markets as an affordable and durable roofing solution. Everest's products are made from superior quality cement and imported fibre which undergo rigorous quality checks, assuring longer life and high durability.

With over 100 crore square meters of industrial as well as residential roofing in India, Everest is a name synonymous with roofing across the country

ii. Boards and Panels

Boards and panels industry overview

The Indian boards industry is highly fragmented and comprises of various types of boards like wood, plywood, gypsum, calcium silicate and fibre cement. The Indian boards market is currently dominated by plywood, laminate and particle board whose market size is estimated at ₹ 20,000 crore followed by gypsum boards at ₹ 800 crore, Fibre Cement Boards at ₹ 300 crore and calcium silicate boards at ₹ 150 crore. Wood based products are unable to meet diverse needs of customers such as resistance from fire, moisture, dampness and termites among others. As a result the use of modern building materials like Fibre Cement Boards, Gypsum Boards and Calcium Silicate Boards is increasing in the construction industry.

Wall Boards

Cement Planks

Everest boards are manufactured from a homogenous mixture of Portland Cement, treated cellulose fibres, finely ground silica and quartz and other select mineral fillers in manufacturing units using sophisticated, digitally-controlled processes.

Growth drivers for Boards and Panels

- With the pressing shortage of labour, water, sand and other building materials; fibre cement boards are the perfect substitute for brick and mortar walls. Everest Boards are used for dry construction in modern and conventional constructions such as low cost housing, rural sanitation, slum rehabilitation, high end hospitals, hotels and high rise apartments among others.

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

Boards and panels division overview

Everest has a strong presence in the boards and panels sector with a wide range of products which are used for walling, cladding, internal and external ceiling solutions, flooring applications and wet area lining applications in modern construction methods. Everest Boards offer high price-value proposition over other alternatives. Everest's products are highly recommended by architects, interior designers and contractors because they are ready to install, offer speed in construction, are energy efficient, have good sound and thermal insulation, high strength and dimensional stability. Their resistance against termites, moisture and fire make them the best available substitute to wood and wood based products. Further, dry wall construction methods using Everest Boards and Panels are specified by architects and interior designers in commercial establishments, malls and hotels. Everest also manufactures Solid Wall Panels for rapid construction, which maximizes space utilization with durability.

Everest Boards meet every international quality standard and are widely accepted in international markets. High volume exports to Asia, Europe, Africa and Australia have earned the company a powerful reputation with leading architects. Everest exports its Boards to 20 countries across the globe.

Operations

Everest fibre cement roofing products are produced at Kymore (Madhya Pradesh), Kolkata, Podanur (Coimbatore, Tamil Nadu), Lakhmapur (Nashik, Maharashtra) and Bhagawanpur (Roorkee, Uttarakhand). A modern roofing line with an annual capacity of 1,00,000 MT per annum is set up at Somnathpur (Baleshwar, Odisha) and production trials are on. Fibre cement boards and panels are produced at Lakhmapur works (Maharashtra) and Bhagawanpur works (Uttarakhand). The production line at Kymore works, which was modernized in 2011-12 reached its full capacity in the reporting year with improved quality. During the year under review, the building products division produced 6.85 lac MT of roofing products and Boards and Panels, an increase of 5.5% over the previous year.

The industrial strike called by labour union at Lakhmapur in November, 2011 was called off in January, 2013. Officers and staff of Lakhmapur Works worked hard all throughout the strike period to ensure supply, meet customer demand and continue operations in the plant.

In order to improve operational efficiency and reduce costs, the company has undertaken many key initiatives:

- A Business Excellence team was formed to study and further improve processes and systems. This team is also helping in standardizing processes across units to increase efficiency.

- A company wide initiative has been initiated to become a zero discharge organization.

- A corporate Technical Cell is being created to improve technology absorption and upgrade technology across works to improve quality, productivity and cost reduction.

- A centralized sourcing team has been created to bring in purchase efficiency.

- Everest introduced an e-auction platform for sourcing of goods and services. This has resulted in savings in an inflationary market.

Financial highlights

- Revenues from building products segment increased 15.8% to ₹ 768.55 crore compared to ₹ 663.66 crore in the previous year owing to higher realizations.

- EBIDTA increased from ₹ 68 crore to ₹ 87.6 crore, an increase of 28.82% due to better cost control.

- ROCE of the segment registered a marginal decline of 20 bps from 22.8% to 22.6% due to increase in capital employed in the segment primarily on account of planned higher inventory.

Outlook

Government's initiatives of providing employment opportunities coupled with the focus on increasing minimum support price (MPS) of primary farm products has given more disposable income in rural India. Elections are round the corner and Government's continued thrust to provide adequate shelter to the rural poor by increasing its outlay on various schemes, will boost demand for roofing sheets.

At Everest, the focus will be on improving production of roofing products in order to meet the emerging demand. We will start producing roofing sheets from our newly constructed Odisha plant and stabilize the production by the end of 2013. Production from this new plant will help us to cater to the rising demand of roofing sheets in eastern India. As part of market share enhancement strategy, the Company will explore options for augmenting capacity at existing locations to keep pace with the growing demand for its products. The company's R&D team will focus on optimising cost of production by introducing new and alternate raw materials. It will also focus on reducing cost of production, enhance processes and improve capacity utilization.

Steel Buildings segment

Segment snapshot, 2012-13

Contribution of segment to total revenue	24%
Total turnover of segment	₹ 245.58 crore
Percentage increase in revenue over previous year	10.03%
Operating profit of segment	₹ 14.10 crore
Net profit from segment	₹ 13.65 crore
Order book size	₹ 220 crore
Projects executed till date	800 projects

Steel buildings industry

Steel buildings are the fastest systems of industrial construction today and are popular all over the world in the form of Pre-engineered Buildings (PEB). PEBs are custom-designed, expandable, durable and maintenance free. These buildings are suitable for industrial as well as commercial applications such as warehouses, factories, aircraft hangars, logistic parks, etc.

Pre-engineered construction is a relatively new concept for Indian markets. In the last five years, it has attracted substantial interest for fast execution of projects, minimal on-site construction, quick turn around time and low project cost compared to conventional construction techniques. The size of Steel Building industry in India is estimated to be ₹ 5,000 crore with an installed capacity of 6,00,000 MT. It is fragmented with 12 organized national

Multi Torch Cutter

players and more than 25 regional players. It has grown at a CAGR of 17% for the past five years.

During the year, demand for steel building products increased by 10% on account of conversion of conventional buildings to pre-engineered buildings (PEB).

Key end use segments of PEB in India

Verticals	Application
Industrial	Warehouses, factories, workshops, industrial sheds
Infrastructure	Airports (terminal buildings and hangars), railway stations, sea ports, oil and gas
Commercial	Exhibition halls, auditoriums, showrooms

Growth drivers for Steel Buildings

- **Infrastructure investment:** Government of India has set a massive target of around ₹ 55.7 trillion for developing infrastructure in the 12th Five Year Plan (2012-17), which is almost double of the 11th Five Year Plan (2007-12) outlay. Of this, around 32% of the plan investments is for power sector, 17% for roads, 17% for telecommunications, 11% for railways, 13% for irrigation & sanitation and 9% for others *(Source: Planning Commission)*. This is a big boost to the PEB industry as it is strongly associated with investments and growth in industrial and commercial sector.

- **Shortage of cold storage facilities:** India is the second largest producer of fruits and vegetables (about 200 million MT) but it has very limited integrated cold-chain infrastructure, with only 5,386 standalone cold storages, with a capacity of 23.6 million MT. With the increase in demand for food products, growing international trade in food products, organized retail industry and developments in processed food industry, there is a requirement of at least 9-10 million MT more capacity *(Source: Assocham report)*. This provides tremendous scope for construction of more cold storage units which will increase the demand for PEBs.

- **Warehousing space:** As per a report by Assocham on FDI in retail, the total warehousing capacity available in India (public, co-operative and private sector) is around 108.75 million MT and another 35 million MT warehousing capacity is required during the Twelfth Five Year Plan period for storage of crops. This deficit requires an investment of ₹ 7,687 crore which will open up new opportunities for PEBs.

Advantages of Pre-Engineered Buildings

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

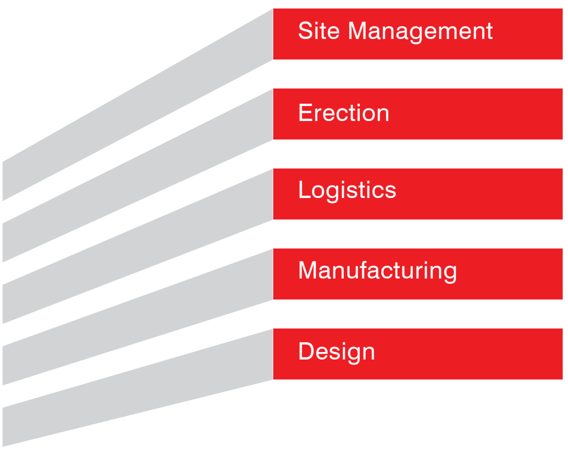
Steel Building division

Everest established its Steel Building division in 2008 by offering turnkey solutions which include designing, manufacturing, logistics, erection and site management. Everest has emerged as a complete solution provider of PEBs. Everest's PEBs are strongly recommended by architects and structural consultants. The steel building division accounts for 24% of the company's turnover.

Manufacturing facilities

Everest's PEB manufacturing facility is located at Bhagwanpur Works, Roorkee in Uttarakhand. During the year, Everest also set up the first design center in Uttarakhand for Pre-engineered Buildings at Roorkee. The 8,000 sq. ft. independent building was completed within a record time of 45 days and was inaugurated by the Chief Minister of Uttarakhand. This will expand the company's designing capability which is currently based in Delhi.

Complete PEB solutions



Project Highlights

Buildings/construction	City	Area in sq. ft.
Ranbaxy	Dewas, MP	40,000
General Motors	Pune and Baroda	1,20,000
Britannia	Odisha, Bihar and Gujarat	5,75,000
Lotus Techpark (Trident)	Barnala, Punjab	3,00,000
John Deere Tractors	Patiala, Punjab	80,000
Maan & Hummel Filters	Bawal, Haryana	95,000
NSSL	Nagpur, Maharashtra	1,25,000
Jeumont Electric	Baroda	75,000
Godrej	Varanasi	40,000

Operations

■ **Volume growth**

- Production of Steel Buildings increased by 9% to 26,300 MT.
- Serviced major clients such as Godrej Industries, Dabur, Maan & Hummel, Jeumont, Cadbury, Parle, Britannia and New Holland Tractors among others.

■ **Order book**

- Registered a 10% growth in order book at ₹ 220 crore compared to ₹ 200 crore in the previous year owing to strong improvement in demand for steel building products.
- SAP R3 (SPEED) ERP was successfully implemented.

■ **Expansion**

- Commenced construction of Metal Roofing plant at Ranchi, Jharkhand.

Financial highlights

- Turnover increased 10.03% from ₹ 223.2 crore to ₹ 245.6 crore owing to higher volume off take of steel building products.
- Operating profit increased from ₹ 13.4 crore to ₹ 14.1 crore, an increase of 4.9%
- Net profit grew 5% from ₹ 12.8 crore to ₹ 13.65 crore.

Outlook

With wider acceptance of PEB products across India, this segment is on a growth trajectory. Higher demand is expected from construction, infrastructure and industrial sectors.

Everest will undertake a green field expansion of a Pre-engineered Building plant with a capacity of 30,000 MT per annum in Dahej, Gujarat. The total cost of the project is estimated at ₹ 50 crore. The plant is expected to be completed and operational by mid-2014. The Plant in Gujarat will cater to the Western and Southern markets of the country, reduce freight cost and facilitate faster delivery to customers.

4. Financial statement analysis

A. SOURCES OF FUNDS

i. Share capital

The share capital comprises of only one class of shares – equity shares of par value ₹ 10 each. The authorized share capital is ₹ 1,700 lacs, divided into 170 lacs equity shares of ₹ 10 each. The issued, subscribed and fully paid up capital stood at ₹ 1,518.73 lacs as at 31 March, 2013 compared to ₹ 1,511.27 lacs in the previous year.

ii. Reserves and surplus

Capital reserve

No amount was added by way of capital subsidy in the capital reserve account which was ₹ 30 lacs in the previous year.

Securities premium

An amount of ₹ 101.23 lacs was added to the securities premium account primarily on account of premium received on issue of 74,577 equity shares, taking the closing balance to ₹ 315.57 lacs during the year under review.

General reserve

An amount of ₹ 525.00 lacs was transferred from the profit and loss account, (representing 10% of the net profit) to the general reserve account for the year ended 31 March, 2013.

Foreign currency monetary item

The foreign currency monetary item translation difference account is nil as on 31 March, 2013, and the closing balance as on 31 March, 2012 was nil.

Profit and Loss account

The balance retained in the profit and loss account as at 31 March, 2013 is ₹ 17,923.85 lacs, after providing for dividends, dividend tax and transfer to general reserve compared to ₹ 14,531.51 lacs in the previous year. The total amount of profits appropriated to dividend including dividend tax was ₹ 1,332.63 lacs compared to ₹ 1,229.51 lacs in the previous year.

iii. Shareholder's fund

The total shareholder's fund increased 17.14% to ₹ 27,458.92 lacs as at 31 March, 2013 compared to ₹ 23,439.95 lacs as at 31 March, 2012. The book value per share also increased 16.62% from ₹ 155.10 as at 31 March, 2012 to ₹ 180.89 as at 31 March, 2013.

iv. Loan funds

Long-term borrowings: Long-term funds increased from ₹ 1,556.10 lacs as at 31 March, 2012 to ₹ 5,910.20 lacs as at 31 March, 2013. External commercial borrowing (ECB) worth ₹ 6,192.00 lacs were drawn.

Short-term borrowings: Short-term borrowings included secured loans from banks by way of cash credit and buyer's credit and unsecured loans from others in the form of commercial paper. The amount of short-term loans increased from ₹ 5,510.56 lacs as at 31 March, 2012 to ₹ 9,520.12 lacs as at 31 March, 2013.

Everest Dry Wall Systems used in Healthcare Segment

Loan funds (in ₹ lacs)

	31 March, 2013	31 March, 2012
Long-term borrowings	5,910.20	1,556.10
Short-term borrowings	11,433.32	6,547.96
Total	17,343.52	8,104.06

Long-term provisions

Long-term provisions stood at ₹ 757.58 lacs as at 31 March, 2013 compared to ₹ 758.29 lacs on 31 March, 2012.

v. Deferred tax assets/liabilities

Deferred tax assets stood at ₹ 361.02 lacs as at 31 March, 2013 as against ₹ 330.38 lacs in 31 March, 2012 and the deferred liabilities stood at ₹ 2,817.58 lacs as at 31 March, 2013 as against ₹ 2,717.97 lacs as at 31 March, 2012. The net deferred tax liabilities stood at ₹ 2,456.56 lacs as at 31 March, 2013 as compared to ₹ 2,389.59 lacs as at 31 March, 2012. This was primarily on account of difference in depreciation allowable under the Income tax act and as provided in the books of accounts.

vi. Trade payables

Trade payables increased from ₹ 7,316.32 lacs as at 31 March, 2012 to ₹ 10,891.17 lacs as at 31 March, 2013 owing to increase in volume of purchases and better credit terms negotiated with vendors.

vii. Other current liabilities

The balance of other current liabilities increased from ₹ 7,742.13 lacs as at 31 March, 2012 to ₹ 9,589.13 lacs as at 31 March, 2013 on account of increase in current maturities of long-term debt, payables in respect of statutory dues, stockists' deposits and advances from customers.

viii. Short- term provisions

There was an increase of in short-term provisions from ₹ 1,871.30 lacs as at 31 March, 2012, to ₹ 2,024.38 lacs as at 31 March, 2013 on account of increase in provision for tax, proposed equity dividend and dividend tax.

B. APPLICATION OF FUNDS

i. Fixed assets

There was an addition of 8.91% (₹ 24,846.72 lacs as on 31 March, 2013) compared to ₹ 22,813.60 lacs as on 31 March, 2012, to the gross block (including tangible and intangible assets) and 14.35% in accumulated depreciation and amortization (₹ 17,284.88 lacs as on 31 March, 2013) compared to (₹ 15,115.68 lacs as on 31 March, 2012). The increase is mainly on account of addition of leasehold land, freehold and leasehold buildings, plant and equipment, furniture and fixtures, vehicles, office equipment, leasehold improvements and computer software. The net block of tangible and intangible assets stood at ₹ 21,135.26 lacs as at 31 March, 2013, as against ₹ 22,025.59 lacs as at 31 March, 2012.

ii. Non-current investments

There was no change in non-current investments. The amount stood at ₹ 2.45 lacs comprising 24,500 equity shares of ₹ 10 each fully paid up shares of M/s Everest Building Solutions Limited.

iii. Long-term loans and advances

The amount of long-term loans and advances as at 31 March, 2013 stood at ₹ 4,329.37 lacs, compared to ₹ 3,326.48 lacs in previous year, representing a 30.14% increase owing to an increase of ₹ 526.14 lacs in advance tax.

iv. Current assets

Trade receivables

Trade receivables amounted to ₹ 5,234.95 lacs as at 31 March, 2013, compared to ₹ 4,170.47 lacs as at 31 March, 2012. These debtors are considered good and realizable. Debtors are 4.85% of revenues for the year ended 31 March, 2013, compared to 4.61% for the previous year, representing an average collection period of 18.84 days and 17.16 days for the respective years. The provision for bad and doubtful debts as a percentage of revenue is 0.12% for the year ended 31 March, 2013 as against 0.14% for the year ended 31 March, 2012.

Cash and cash equivalents

Cash and cash equivalents stood at ₹ 3,838.02 lacs as at 31 March, 2013 as against an amount of ₹ 2,891.03 lacs as at 31 March, 2012, an increase of 32.77% owing to an increase in liquidity in the form of cash in hand and bank deposits/ margin money.

Short-term loans and advances

The amount of short-term loans and advances increased to ₹ 4,874.28 lacs compared to ₹ 2,417.63 lacs in the previous year.

Other current assets

Other current assets amount increased 127.49% to ₹ 122.39 lacs as at 31 March, 2013 as compared to ₹ 53.80 lacs in the previous year, on account of an increase in the amount of interest accrued, but not due.

C. INCOME STATEMENT

i. Income from operations

Net revenue from operations increased 14.35% from ₹ 88,686.12 lacs as on 31 March, 2012 to ₹ 1,01,413.29 lacs as on 31 March, 2013, on account of a 21.68% increase in sales of products and 32.44% increase in sale of services. Of the total revenue from operations, 97.94% of the revenue was contributed by product sales, 1.48% by services sales and 0.56% by other operating revenues.

ii. Other income

Other income for the year 2012-13, at ₹ 875.25 lacs shows an increase of 36 % compared to ₹ 643.56 lacs during 2011-12; excluding the profit of sale of fixed assets of ₹ 1,135.47 lacs (Total ₹ 1,779.03 lacs for the year 2011-12).

iii. Total revenue

Total revenue of the Company (including income from operations and other income) increased 13.07% from ₹ 90,465.15 lacs as on 31 March, 2012 to ₹ 1,02,288.54 lacs. Of the total revenue, 99.14% was from the core business operations and 0.86% was from non-core operations.

Particulars	31 March 2013 (₹ in lacs)	31 March 2012 (₹ in lacs)	Proportion of total income
Income from operations	1,01,413.29	88,686.12	99.14%
Other income	875.25	1,779.03	0.86%
Total income	1,02,288.54	90,465.15	100.00%

iv. Operating expenditure

Operating expenditure comprises of cost of raw material consumed, changes in inventories of finished goods, work in progress, stock in trade, employee benefit expenses and other expenses, and represents 88.78% of total revenues for the year ended 31 March, 2013 as compared to 89.10% in the previous year. Operating expenditure increased 13.62% to ₹ 90,042.06 lacs for the year ended 31 March, 2013 as against ₹ 79,248.28 lacs for the year ended 31 March, 2012.

Employee expense represented 9.04% of total revenue for the year ended 31 March, 2013 as against 8.81% in the previous year. The amount of employee expense increased 15.48% to ₹ 9,209.70 lacs from ₹ 7,974.72 lacs in the previous year on account of increase in the number of employees resulting in increase in salaries and wages, contributions to provident and other funds and staff welfare expenses.

v. Operating profits

Operating profit increased from ₹ 9,855.10 lacs for the year ended 31 March, 2012 to ₹ 10,653.38 lacs for the year ended 31 March, 2013, an increase of 8.10%. The operating profit margin contracted by 48 bps from 10.89% to 10.41% in the respective years.

vi. Interest and finance cost

The Company avails working capital facilities and term loan facilities from its bankers and has also raised funds through other ECBs. The total interest cost towards servicing the availed facilities stood at ₹ 557.99 lacs for the year ended 31 March, 2013 as compared to ₹ 443.75 lacs in the previous year, an increase of 25.74% on account of fresh long-term and short-term borrowings.

Solid Wall Panels

vii. Depreciation

An amount of ₹ 2,205.24 lacs and ₹ 2,008.16 lacs was provided towards depreciation for the year ended 31 March, 2013 and 31 March, 2012 respectively, representing 2.15% and 2.21% of total revenues. Depreciation as a percentage of average gross block (excluding land) is 5.99% and 5.65% for the year ended 31 March, 2013 and 31 March, 2012 respectively.

viii. Tax expenses

Effective tax rate for the year ended 31 March, 2013 was 33%. The Company's tax out go increased 24.12% from ₹ 2,126.98 lacs to ₹ 2,640.18 lacs for the year ended 31 March, 2012 and 31 March, 2013 respectively.

ix. Net profit after tax

Net profit was ₹ 5,249.97 lacs for the year ended 31 March, 2013 as compared to ₹ 5,276.21 lacs in the previous year. The Company reported a 70 bps contraction in net profit margins from 5.83% for the year ended 31 March, 2012 to 5.13% for the year ended 31 March, 2013.

x. Earnings per share

The basic earnings per share during the year was ₹ 34.70 per share as compared to ₹ 34.96 per share in the previous year. Outstanding shares used in computing basic EPS increased from 15,092,743 shares for the year ended 31 March, 2012 to 15,130,985 shares for the year ended 31 March, 2013.

D. Liquidity

Net cash outflow from operations for the year ended 31 March, 2013 was ₹ 694.32 lacs, primarily on account of increased deployment of funds in the working capital of the company.

Net Cash outflow for investing activities was ₹ 5,138.75 lacs mainly on account of capital expenditure (including the expenditure incurred for new plant at Baleshwar).

Net Cash inflow from financing activities for the year ended 31 March, 2013 was ₹ 6,780.06 lacs owing to fresh external commercial borrowing of ₹ 6,192 lacs availed during the year.

5. Countering risks and maximising returns

Risk can be defined as an expression of uncertainties and possible outcomes that could have material impact on the performance and prospects of a company. A responsible corporate identifies, assesses and takes proactive measures to minimize potential loss arising due to exposure to particular risks on one hand while maximising returns on the other.

Everest has a comprehensive risk management model with strict norms and reporting framework. The risk management discipline ensures that the initiatives reach all levels for effective implementation. The risk management policy is attuned to the strategic direction of the Company.

Risk	Risk definition	Risk mitigation
Raw material risk	The raw materials for the company are Cement, Chrysotile Fibre, Fly ash and Steel. Chrysotile is imported from Russia, Brazil and Kazakhstan. Unavailability of the key raw materials on time may affect production.	Everest ensures regular and stable supplies of all its raw materials by entering into long-term supply agreements with its domestic and international raw material vendors. Further, it always maintains adequate inventory of raw materials as a hedge against shipment delays and material unavailability.
Safety and health risk	There is a misconception that one of the Company's roofing raw materials - Chrysotile (white asbestos) is not safe for human use and is environmentally unfriendly.	• Everest imports Chrysotile from Russia, Brazil and Kazakhstan in pallets. In the manufacturing process, the fibre is bound in a cement matrix and fibre emission in the air is fully controlled and is better than international norms. • Everest conducts regular health check-ups of its employees at its plants and confirms the absence of any chrysotile related disease, ensuring a safe workplace for employees.
Location risk	The concentration of manufacturing units in a single region will affect the distribution of the products and increase the logistics cost of shipping the products to the other parts of the country.	Everest has six plants located near major cities across the country which enables it to ship its products to more than 1 lac villages across the country.
Quality risk	The Company offers various products in building division and steel buildings division, where quality of products and projects is utmost important. Any variation in the quality of products or projects will affect the credibility and the clientele of the Company.	• Everest's manufacturing facilities located at Kymore, Nashik, Coimbatore and Kolkata are ISO:9000 certified which assures that the Company's products meet highest standards of quality and durability. The Steel Building Business of Everest is also ISO:9000 certified. • Everest successfully delivered many prestigious projects for reputed and high quality conscious companies like Carrefour, General Motors, Godrej, Kirloskar, Pidilite and Britannia among others with high standards of project management and technical capabilities.
Price risk	In a competitive environment where the prices of input costs are rising every year and the product is commoditized with the entry of unorganized players, it is difficult for a Company to maintain margins if it is unable to pass on the prices to its customers.	Everest increased the premium on its products through better servicing, better quality of products, strong distribution channels, more product variants and strong advertising and promotion activities.

6. Human resources

At Everest, people are our biggest asset. We believe that keeping the employees motivated and retaining them, are essential to achieve the growth plans of the Company. Hence, we have taken various measures towards high quality talent, and training them for leadership roles.

Qualification wise break-up of employees

Qualification	Number
Graduate	126
Post Graduate (Non-MBA)	44
MBA/PGDBM	177
CA/ICWA	33
Engineer	218
Post Graduate Engineer	6
Engineer+ MBA	66
Diploma Holders	166
SSLC	4

Our initiatives focus on the holistic development of our people and makes Everest a great place to work.

- **Training programs:** We have a young workforce in every division and support function. To reinforce the youth workforce, and develop talent pipeline for future requirements we have introduced on-going training programs to induct and train young talent. There is a continuous focus on skill based technical training using external and internal faculty and Management Development Programs (MDP) in reputed institutions. Latest developments in the Company are shared through intranet, electronic and print publications.

- **Employee Engagement activities:** Participation in various competitions within and outside the Company such as 5-S activities, Kaizen improvements and quality circle activities are encouraged. The Team is involved in a number of work related projects, learning clubs, inter-corporate and inter-zone cricket matches.

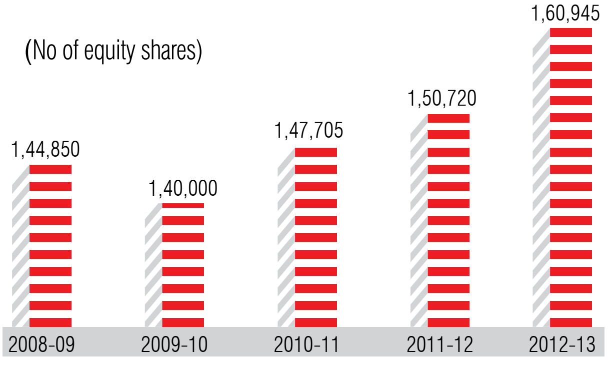
- **Recreation:** We conduct get-togethers, family picnics, talent competitions such as singing and painting and various other conferences across various divisions to foster a sense of camaraderie and trust. The results of these activities and achievements are recorded in the monthly quarterly news magazine, E-News.

- **Appraisal:** Everest has an electronic 'Performance Management System' for effective appraisals conducted quarterly.

- **Rewards:** Everest has a productivity linked Excellence Bonus Scheme for rewarding teams and employees who achieve targets.

ESOS granted over the years

The company has established share incentive schemes under the Employees Stock Option Schemes (ESOS) pursuant to which options to acquire shares of the company have been granted to high performing employees and senior management personnel. During the year under review, the company has granted 1,60,945 stock options to the employees under the ESOS scheme.



7. Corporate social responsibility

The community in which we operate is an essential part of the business and important stakeholders. In the year under review we have undertaken various initiatives :

Creating awareness: We observe and celebrate various important days such as World Environment Day, Earth Day, Anti-Tobacco Day, Engineers Day and Women's Day among others, to create awareness in the company and the surrounding community about the importance and relevance of such days. Relevant programs are conducted at each factory.

Community welfare: Our employees participated enthusiastically for welfare and upliftment of communities in the neighbouring areas where our plants are located. We conduct medical camps, heath camps, cultural functions and tree plantation activities regularly.

Supporting NGOs: We support NGOs like Salaam Bombay Foundation, which conducts life skill programs in schools with a focus on better health and education. We initiated a pilot vocational training program in the communities at our Bhagwanpur Works in association with PHD Rural Development Foundation. We plan to expand the program to neighbouring villages and communities on the basis of the outcome of the program.

8. Internal control system and their adequacy

We have adequate systems of internal control commensurate with the size and nature of our operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets and ensuring compliance of internal policies. The Audit Committee reviews the adequacy of the internal control system regularly and follow-up actions are then implemented immediately to ensure smooth and transparent functioning.

9. Research and Development

Everest's R&D Division is recognized by Department of Science and Industrial research (DSIR), Ministry of Science and Technology. It is actively involved in process development, product development and cost optimization. In the reporting year, R&D division filed 5 patents with Indian Patent Office which is pending final examination. Some of the significant initiatives were development of alternate / low cost raw materials for cost optimization, special coating solutions for fibre cement products for performance enhancement and special applications. R&D division also initiated projects for components standardization and application standardization in Steel Building division.

10. Safety and health

We recognize the importance of health and safety and take special care of all employees, associates and customers of the Company. Our manufacturing units ensure zero discharge of industrial effluents into the environment. We take adequate safety measures at Pre-engineered Building sites, especially during installation to ensure a safe workplace. Further, we provide safety training to workers, provide safe equipment, and ensure that safe work place practices are followed sincerely at all our plant locations.

Looks like Wood, Works like Cement - Everest Cement Planks

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

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

Metal Roofs

NOTICE

Notice is hereby given that the Eightieth Annual General Meeting of the Members of Everest Industries Limited will be held at the Registered Office of the Company at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra) on Friday, the 26 July, 2013 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the financial year ended 31 March 2013, the Balance Sheet as at that date, the Auditors' Report and the Directors' Report thereon.
2. To declare dividend on equity shares of the Company.
3. To appoint a Director in place of Mr. Aditya Vikram Somani, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. M.L. Narula, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

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

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman of the Company for a period of three years with effect from 21 June, 2013 to 20 June, 2016 at the remuneration and on the other terms and conditions as set out in the draft Agreement submitted to this Meeting and signed by a Director for the purpose of identification, which Agreement be and is hereby specifically sanctioned with liberty to the Remuneration Committee / Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or the Agreement in such manner as may be agreed to between the Company and Mr. Aditya Vikram Somani;

   RESOLVED FURTHER THAT Mr. Aditya Vikram Somani shall not be liable to retire by rotation;

   RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Aditya Vikram Somani, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in the draft Agreement, as minimum remuneration for such financial year subject to the applicable provisions of Schedule XIII of the Companies Act, 1956 or any statutory modification or re-enactment thereof for the time being in force;

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be necessary, desirable, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

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

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. Manish Sanghi as Managing Director of the Company for a period of three years with effect from 1 October, 2013 to 30 September, 2016 at the remuneration and on the other terms and conditions as set out in the draft Agreement submitted to this Meeting and signed by a Director for the purpose of identification, which Agreement be and is hereby specifically sanctioned with liberty to the Remuneration Committee / Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or the Agreement in such manner as may be agreed to between the Company and Mr. Manish Sanghi;

   RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Manish Sanghi, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified in the draft Agreement, as minimum remuneration for such financial year subject to the applicable provisions of Schedule XIII of the Companies Act, 1956;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be necessary and desirable to give effect to this resolution and for matters connected therewith or incidental thereto."

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

   "RESOLVED THAT Mr. B.L. Taparia, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 10 May, 2013, pursuant to Article 117(a) of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom a notice in writing, alongwith the requisite deposit, pursuant to Section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

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

   "RESOLVED THAT Mr. Y. Srinivasa Rao, Executive Director (Operations) be hereby reimbursed interest subsidy as per the "Housing Loan Assistance Scheme" of the Company as part of the overall remuneration payable to him at the end of each financial year."

10. 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 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 [including any statutory modification(s) or re-enactment thereof] and relevant Regulations/ Guidelines prescribed by the Securities and Exchange Board of India or any other relevant authority, from time to time, to the extent applicable and subject to such approvals, permissions and sanctions, as may be necessary and in accordance with the provisions of the Articles of Association of the Company and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter to be referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to grant to such employees (including to the Managing /Whole-time Director(s) of the Company), as may be decided by the Board in its sole discretion, as are in the permanent employment of the Company in the management staff, at the time when the grant is made, equity stock options (the "Options") not exceeding 180,000 (One Lac Eighty Thousand) Options under the Employees' Stock Option Scheme (ESOS-2013) during the financial year 2013-2014 (the "Scheme") each such Option being convertible into one equity share of face value of ₹ 10/- each on payment of such exercise price as may be decided by the Board and to issue and allot to such employees such number of equity shares of the Company, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions, as the Board may decide, provided that the equity shares so allotted shall not in the aggregate exceed 180,000 (One Lac Eighty Thousand) Equity Shares in the Company;

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

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

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

Mumbai, 9 May, 2013

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business set out under the notice is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20.7.2013 to 26.7.2013 (both days inclusive), in connection with the Annual General Meeting and payment of dividend.
4. The dividend as recommended by the Board of Directors, if approved by the Shareholders at the 80th Annual General Meeting, shall be paid to those members whose names stand on the Register of Members of the Company on 26.7.2013. 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 19.7.2013 as per the list provided by the respective Depositories for this purpose.
5. In accordance with the Circular issued by SEBI that the ECS facility should mandatorily be used by Companies for distribution of dividend to its members, your Company has sent the required forms and details to all the members on various occasions. Those members, who have not yet sent the duly filled in ECS form to avail of the benefits of this facility are once again requested to send the same at the earliest.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unpaid/ unclaimed for a period of 7 years shall be transferred to the "Investor Education and Protection Fund (IEPF)" constituted by the Central Government and Member(s) would not be able to claim any amount of dividend so transferred to the Fund. As such, Member(s) who have not yet encashed his/their dividend warrant(s) is/are requested in his/their own interest to write to the Company immediately for claiming the outstanding dividend declared by the Company for the year ended 31.3.2007 and onwards.
7. As per the provisions of the Companies Act, 1956, the facility for making nomination is available to the Shareholders in respect of the equity shares held by them. Nomination form may be obtained from the Company's Registrars and Share Transfer Agents, viz. M/s. MCS Ltd., F-65, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 or can be downloaded from the Company's website www.everestind.com.
8. A brief resume, expertise, shareholding in the Company and other disclosures required pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting, are given in the annexure to this Notice.
9. Members wishing to seek further information or clarification on the Annual Accounts or operations of the Company at the Meeting are requested to send their queries at least a week in advance of the date of the Meeting addressed to the Company Secretary & Head-Legal at the following address:

   Everest Industries Limited,
   'Genesis', A-32, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi - 110 044.
10. The Ministry of Corporate Affairs (MCA) has permitted paperless compliances by the Companies, vide its circulars No. 17/2011 and No. 18/2011 dated 21 April, 2011 and 29 April, 2011 respectively. MCA has clarified that service of documents on Members by e-mail will constitute sufficient compliances with Section 53 of the Companies Act, 1956, provided the Members are given an advance opportunity to register their Email address or changes, if any, therein with the Company. Members are once again requested to provide their email ID to the Depositories who are holding their shares in demat form and the members who are holding their shares in physical form may send the duly filled in form to our Registrar M/s. MCS Ltd. at F- 65, First Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020 for the purpose of service of documents viz. Annual Report, Notice of general meetings, Intimation of ECS credits etc. The form can be downloaded from the Company's website www.everestind.com.
11. The Certificates received from the Auditors of the Company that Employee Stock Option Schemes i.e. ESOS-2007, ESOS-2008, ESOS-2009, ESOS-2010, ESOS-2011 and ESOS-2012 have been implemented in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and in accordance with the resolutions passed at the relevant Annual General Meeting of the Company are open for inspection at the registered office of the Company between 11.00 A.M. to 1.00 P.M. on any working day upto the date of the Meeting.

EXPLANATORY STATEMENT

The following Explanatory Statement in terms of Section 173(2) of the Companies Act, 1956 is annexed to and forms part of the Notice convening the 80th Annual General Meeting:

Item No. 6

The tenure of appointment of Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman of the Company will expire on 20 June, 2013. The Board of Directors in their meeting held on 9 May, 2013 have re-appointed Mr. Aditya Vikram Somani as the Whole Time Director designated as Chairman of the Company for a further period of three years with effect from 21 June, 2013 to 20 June, 2016, at the remuneration including the basic salary of ₹ 6,50,000/- p.m., in the salary grade of ₹ 6,50,000 – 1,00,000 – 11,50,000, subject to the approval of the Members of the Company.

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

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

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

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

(ii) Perquisites :

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

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

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

2. Car with driver and communication facilities.

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

(iii) Commission

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

(iv) Minimum Remuneration

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

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

In compliance with the provisions of the Companies Act, 1956, the appointment and terms of remuneration specified above are now being placed before the Members in general meeting for their approval. The Board commends the appointment of Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman as set out in the Ordinary Resolution at Item No. 6 of the Notice, for approval of the members.

As regards the tenure of appointment of and remuneration to Mr. Aditya Vikram Somani with effect from 21 June, 2013 is concerned, this may be treated as abstract under Section 302 of the Companies Act, 1956.

The draft Agreement to be entered into between the Company and Mr. Aditya Vikram Somani is open for inspection at the registered office of the Company between 11.00 A.M. to 1.00 P.M. on any working day upto the date of the Meeting.

None of the Directors, except Mr. Aditya Vikram Somani are, in any way, concerned or interested in the aforesaid resolution.

Item No. 7

The tenure of appointment of Mr. Manish Sanghi as Managing Director of the Company will expire on 30 September, 2013. The Board of Directors in their meeting held on 9 May, 2013 have re-appointed Mr. Manish Sanghi as Managing Director of the Company for a further period of three years with effect from 1 October, 2013 to 30 September, 2016, at the remuneration including the basic salary of ₹ 3,10,000/- P.M., in the salary grade of ₹ 3,10,000-40,000-4,70,000, subject to the approval of the Members of the Company.

Mr. Manish Sanghi is a Mechanical Engineer and a Post Graduate from the Indian Institute of Management, Ahmedabad. Mr. Sanghi joined the Company in 2001 as Marketing Director. Mr. Sanghi has 27 years experience in various reputed organizations.

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

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

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

(ii) Perquisites & Allowances :

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

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

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

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

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

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

(iv) Performance Incentive

Remuneration by way of performance incentive in addition to the salary, perquisites and allowances shall be payable for each financial year of an amount as may be determined by the Remuneration Committee and as decided by the Board of Directors of the Company in their sole discretion, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.

(v) Interest Subsidy

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

(vi) Minimum Remuneration

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

(vii) Annual Leave

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

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

In compliance with the provisions of the Companies Act, 1956, the appointment and terms of remuneration specified above are now being placed before the Members in general meeting for their approval. The Board commends the appointment of Mr. Manish Sanghi as Managing Director as set out in the Ordinary Resolution at Item No. 7 of the Notice, for approval of the members.

As regards the tenure of appointment of and remuneration to Mr. Manish Sanghi with effect from 1 October, 2013 is concerned, this shall be treated as abstract under section 302 of the Companies Act, 1956.

The draft Agreement to be entered into between the Company and Mr. Manish Sanghi is open for inspection at the registered office of the Company between 11.00 A.M. to 1.00 P.M. on any working day upto the date of the Meeting.

None of the Directors, except Mr. Manish Sanghi are, in any way, concerned or interested in the aforesaid resolution.

Item No. 8

Mr. B.L. Taparia was appointed as Additional Director by the Board of Directors w.e.f. 10 May, 2013, pursuant to Section 260 of the Companies Act, 1956 read with Article 117 (a) of the Articles of Association of the Company. Mr. B.L. Taparia holds office upto the date of this Eightieth Annual General Meeting. The Company has received a notice in writing from a member of the Company under Section 257 of the Companies Act, 1956, proposing the candidature of Mr. B.L. Taparia as Director of the Company liable to retire by rotation.

Mr. B.L. Taparia is a Commerce and Law graduate and a Fellow member of Institute of Company Secretaries of India. He has more than 40 years of experience in the fields of Legal, Secretarial, Finance & Accounts, Taxation, Corporate Governance, HR, Audit., Procurement and Administration etc. Out of 40 years of experience, Mr. Taparia spent about 29 years with Ambuja Cements Ltd. He occupied various senior positions in Ambuja Cements including the position of Whole Time Director for a period of 10 years. The Board of Directors is of the opinion that his knowledge and experience would be of significant benefit and value to the Company.

The Board commends the appointment of Mr. B.L. Taparia as Director liable to retire by rotation as set out in the Ordinary Resolution at Item No. 8 of the Notice, for approval of the Members.

None of the Directors, except Mr. B.L. Taparia are, in any way, concerned or interested in the aforesaid resolution.

Item No. 9

Under the Company's "Housing Loan Assistance Scheme" an employee of the Company is eligible for reimbursement of the interest over & above the interest rate of 5% per annum charged by the Lender subject to a maximum of 3% per annum. Mr. Y. Srinivasa Rao, Executive Director (Operations) who has obtained loan from a lender, is eligible for reimbursement of interest under the scheme and the maximum amount of loan on which subsidy is available to him as Whole Time Director is ₹ 20 Lacs. Such reimbursement of interest would be deemed to be remuneration as per the definition of the term 'remuneration' in the Explanation to Section 198 of the Companies Act, 1956. The reimbursement of interest to Mr. Y. Srinivasa Rao falls in the nature of perquisite as part of the overall remuneration originally approved by the members which he is entitled to and such interest is reimbursable to him at the end of the each financial year. The Board commends the Ordinary Resolution for approval of the Members.

None of the Directors, except Mr. Y. Srinivasa Rao are, in any way, concerned or interested in the aforesaid resolution.

Item No. 10

The Board of Directors of your Company has approved an Employees' Stock Option Scheme for the Financial Year 2013-2014 (ESOS-2013) (the "Scheme") in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereafter referred to as "SEBI Guidelines") with the objective of strengthening employee bonds with the Company and creating a sense of ownership. Your Board felt it appropriate to extend ESOS to permanent employees in the management staff, including Managing Director and Whole-time Director(s) in order to motivate and retain the best talent.

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

The information required as per Clause 6.2 of SEBI Guidelines for ESOS-2013, is given below :

(a) Total number of Options to be granted

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

(b) Class of employees eligible for ESOS – 2013

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

(c) Vesting of Options

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

(d) Exercise period and process of exercise

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

(e) Exercise Price

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

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

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

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

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

(h) Adjustments in case of Corporate Actions

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

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

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

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

Monitoring and Administration

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

The decision of the Remuneration Committee of Directors on all matters/issues pertaining to said ESOS-2013 Scheme shall be final and binding on the eligible employees of the Company.

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

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

The Managing Director and Whole-time Director(s) of the Company may be deemed to be concerned or interested in the Special Resolution at Item No. 10 to the extent of the equity shares that may be offered to them under the said Scheme. None of the other Directors are, in any way, concerned or interested in the said item of business.

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

Mumbai, 9 May, 2013

ANNEXURE TO THE NOTICE DATED 9TH MAY, 2013– ITEM NOS. 3, 4, 6,7 & 8
DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING(IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of Director	Mr. Aditya Vikram Somani	Mr. Madan Lal Narula	Mr. Manish Sanghi	Mr. B.L. Taparia
Date of Birth	04.11.1973	25.10.1940	04.02.1963	5.7.1950
Date of appointment	07.11.2005	30.01.2008	08.07.2002	10.5.2013
Expertise in specific functional areas	Business Management	General Management	Marketing	Legal, Secretarial, Finance & Accounts, Taxation, HR and Audit.
Qualifications	MBA, PGDM, M.Com.	B.Sc. Engineering (Electrical)	B.E. (Mech.), PGDM(IIM-A)	B.Com, LL.B., F.C.S.
List of Directorship held in other Companies as on 31 March, 2013	1. Bajaj Corp. Ltd. 2. Falak Investments Pvt. Ltd. 3. Salaam Bombay Foundation (Sec. 25 Company) 4. White Knight Constructions (I) Pvt. Ltd	1. ACC Limited 2. Axis Holdings Pvt. Ltd. 3. Holcim (Lanka) Limited, Colombo 4. PT Holcim Indonesia Tbk, Jakarta, (Commissioner)	Everest Building Solutions Ltd.	1. Ambuja Cements Ltd. 2. Kakinada Cements Ltd. 3. Ambuja Cements Foundation (Sec. 25 Company)
Chairman/Member of the Committees of the Board of Public Companies on which he is a Director as on 31 March, 2013 (Mandatory only)	Bajaj Corp Ltd. - Audit Committee (Member)	ACC Limited – Shareholders'/ Investors' Grievance Committee (Member) & Audit Committee (Member)	None	Ambuja Cements Ltd. - Share Allotment & Investor Grievance Committee (Member)
Shareholding in the Company as on 31 March, 2013	500 Equity Shares	NIL	56,330 Equity Shares	NIL
Relationship with other Directors	None	None	None	None

DIRECTORS' REPORT

To The Members of
Everest Industries Limited

The Directors have pleasure in presenting the Eightieth Annual Report together with the Audited Financial Statements for the financial year ended 31 March, 2013.

FINANCIAL RESULTS

(₹ in lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Net Revenue from operations & Other Income	1,02,288.54	90,465.15
Profit before Depreciation & Finance Costs	10,653.38	9,855.10
Less : Depreciation	2,205.24	2,008.16
Finance Costs	557.99	443.75
Profit before Tax	7,890.15	7,403.19
Taxation	2,640.18	2,126.98
Profit for the year	5,249.97	5,276.21
Add: Balance in Profit & Loss Account	14,531.51	11,014.81
Profit Available for Appropriation	19,781.48	16,291.02
Appropriations:		
General Reserve	525.00	530.00
Dividend	1,139.05	1,057.89
Tax on Distributed Profits	193.58	171.62
Closing Balance	17,923.85	14,531.51

DIVIDEND

The Board of Directors have recommended a dividend of 75% i.e. ₹ 7.50/- per equity share of ₹ 10/- each for the Financial Year 31 March, 2013 subject to approval of the shareholders. The total outgo on account of dividend including tax on dividend will be ₹ 1,333 Lacs as against ₹ 1,230 Lacs for the previous financial year.

PERFORMANCE REVIEW

The year 2012-13 proved to be a challenging year amidst global economic uncertainty. In India, economic growth and capital investment slowed down due to high interest rates, inflation and drought in some parts of the country. Despite these constraints, the Company performed well. Highlights of the performance are:

1. Revenue from operations increased by 14.35% to ₹ 1,014.13 Crores.
2. PBDT increased by 7.28% to ₹ 100.96 Crores.
3. Profit before Tax increased by 6.57% to ₹ 78.90 Crores.
4. Cash profit was ₹ 74.55 Crores.
5. Production of Fibre Cement Products increased by 6.1% to 696,772 MT
6. Production of Steel Buildings increased by 4.4% to 24,485 MT.

NEWLY COMMISSIONED PROJECT

The Company's fibre cement products plant at Baleshwar, Odisha is completed and under trial run. Commercial operation is expected to commence soon. The plant capacity is 1,00,000 MT annually.

NEW PROJECTS

The Company has made significant progress in setting up a metal roofing plant at Ranchi and trial production is likely to commence soon.

The Company has decided to expand the Steel Buildings business by setting up a Pre-engineered Building plant at Dahej Industrial Estate, Phase III in Gujarat at a cost of ₹ 50 Crores with an annual capacity of 30,000 MT. Land for the same has been allotted by the Govt. of Gujarat. This unit will cater to the needs of industry in Western India, especially Gujarat.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) that in the preparation of the annual accounts for the year ended 31 March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

ii) that appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2013 and of the profit of the Company for the year ended on that date;

iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

DIRECTORS

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

The Board of Directors in their meeting held on 9 May, 2013 have re-appointed Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman of the Company for a period of three years w.e.f. 21 June, 2013 to 20 June, 2016 and Mr. Manish Sanghi as Managing Director of the Company for a period of three years w.e.f. 1 October, 2013 to 30 September, 2016 subject to the approval of the shareholders of the Company. The resolutions pertaining to their re-appointment & the remuneration payable to them are set out in Item nos. 6 & 7 respectively of the Notice and relative Explanatory Statement.

The Board of Directors at its meeting held on 9 May, 2013 appointed Mr. B. L. Taparia as Additional Director of the Company w.e.f. 10 May, 2013, who holds the office up to the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, proposing his candidature for appointment as the Director of the Company. Your Directors are of the opinion that his presence as Director on the Board would be of immense benefit to the Company. His appointment as Director of the Company is liable to determination by retirement by rotation.

The Board of Directors in their meeting held on 21 June, 2010 had adopted non mandatory requirement of the Clause 49 of the Listing Agreement regarding tenure of Independent Directors. The Board decided that the tenure of Independent Directors shall be limited to a maximum period of nine years on the Board of the Company. In terms of the aforesaid requirement, the tenure of Mr. Mohanlal Bhandari, Director of the Company will expire on 6 July, 2013.

The Directors place on record their appreciation of the invaluable contribution and guidance provided by Mr. Mohanlal Bhandari.

FIXED DEPOSITS

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

AUDITORS

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

AUDITORS' REPORT

The Auditors observations are self explanatory and are suitably explained in Notes to the Accounts. The Auditors' Report to the shareholders does not contain any qualifications.

CORPORATE GOVERNANCE

The Company continues to be committed to good corporate governance and ethical corporate practices. A separate Report on Corporate Governance along with Certificate from M/s. Tanuj Vohra & Associates, Practicing Company Secretaries on compliance with the conditions of Corporate Governance as per Clause 49 of the Listing Agreement with Stock Exchanges is provided as part of this Annual Report, besides Management Discussion and Analysis, Risk Management and Shareholders Information.

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

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

PARTICULARS OF EMPLOYEES

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

EMPLOYEES' STOCK OPTION SCHEMES

The Company has already implemented the ESOS-2007, ESOS-2008, ESOS-2009, ESOS-2010, ESOS-2011 and ESOS-2012. The exercise period of ESOS-2007 has expired on 29.1.2013. Details of these Employees' Stock Option Schemes, as required under the SEBI Guidelines, are set out in Annexure - C to the Directors' Report and forms an integral part of this Report.

INDUSTRIAL RELATIONS

During the year, the industrial relations at all the works of the Company were cordial, except at Lakhmapur Works. The strike at Lakhmapur Works was called off by the Union w.e.f. 18 January, 2013.

ACKNOWLEDGEMENT

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

The 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	**Y. Srinivasa Rao**
Managing Director	Executive Director (Operations)

Mumbai, 9 May, 2013

ANNEXURE - A TO DIRECTORS' REPORT

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

A) Conservation of Energy:

(a) Energy Conservation measures taken:

- Energy efficient drives for Mixers, Vacuum Pumps & Compressors for optimization of power consumption

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

- Solar Lights for Road and Office area
- Installation of energy efficient AC drives
- Work study to reduce movement of materials by Forklift trucks

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

- Reduction in specific power consumption
- Cost Reduction

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

FORM A

		2012-13	2011-12
A	**Power and fuel consumption**		
1	Electricity (KWH)		
	(a) Purchased through EB		
	Units (in lacs)	327.41	342.58
	Total amount (₹ in lacs)	2,179.06	1,959.64
	Rate/unit	6.66	5.72
	(b) Own generation		
	Through diesel generators		
	Units (in lacs)	69.81	54.39
	Total amount (₹ in lacs)	928.43	660.16
	Rate/unit	13.30	12.14
	(c) Traded through Exchange		
	Units (in lacs)	14.18	-
	Total amount (₹ in lacs)	128.66	-
	Rate/unit	9.07	-
	(d) Purchased through Third Party		
	Units (in lacs)	24.32	-
	Total amount (₹ in lacs)	189.84	-
	Rate/unit	7.80	-
2	Solid Fuel (Briquette) (Kgs)		
	Quantity (tonnes)	6,986	5,189
	Total amount (₹ in lacs)	349	237
	Average rate (₹ /MT)	4,992	4,565
3	Furnace oil (Litres)		
	Quantity (Liters in lacs)	2.54	8.40
	Total amount (₹ in lacs)	109.22	332.48
	Average rate	43.01	39.57
B	**Consumption per unit of production**		
1)	Electricity (KWH)		
	CBS UT (per '000 M2n)	399	405
	CBS HT (per '000 M2n)	749	829
	Boards (per '000 M2n)	768	768
	PEB (per MT)	72	66
2)	Solid fuel Briquette (Kgs)		
	Boards (per '000 M2n)	490.00	375.00
3)	Furnace Oil (Litres)		
	Boards (per '000 M2n)	18	61

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

B) TECHNOLOGY ABSORPTION

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

FORM – B

RESEARCH AND DEVELOPMENT (R&D)

a) Specific areas in which R & D carried out by the Company:

Development of

- Boards with special features
- Formulation optimization for Cost reduction
- Improvement in Existing flat and roofing product
- Value added product for FCB and Roofing segment
- Alternate raw material

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

- New product category in Domestic & International markets
- Import substitution, product improvement and cost reduction
- Customer satisfaction
- Increase product portfolio

c) Future Plan of Action:

- New product in roofing applications
- FCB for multiple applications
- Development of alternate raw materials, additives to enhance characteristics of Roofing Sheets and Boards

d) Expenditure on R & D

(₹ in lacs)

	Current Year	Previous Year
(i) Capital	15.43	4.83
(ii) Recurring	144.31	105.96
(iii) Total	159.74	110.79
(iv) Total R & D expenditure as a percentage of total turnover	0.16%	0.12%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

- Modification of the process for high productivity of FCB & Roofing Lines
- Improved product quality of Flat Boards

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

- Improvement in productivity and quality of products
- Cost saving

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

- None

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

b) Total foreign exchange used and earned:

(₹ in lacs)

	Current Year	Previous Year
Foreign Exchange Earnings	5,611.01	5,663.12
Foreign Exchange Used	25,604.73	18,156.89

For and on behalf of the Board

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Mumbai, 9 May, 2013

ANNEXURE-B TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2013.

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

S. No.	Name	Designation & Nature of duties	Qualification	Age in years	Experience in years	Remuneration Gross (₹)	Date of commencement of Employment	Last Employment / Designation
1.	A. V. Somani	Chairman	MBA, PGDM, M.Com.	39	22	2,15,11,581	21.06.2010	White Knight Constructions India Pvt. Ltd. (Director)
2.	Manish Sanghi	Managing Director	B.E. (Mech), PGDM (IIM-A)	50	27	1,55,49,608	16.01.2001	Delphi Automotive Systems Ltd. (General Manager-Marketing & Planning)
3.	Y. Srinivasa Rao	Executive Director (Operations)	B.Sc. Engg. (Mech)	49	27	98,13,960	20.08.1997	Samcor Glass Ltd. (Manager)
4.	Manish Garg	President & Chief Executive (SBS)	Diploma in Engineering, AMIE	40	22	1,02,31,728	20.04.2007	Interarch Building Products P. Ltd. (General Manager-Marketing)

Notes :

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

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

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

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

For and on behalf of the Board

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Mumbai, 9 May, 2013

ANNEXURE-C TO DIRECTORS' REPORT

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

Pursuant to the Special Resolutions passed by the shareholders in the Annual General Meetings of the Company held on 27.07.2007, 25.07.2008, 29.07.2009, 29.7.2010, 22.7.2011 and 24.7.2012, the Remuneration Committee of the Directors have granted Stock Options to eligible employees and Wholetime Directors for the financial years 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-12 and 2012-13 respectively. The employees are entitled to get one equity share per option. The details of the Stock Options are given here below :

S. No.	Description	Particulars of ESOS-2007	Particulars of ESOS-2008	Particulars of ESOS-2009	Particulars of ESOS-2010	Particulars of ESOS-2011	Particulars of ESOS-2012
A.	Options granted	1,48,000 options were granted to the employees and Wholetime Directors of the Company as on 30.01.2008.	1,44,850 options were granted to the employees and Wholetime Directors of the Company as on 29.01.2009.	1,40,000 options were granted to the employees and Wholetime Directors of the Company as on 27.01.2010.	1,47,705 options were granted to the employees and Wholetime Directors of the Company as on 18.01.2011.	1,50,720 options were granted to the employees and Wholetime Directors of the Company as on 24.01.2012.	160945 options were granted to the employees and Wholetime Directors of the Company as on 22.01.2013.
B.	Pricing formula	@₹ 98/-	@₹ 52/-	@₹ 169/-	@₹ 174/-	@₹ 126/-	@₹ 268/-
		Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/ NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less.					
		Accordingly, the exercise price has been determined at ₹ 98/- per share. The closing price on BSE on 29 January, 2008 was ₹ 98.00.	Accordingly, the exercise price has been determined at ₹ 52/- per share. The closing price on BSE on 28 January, 2009 was ₹ 51.95.	Accordingly, the exercise price has been determined at ₹ 169/- per share. The closing price on BSE on 25 January, 2010 was ₹ 168.55.	Accordingly, the exercise price has been determined at ₹ 174/- per share. The closing price on BSE on 17 January, 2011 was ₹ 173.35.	Accordingly, the exercise price has been determined at ₹ 126/- per share. The closing price on NSE on 23 January, 2012 was ₹ 125.93.	Accordingly, the exercise price has been determined at ₹ 268/- per share. The closing price on NSE on 21 January, 2013 was ₹ 267.45.
C.	Options vested	23,747	14,360	1,00,660	1,32,330	1,50,720	NIL
D.	Options exercised	9,337	2,740	19,220	23,115	20,165	NIL
E.	The total number of shares arising as a result of exercise of options.	9,337	2,740	19,220	23,115	20,165	NIL
F.	Options Lapsed	14,410	1,470	9,400	10,295	13,845	NIL
G.	Variation of terms of options	NIL	NIL	NIL	NIL	NIL	NIL
H.	Money realized by exercise of options.	₹ 9,15,026	₹ 1,42,480	₹ 32,48,180	₹ 40,22,010	₹ 25,40,790	NIL
I.	Total number of options in force.	NIL	10,150	72,040	98,920	1,16,710	1,60,945

S. No.	Description	Particulars of ESOS-2007	Particulars of ESOS-2008	Particulars of ESOS-2009	Particulars of ESOS-2010	Particulars of ESOS-2011	Particulars of ESOS-2012
J.	Details of options granted to : (i) Senior Managerial Personnel : (a) Mr. Manish Sanghi, Managing Director	16,000	15,000	15,000	20,000	20,000	20,000
	(b) Mr. M. L. Gupta, Director	16,000	15,000	15,000	-	-	-
	(c) Mr. Y. Srinivasa Rao, Executive Director (Operations)	16,000	15,000	15,000	15,000	15,000	15,000
	(d) Mr. Manish Garg, President & Chief Executive (SBS)	10,000	10,000	7,000	7,000	10,000	10,000
	(e) Mr. Rakesh Kumar Gupta, Sr. Vice President (Finance)	-	5,000	5,000	7,500	7,500	5,250
	(f) Mr. Rahul Chopra, Sr. Vice President (Marketing)	2,720	2,700	2,700	3,000	3,000	5,000
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	None	None	None	None	None	None
	iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None	None	None	None	None	None
K.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.	₹ 34.70					

S. No.	Description			
L.	i) Method of calculation of employee compensation cost.	The Company has calculated the em ployee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost for the financial year 2012-13.		
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	The employee compensation cost would have increased by ₹ 88.83 lacs		
	iii) The impact of this difference on Profits and on EPS of the Company.	The effect of adopting the fair value method on the net income and earnings per share is presented below:		
				(₹ in lacs)
		Net Income reported		5,249.97
		Add: Intrinsic Value Compensation Cost		
		- Employees Stock Option Scheme 2011		-
		- Employees Stock Option Scheme 2012		-
		Less: Fair value Compensation Cost (Black Scholes Model)		
		- Employees Stock Option Scheme 2011		59.75
		- Employees Stock Option Scheme 2012		29.08
		Adjusted Net Income		5,161.14
		Earning Per share	Basic (₹)	Diluted (₹)
		As reported	34.70	34.70
		As adjusted	34.11	34.11

S. No.	Description	Particulars of ESOS-2007	Particulars of ESOS-2008	Particulars of ESOS-2009	Particulars of ESOS-2010	Particulars of ESOS-2011	Particulars of ESOS-2012
M.	Weighted average exercise price and weighted average fair value of Options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹ 98.00 Weighted average fair value: ₹ 38.16	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹ 52.00 Weighted average fair value: ₹ 16.17	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹ 169.00 Weighted average fair value: ₹ 68.04	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹ 174.00 Weighted average fair value: ₹ 66.18	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹ 126.00 Weighted average fair value: ₹ 48.69	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹ 268.00 Weighted average fair value: ₹ 95.59
N.	A description of the method and significant assumptions used during the year to estimate the fair values of options :	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions
	(i) risk free interest rate:	7.59%	6.15%	7.42%	8.06%	8.13%	7.91%
	(ii) expected life:	5 years	5 years	5 years	5 years	5 years	5 years
	(iii) expected volatility:	54.83%	63.24%	53.30%	44.50%	40.22%	35.32%
	(iv) expected dividends:	4.22%	7.87%	2.84%	2.60%	3.42%	2.60%
	v) the price of the underlying share in market at the time of option grant:	₹ 94.85	₹ 50.85	₹ 158.60	₹ 173.35	₹ 131.45	₹ 269.40

For and on behalf of the Board

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Mumbai, 9 May, 2013

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

BOARD OF DIRECTORS

1. The Board consists of 8 Directors of which three are Executive Directors and five are Non-Executive Directors. None of the Directors is related with each other.

2. The Board has met five times during the year ended 31 March, 2013(the Year) on 26.04.2012, 24.07.2012, 18.10.2012, 22.01.2013 and 25.03.2013 with clearly defined agenda, circulated well in advance before each meeting.

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

Name of Director	Particulars of attendance		No. of other Directorships and Committee Membership/Chairmanship		Category of Directorship
	Board Meetings	Last AGM	Other Directorship	Committee Member/ Chairman	
Mr. A. V. Somani (Chairman)	5	Yes	4	1	Executive
Mr. M. L. Gupta (Vice Chairman)	3	No	1	Nil	Non Executive
Mr. Mohanlal Bhandari	4	No*	1	Nil	Independent Non Executive
Mr. Sandeep Junnarkar	5	Yes	8	4 (1 as Chairman)	Independent Non Executive
Mr. M. L. Narula	4	Yes	4	2	Independent Non Executive
Mr. Amitabh Das Mundhra	4	Yes	20	1 as Chairman	Independent Non Executive
Mr. Manish Sanghi (Managing Director)	5	Yes	1	Nil	Executive
Mr. Y. Srinivasa Rao (Executive Director)	5	Yes	1	Nil	Executive

* Mr. Mohanlal Bhandari, Chairman of Audit Committee could not attend the Annual General Meeting because of ill health. He nominated Mr. M.L. Narula, Member of Audit Committee to attend the Annual General Meeting on his behalf.

4. **CODE OF CONDUCT**

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

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

5. Committees

The Board has constituted four Standing Committees namely Audit Committee, Investors Grievance/ Share Transfer Committee, Remuneration Committee and Banking Facility Committee

(a) AUDIT COMMITTEE

The Audit Committee of the Company is constituted pursuant to the provisions of the Companies Act, 1956 and the Listing Agreements with the Stock Exchanges. As on 31 March, 2013, the Audit Committee of the Board comprised of Mr. Mohanlal Bhandari, Chairman of the Committee, a Chartered Accountant, Mr. Sandeep Junnarkar (Member), Mr. M.L. Narula (Member) and Mr. M.L. Gupta (Member) and all members possesses financial and accounting exposure.

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

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956, which, inter alia, include:

- overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- recommend the appointment, re-appointment and removal of Statutory auditor including Cost Auditor and fixation of audit fees and also approve payment for other services.
- Reviewing with management the quarterly/half yearly/annual financial statements before submission to the board, with special emphasis on accounting policies and practices, related party transactions, compliance with accounting standards and other legal requirements
- Reviewing with the management, external and internal auditors adequacy of internal control systems and compliance of the same.
- Discussion with statutory auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern and internal control weaknesses observed by them.
- Discussion of Internal Audit Reports with Internal Auditors and significant findings and follow-up thereon and in particular internal control weaknesses.
- Review of Company's financial and risk management policies.
- To review the functioning of the Whistle Blower Mechanism.
- Carry any other function as is included in its terms of reference from time to time.

The Audit Committee has met four times during the year on (i) 26 April, 2012, (ii) 24 July, 2012, (iii) 18 October, 2012 and (iv) 22 January, 2013 and the details of attendance by the Committee Members are as follows:

Name of Director	No. of Audit Committee Meetings attended
Mr. Mohanlal Bhandari	3
Mr. Sandeep Junnarkar	4
Mr. M.L. Narula	3
Mr. M.L. Gupta	3

(b) INVESTOR GRIEVANCE / SHARE TRANSFER COMMITTEE

Investor Grievance/Share Transfer Committee of the Board consists of Mr. Mohanlal Bhandari (Chairman), Mr. A.V. Somani (Member) and Mr. M.L. Gupta (Member). The Committee is responsible for approving the transfer, transmission of shares, issuance of duplicate certificates etc. and investors complaints relating thereto. The Committee met once during the year and all Members were present in the Meeting.

The Committee approved through Resolution by Circulation transfers etc. 14 times during the year . The Company received nil complaints from shareholders during the year. Mr. Neeraj Kohli, Company Secretary & Head-Legal is the Compliance Officer of the Company.

(c) REMUNERATION COMMITTEE

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

Two meetings of the Remuneration Committee were held on 26 April, 2012 and 22 January, 2013 and the details of attendance by the Committee Members are as follows :

Name of Director	No. of Remuneration Committee Meetings attended
Mr. Mohanlal Bhandari	2
Mr. Sandeep Junnarkar	2
Mr. M.L. Narula	1
Mr. Amitabh Das Mundhra	1

The Remuneration Committee has been constituted to recommend / review the compensation policy, service agreements and remuneration package of Executive Director(s) etc. It also formulates and administers stock options plans and grants stock options to Executive Director(s) and employees of the Company.

(d) BANKING FACILITY COMMITTEE

The Banking Facility Committee of the Board comprises of Mr. A. V. Somani (Chairman), Mr. Manish Sanghi (Member) and Mr. Y. Srinivasa Rao (Member). The Committee met once during the year and all members except Mr. A. V. Somani were present.

DETAILS OF REMUNERATION OF EXECUTIVE DIRECTORS FOR THE YEAR

Name and Designation	Mr. A.V.Somani, Chairman	Mr. Manish Sanghi, Managing Director	Mr. Y. Srinivasa Rao, Executive Director (Operations)
Tenure of Appointment	Three years ending on 20 June, 2013	Three years ending on 30 September, 2013	Three years ending on 22 April, 2015
Salary (₹)	7,200,000	3,240,000	2,498,000
Perquisites/Allowances (₹)	3,811,581	4,050,000	3,122,500
Performance Incentive/ Commission (₹)	10,500,000	4,000,000	3,400,000
Contributions to Provident Fund/Superannuation Fund (₹)	-	874,800	674,460
Perquisites value of ESOS (₹)	-	3,360,000	-
Other (₹)	-	24,808	119,000

DETAILS OF REMUNERATION OF NON-EXECUTIVE DIRECTORS FOR THE YEAR

Name	Mr. Mohanlal Bhandari	Mr. Sandeep Junnarkar	Mr. M.L. Narula	Mr. M.L. Gupta	Mr. Amitabh Das Mundhra
Commission (₹)	1,000,000	750,000	750,000	750,000	500,000
Sitting fees (₹)	135,000	160,000	120,000	95,000	90,000
Total (₹)	1,135,000	910,000	870,000	845,000	590,000

Remuneration Policy

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

The Remuneration Committee of the Board, at its meeting held on 22 January, 2013, have granted 1,60,945 Stock Options under ESOS-2012, to the eligible employees of the Company, at a price of ₹ 268/- per option, which includes granting of 20,000 Stock Options to Mr. Manish Sanghi, Managing Director and 15,000 Stock Options to Mr. Y. Srinivasa Rao, Executive Director (Operations).

Notice period for termination of appointment of Executive Director is three months on either side.

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

Shareholding of Non-Executive Directors

Mr. M. L. Gupta, Non Executive Director holds 1,00,000 equity shares in the Company.

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

Year	AGM/EGM	Venue	Date	Time
2012	AGM	The Gateway Hotel Ambad Nashik, P-17, MIDC, Ambad, Mumbai - Agra Road, Nashik – 422 010 (Maharashtra)	24.07.2012	11.30 a.m.
2011	AGM	GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	22.07.2011	11.30 a.m.
2010	AGM	GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	29.07.2010	11.30 a.m.

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

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

(i) At the 77th Annual General Meeting held on 29 July, 2010, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2010 to the specified employees during the financial year 2010-11.

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

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

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

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

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

7. DISCLOSURES

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

The Management of the Company regularly reviews the risk management strategy of the Company to ensure the effectiveness of risk management policies and procedures.

The particulars of transactions between the Company and its related parties are as per the Accounting Standard 18 "Related Party Disclosure" prescribed by the Companies (Accounting Standards) Rules, 2006 are disclosed in the Annual Accounts (Note No. 2.33). However, these are not likely to have any conflict with the Company's interest.

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

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

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

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

Adoption of non-mandatory requirements under Clause 49 of the Listing Agreement are reviewed by the Board from time to time. The Company has adopted the following non-mandatory requirements of Annexure 1D of Clause 49 of the Listing Agreement :

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

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

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

8. MEANS OF COMMUNICATION

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

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

10. CEO / CFO CERTIFICATION

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

GENERAL SHAREHOLDER'S INFORMATION

i)	Annual General Meeting Day, Date, Time and Venue	Friday, 26 July, 2013 at 11.30 a.m. at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)
ii)	Financial Year	1.4.2012 to 31.3.2013
iii)	Date of Book Closure	20.7.2013 to 26.7.2013 (both days inclusive)
iv)	Posting of Annual Report	On or before 1.7.2013
v)	Dividend Payment date	Dividend, if any, declared in the forthcoming 80th Annual General Meeting will be paid on or after 1.8.2013.
vi)	Unclaimed/Unpaid Dividend for the previous years.	The Company is required to transfer dividends which have remained unpaid/ unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. Unclaimed/ unpaid dividend for the year 31 March, 2005 has been transferred to the Investor Education & Protection Fund established by the Government. The Company will transfer the dividend for the year ended 31 March, 2006, which have remained unclaimed to the said fund in July, 2013. Members who have not encashed their dividend warrants for the Financial Year 2006-2007 & onwards may approach the Company for obtaining demand draft in lieu of unpaid dividend warrant.
vii)	Financial Calendar	
	a) Unaudited Finnacial Results for the quarter ending 30 June, 2013, Quarter and half year ending 30 September, 2013, Quarter and nine months period ending 31 December, 2013.	Within 45 days from the end of each quarter as stipulated under the Listing Agreement.
	b) Audited Financial Results for the quarter / year ending 31 March, 2014.	Within 60 days from the end of the last quarter/year as stipulated under the Listing Agreement.
viii)	Listing of Equity Shares	BSE Limited & The National Stock Exchange of India Limited. The Listing fees for the Financial Year 2013-14 has been paid to the Exchanges.
ix)	Corporate Identification Number (CIN) of the Company	L74999MH1934PLC002093

11. **STOCK CODE**

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

12. STOCK MARKET DATA

MONTHLY HIGH / LOW SHARE PRICE *
(01.04.2012 TO 31.03.2013)

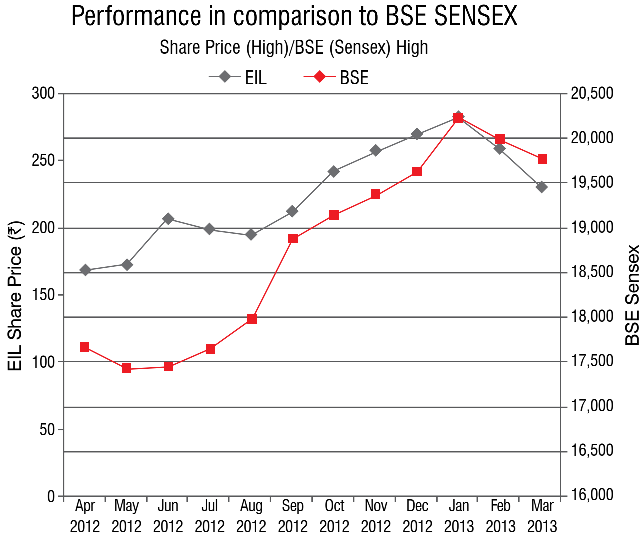
MONTH	BSE Limited		BSE SENSEX	
	HIGH (RS.)	LOW (RS.)	HIGH	LOW
April, 2012	167.80	126.10	17,664.10	17,010.16
May, 2012	172.00	155.30	17,432.33	15,809.71
June, 2012	206.45	156.00	17,448.48	15,748.98
July, 2012	198.90	171.15	17,631.19	16,598.48
August, 2012	195.00	170.50	17,972.54	17,026.97
September, 2012	212.20	171.20	18,869.94	17,250.80
October, 2012	241.70	210.00	19,137.29	18,393.42
November, 2012	257.25	213.00	19,372.70	18,255.69
December, 2012	269.75	236.95	19,612.18	19,149.03
January, 2013	282.70	230.00	20,203.66	19,508.93
February, 2013	259.00	208.55	19,966.69	18,793.97
March, 2013	229.95	196.00	19,754.66	18,568.43

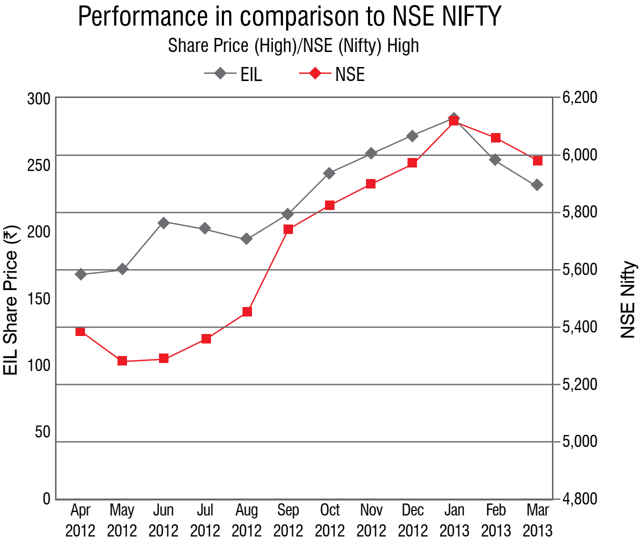
* Based on BSE website.

MONTHLY HIGH / LOW SHARE PRICE *
(01.04.2012 TO 31.03.2013)

MONTH	The National Stock Exchange of India Limited (NSE)		CNX NIFTY	
	HIGH (RS.)	LOW (RS.)	HIGH	LOW
April, 2012	167.80	126.25	5,378.75	5,154.30
May, 2012	172.20	156.10	5,279.60	4,788.95
June, 2012	206.90	156.55	5,286.25	4,770.35
July, 2012	201.00	171.00	5,348.55	5,032.40
August, 2012	194.40	170.40	5,448.60	5,164.65
September, 2012	212.95	170.60	5,735.15	5,215.70
October, 2012	241.90	209.05	5,815.35	4,888.20
November, 2012	256.40	217.25	5,885.25	5,548.35
December, 2012	270.00	236.00	5,965.15	5,823.15
January, 2013	283.00	238.00	6,111.80	5,935.20
February, 2013	252.95	211.25	6,052.95	5,671.90
March, 2013	233.60	197.25	5,971.20	5,604.85

* Based on NSE website.





13. REGISTRAR & SHARE TRANSFER AGENT

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

14. SHARE TRANSFER SYSTEM

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

15. PERMANENT ACCOUNT NUMBER (PAN)

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

16. **DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013**

The Company had a shareholders base of 12346 including members holding their shares in demat form.

No. of Shares held	No. of shareholders	% of shareholders	Aggregate shares held	% of shareholding
1 to 500	10,755	87.11	1,419,552	9.35
501 to 1000	929	7.52	692,031	4.56
1001 to 2000	321	2.60	474,377	3.12
2001 to 3000	130	1.05	329,371	2.17
3001 to 4000	41	0.33	147,654	0.97
4001 to 5000	38	0.31	176,628	1.16
5001 to 10000	59	0.48	450,849	2.97
10001 to 50000	57	0.46	1,169,683	7.70
50001 to 100000	8	0.07	664,438	4.38
100001 and above	8	0.07	9,662,707	63.62
Total	**12,346**	**100.00**	**15,187,290**	**100.00**

SHAREHOLDING PATTERN AS ON 31 MARCH, 2013

Sr. No.	Category	No. of Shares held	% of shareholding
1.	Promoters	7,520,470	49.52
2.	Mutual Funds / UTI	1,346,870	8.87
3.	Financial Institutions / Banks	1,995	0.01
4.	Central Government / State Government(s)	200	0.00
5.	Insurance Companies	187	0.00
6.	Foreign Institutional Investors	15,583	0.10
7.	Bodies Corporate	1,063,837	7.00
8.	Individuals	4,706,045	30.99
9.	Trusts & Foundations	336,958	2.22
10.	NRI's	195,145	1.29
	Total	**15,187,290**	**100.00**

There were no outstanding GDRs / ADRs as on 31 March, 2013.

17. **DEMATERILIZATION OF SHARES**

The Equity Shares of the Company are available for dematerialization under the Depository System operated by Central Depository Services (India) Limited as well as National Securities Depository Limited. The percentage of shares in demat form as on 31.03.2013 is 97.83% to total shareholding of the Company. The Company's shares are regularly traded on BSE and on NSE.

18. **NOMINATION FACILITY FOR SHAREHOLDERS**

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

19. **PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE**

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

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

Kymore Works

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

Lakhmapur Works

Gat 152, Lakhmapur
Taluka Dindori, Nashik – 422202
Maharashtra

Bhagwanpur Works

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

Ranchi Works

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

Kolkata Works

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

Podanur Works

Podanur P.O.
Coimbatore – 641023
Tamil Nadu

Somnathpur Works

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

21. **ADDRESS FOR CORRESPONDENCE**

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

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

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

   Everest Industries Limited,
   'Genesis', A-32, Mohan Cooperative Industrial Estate,
   Mathura Road, New Delhi-110044.
   Ph. No.:011-41731951/52. Fax No.011-46566370

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

For Everest Industries Limited

Place : Mumbai
Date : 9 May, 2013

Manish Sanghi
Managing Director

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

This is to certify that as provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have affirmed to the compliance with the Code of Conduct for the twelve months period ended 31 March, 2013.

For Everest Industries Limited

Place: Mumbai
Date : 9 May, 2013

Manish Sanghi
Managing Director

CEO / CFO Certification

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

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

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

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

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

We have indicated to the auditors and the Audit Committee :

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

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

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

For EVEREST INDUSTRIES LIMITED

Place: Mumbai
Date: 9 May, 2013.

RAKESH KUMAR GUPTA
Sr. Vice President (Finance)

MANISH SANGHI
Managing Director

COMPLIANCE CERTIFICATE

TO THE MEMBERS OF

EVEREST INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Everest Industries Limited ("the Company") for the year ended 31 March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.
2. The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Tanuj Vohra & Associates
Company Secretaries

Tanuj Vohra
Proprietor
C.P. No. 5253

Place: New Delhi
Date: 9 May, 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
EVEREST INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Everest Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 227(3) of the Act, we report that:

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

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

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

(e) On the basis of the written representations received from the directors as on 31 March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Registration No. 015125N)

Alka Chadha
(Partner)
(Membership No. 93474)

MUMBAI, 9 May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

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

ii. In respect of its fixed assets:

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

   b. The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

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

iii. In respect of its inventory:

   a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals, other than for certain raw materials at one plant, where these raw materials have been physically verified by the Management subsequent to the year end.

   b. In our opinion and according to the information and explanations given to us, other than in respect of certain raw materials at one plant, the procedures of physical verification of inventories followed by the Management, were reasonable and adequate in relation to the size of the Company and the nature of its business.

   c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification, other than shortages of approximately ₹ 90 lacs pertaining to raw materials at one plant, which have been properly dealt with in the books of account (See Note 2.45 of the financial statements).

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

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

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

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

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

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

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

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

b. There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2013 for a period of more than six months from the date they became payable.

c. Details of dues of Income-tax, Sales Tax, Excise Duty and Service Tax which have not been deposited as on 31 March, 2013 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ / lacs)
Sales Tax Laws	Demand on account of non-collection of statutory forms etc.	Commissioner Appeals	1994 to 2011	763.89
		Appellate Tribunal	1997 to 2003	325.78
	Demand on account of stock transfers being considered as local sales	Madras High Court	1998-1999	421.04
	Demand on account of stock transfers being considered as inter-state sales	Appellate Tribunal	1979 to 1980 1994 to 1998	2,827.78
				4,338.49
The Central Excise Act, 1944	Demand on account of wrong availment of Cenvat credit	Commissioner	April 2005 to August 2012	183.80
		Commissioner	2006 to 2012	140.75
		Superintendent (Audit)	2008 to 2009	18.04
		Commissioner Appeals	2008-09	11.28
	Demand of duty under Section 11D of the Central Excise Act, 1944	Appellate Tribunal	1992 to 1996	2,462.40
				2,816.27
Income Tax Act, 1961	Demand on account of disallowances of certain claims	Commissioner of Income Tax Appeals	2008 to 2010	3,199.63
		Appellate Tribunal	2003 to 2004	86.13
				3,285.76

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

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

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

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

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

xv. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.

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

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

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

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

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(ICAI Registration No. 015125N)

Alka Chadha
(Partner)
(Membership No. 93474)

MUMBAI, 9 May, 2013

BALANCE SHEET AS AT 31 MARCH, 2013

(₹ in lacs)

	Note Reference	As at 31.03.2013	As at 31.03.2012
I. Equity and liabilities			
1. Shareholder's funds			
a. Share capital	2.01	1,518.73	1,511.27
b. Reserves and surplus	2.02	27,458.52	23,439.95
		28,977.25	**24,951.22**
2. Non-current liabilities			
a. Long-term borrowings	2.03	5,910.20	1,556.10
b. Deferred tax liabilities (Net)	2.30	2,456.56	2,389.59
c. Long-term provisions	2.04	757.58	758.29
		9,124.34	**4,703.98**
3. Current liabilities			
a. Short-term borrowings	2.05	9,520.12	5,510.56
b. Trade payables	2.06	10,891.17	7,316.32
c. Other current liabilities	2.07	9,589.13	7,742.13
d. Short-term provisions	2.08	2,024.28	1,871.30
		32,024.70	**22,440.31**
Total		**70,126.29**	**52,095.51**
II. Assets			
1. Non-current assets			
a. Fixed assets			
i. Tangible assets	2.09	20,650.26	21,904.32
ii. Intangible assets	2.09	485.00	121.27
iii. Capital work in progress	2.34	3,711.46	788.01
		24,846.72	**22,813.60**
b. Non-current investments	2.10	2.45	2.45
c. Long-term loans and advances	2.11	4,329.37	3,326.48
d. Other non-current assets	2.12	14.22	209.57
		29,192.76	**26,352.10**
2. Current Assets			
a. Inventories	2.13	25,416.60	15,798.35
b. Trade receivables	2.14	5,234.95	4,170.47
c. Cash and bank balances	2.15	5,285.31	3,303.16
d. Short-term loans and advances	2.16	4,874.28	2,417.63
e. Other current assets	2.17	122.39	53.80
		40,933.53	**25,743.41**
Total		**70,126.29**	**52,095.51**
See accompanying notes forming part of the financial statements	1 & 2		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Mumbai
9 May, 2013

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
9 May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013

(₹ in lacs)

		Note Reference	Year ended 31.03.2013	Year ended 31.03.2012
1.	Revenue from operations (gross)	2.18	107,772.99	93,381.75
	Less : Excise duty		6,359.70	4,695.63
	Revenue from operations (net)		**101,413.29**	**88,686.12**
2.	Other income	2.19	875.25	1,779.03
3.	**Total revenue (1+2)**		**102,288.54**	**90,465.15**
4.	**Expenses**			
	a. Cost of materials consumed	2.20	59,028.61	47,504.91
	b. Purchases of stock-in-trade (traded goods)	2.40	1,593.10	1,361.77
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	(4,437.92)	118.39
	d. Employee benefits expense	2.22	9,209.70	7,974.72
	e. Finance costs	2.23	557.99	443.75
	f. Depreciation and amortisation expense	2.09	2,205.24	2,008.16
	g. Other expenses	2.24	26,241.67	23,650.26
	Total expenses		**94,398.39**	**83,061.96**
5.	**Profit before tax (3-4)**		**7,890.15**	**7,403.19**
6.	**Tax expense**			
	a. Current tax expense	2.31	2,573.21	2,145.84
	b. Deferred tax	2.30	66.97	(18.86)
			2,640.18	**2,126.98**
7.	**Profit for the year (5-6)**		**5,249.97**	**5,276.21**
	Earnings per equity share [Face value - ₹ 10 per share]	2.38		
	Basic and diluted earnings per share (₹)		34.70	34.96
	See accompanying notes forming part of the financial statements	1 & 2		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Mumbai
9 May, 2013

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
9 May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

(₹ in lacs)

		Year ended 31.03.2013	Year ended 31.03.2012
A. Cash flow from operating activities			
Net profit before tax		**7,890.15**	**7,403.19**
Adjustments for:			
Depreciation and amortisation expense		2,205.24	2,008.16
Finance costs		557.99	443.75
Interest income		(453.84)	(402.73)
Loss / (profit) on sale of fixed assets (net)		21.94	(1,135.47)
Liabilities / provisions no longer required written back		(326.04)	(61.76)
Net unrealised (gain) / loss on exchange rate fluctuation		(122.52)	(394.16)
Operating profit before working capital changes		**9,772.92**	**7,860.98**
Changes in working capital:			
Adjustment for (increase) / decrease in operating assets:			
Inventories		(9,618.26)	(443.81)
Trade receivables		(1,064.48)	(956.45)
Short-term loans and advances		(2,456.65)	(304.91)
Other non-current assets		195.35	(209.57)
Long-term loans and advances		(112.24)	(13.57)
Other current assets		(13.43)	522.72
Adjustment for (increase) / decrease in operating liabilities:			
Trade payables		3,574.85	703.18
Other current liabilities		2,077.82	1,473.37
Short-term provisions		(8.97)	44.49
Long-term provisions		(0.71)	37.69
Cash generated from operations		**2,346.20**	**8,714.12**
Net income tax paid		(3,040.52)	(2,328.72)
Net cash flow from / (used in) operating activities	**[A]**	**(694.32)**	**6,385.40**
B. Cash flow from investing activities			
Capital expenditure on fixed assets, including capital advances		(4,508.95)	(2,255.21)
Proceeds from sale of fixed assets (See note 2.09)		6.69	1,224.15
Bank balances not considered as Cash and cash equivalents		(1,035.16)	80.11
Capital subsidy received		-	30.00
Interest received		398.67	387.01
Net Cash used in investing activities	**[B]**	**(5,138.75)**	**(533.94)**

(₹ in lacs)

		Year ended 31.03.2013	Year ended 31.03.2012
C. Cash flow from financing activities			
Proceeds from issue of equity shares		7.46	2.34
Share premium received		101.23	18.00
Proceeds / (repayment) of long-term borrowings		4,354.10	(701.90)
Proceeds / (repayment) of short-term borrowings		4,009.55	(2,407.11)
Finance costs		(465.49)	(440.19)
Dividends paid		(1,055.17)	(695.55)
Tax on dividend		(171.62)	(110.16)
Net Cash flow from / (used) in financing activities	**[C]**	**6,780.06**	**(4,334.57)**
Net increase in cash and cash equivalents	**[A+B+C]**	**946.99**	**1,516.89**
Cash and cash equivalents as at 01.04.2012		2,891.03	1,374.14
Cash and cash equivalents as at 31.03.2013 *		**3,838.02**	**2,891.03**
*** Comprises:**			
a. Cash on hand		4.88	11.54
b. Cheques on hand		1,005.47	539.56
c. Balances with banks			
i. Current accounts		577.67	1,004.93
ii. Other deposit accounts			
- Original maturity of 3 months or less		2,250.00	1,335.00
		3,838.02	**2,891.03**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha
Partner

Mumbai
9 May, 2013

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
9 May, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1.1

Corporate information

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

NOTE 1.2

Significant Accounting Policies

(i) Accounting Convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous years.

(ii) Use of Estimates

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

(iii) Fixed Assets

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

Capital work-in-progress:

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

(iv) Depreciation / Amortisation

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

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

Leasehold land and leasehold improvements are amortised over the term of the lease.
Technical know-how is amortised over the term of the agreement. Computer software is amortised over a period of 3 years.

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

(v) Revenue Recognition

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

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

(vi) Investments

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

(vii) Inventories

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

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

(viii) Research and Development Costs

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

(ix) Employee Benefits (See also Note 2.29)

a. Short-term employee benefits

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

b. Post-employment benefit plans

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

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

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

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

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

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

(x) Borrowing Costs

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

(xi) Foreign Exchange Transactions

Initial recognition

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

Measurement at the balance sheet date

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

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Accounting for forward contracts

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

Derivative contracts

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

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

The Company had opted for accounting the exchange rate differences arising on reporting of Long term foreign currency monetary items in line with the Companies (Accounting Standard) Amendments Rules, 2009 on Accounting Standard 'AS11 – The Effects of Change in Foreign Exchange Rates' (See also Note 2.37).

(xii) Taxation (See also Note 2.30)

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

(xiii) Earnings Per Share (See also Note 2.38)

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

(xiv) Impairment of Assets

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

Reversal of impairment loss is recognised as income in the Statement of Profit and Loss.

(xv) Contingencies/ Provisions

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

(xvi) Employee Stock Option Scheme (See also Note 2.46)

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

(xvii) Leases (See also Note 2.36)

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

(xviii) Export Incentives

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

(xix) Cash Flow Statement

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

(xx) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
2.01 Share capital		
1. Authorised	1,700.00	1,700.00
17,000,000 equity shares of ₹ 10 each (previous year 17,000,000 equity shares of ₹ 10 each)		
2. Issued		
15,187,290 equity shares of ₹ 10 each	1,518.73	1,511.27
(previous year 15,112,713 equity shares of ₹ 10 each)		
3. Subscribed and fully paid up (see note 2.41 and 2.42)		
15,187,290 equity shares of ₹ 10 each	**1,518.73**	**1,511.27**
(previous year 15,112,713 equity shares of ₹ 10 each)		
Of the above:		
15,000 (previous year 15,000) equity shares are allotted as fully paid up pursuant to a contract without payment being received in cash		
13,350,020 (previous year 13,350,020) equity shares are allotted as fully paid up by way of bonus shares by capitalisation of general reserve		
The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held.		

	As at 31.03.2013	As at 31.03.2012
2.02 Reserves and surplus		
1. Capital reserve		
Opening balance	30.00	-
Add: Capital subsidy	-	30.00
Closing balance	30.00	30.00
2. Securities premium account		
Opening balance	214.34	192.96
Add: Premium on shares issued during the year	101.23	21.38
Closing balance	315.57	214.34
3. General reserve		
Opening balance	8,664.10	8,134.10
Add: Transferred from surplus in statement of profit and loss	525.00	530.00
Closing balance	9,189.10	8,664.10
4. Surplus in statement of profit and loss		
Opening balance	14,531.51	11,014.81
Add: Profit for the year	5,249.97	5,276.21
Less: Dividends proposed to be distributed to equity shareholders	1,139.05	1,057.89
Tax on dividend	193.58	171.62
Transferred to general reserve	525.00	530.00
Closing balance	17,923.85	14,531.51
	27,458.52	**23,439.95**

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
2.03 Long-term borrowings		
Term loans from banks (secured)		
- External commercial borrowing (ECB)	5,910.20	1,556.10
	5,910.20	**1,556.10**

Note:

ECB from ICICI Bank Ltd. of ₹ 1,631.40 lacs (previous year ₹ 2,593.50 lacs) is secured by a first pari-passu charge to be created over all the immoveable and moveable fixed assets other than the immoveable fixed assets situated at Podanur plant and second pari-passu charge on all current assets of the Company. The ECB is repayable in 12 half yearly instalments of USD 1,000,000; the last instalment is due in July 2014. The rate of interest is Libor+1.03% per annum.

ECB from DBS Bank Ltd. of ₹ 6,192.00 lacs (previous year ₹ Nil) is secured by first pari-passu charges on all movable fixed assets except at Kolkata, and second pari passu charge on all current assets of the Company. The ECB is repayable in 15 quarterly instalments of USD 800,000; the last instalment is due in April 2017. The rate of interest is 10.40% per annum.

	As at 31.03.2013	As at 31.03.2012
2.04 Long-term provisions		
Provision for employees benefits:		
- Provision for gratuity (See note 2.29)	254.96	341.56
- Provision for compensated absences	502.62	416.73
	757.58	**758.29**
2.05 Short-term borrowings		
a. Loans from banks (Secured)		
i. Cash credit	3,388.94	291.55
ii. Buyer's credit	6,131.18	5,219.01
	9,520.12	**5,510.56**

Note:

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

	As at 31.03.2013	As at 31.03.2012
2.06 Trade payables		
Trade payables - other than acceptances (See note 2.47)	10,891.17	7,316.32
	10,891.17	**7,316.32**
2.07 Other current liabilities		
a. Current maturities of long-term debt		
- ECB (secured) (See footnote to note 2.03)	1,913.20	1,037.40
b. Interest accrued but not due on borrowings	141.03	48.53
c. Unpaid dividends	34.25	31.53
d. Other payables		
i. Payables in respect of statutory dues	1,099.47	1,078.17
ii. Payables for purchase of fixed assets	13.37	30.68
iii. Stockists' deposits	2,044.62	1,661.69
iv. Advances from customers	4,075.70	3,512.54
v. Provision for mark to market loss on derivative transactions	37.25	81.38
vi. Retention monies	230.24	260.21
	9,589.13	**7,742.13**

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
2.08 Short-term provisions		
a. Provision for employee benefits:		
- Provision for compensated absences	13.81	22.78
b. Provision - Others:		
i. Provision for tax [(net of advance tax ₹ 7,915.13 lacs (previous year ₹ 4,342.79 lacs)]	677.84	619.01
ii. Provision for proposed equity dividend	1,139.05	1,057.89
iii. Provision for tax on proposed dividend	193.58	171.62
	2,024.28	**1,871.30**

2.09 Fixed assets

(₹ in lacs)

Particulars	Gross block					Accumulated depreciation				Net block	
	Balance as at 1.04.2012	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at 31.03.2013	Balance as at 1.04.2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31.03.2013	Balance as at 31.03.2013	Balance as at 31.03.2012
Tangible assets											
Land											
Freehold	1,387.86	-	-	-	1,387.86	-	-	-	-	1,387.86	1,387.86
Leasehold	238.54	-	-	-	238.54	3.22	3.51	-	6.73	231.81	235.32
Buildings											
On freehold land	7,041.09	215.82	-	11.81	7,268.72	2,568.46	351.64	-	2,920.10	4,348.62	4,472.63
On leasehold land	164.28	-	-	-	164.28	103.99	3.96	-	107.95	56.33	60.29
Plant and equipment	25,694.70	318.49	40.83	90.92	26,063.28	10,701.18	1,483.55	21.64	12,163.09	13,900.19	14,993.52
Furniture and fixtures	453.19	12.20	0.10	-	465.29	260.09	28.43	0.01	288.51	176.78	193.10
Vehicles	167.93	60.96	20.49	-	208.40	118.36	22.89	13.44	127.81	80.59	49.57
Office equipment	995.46	44.78	3.25	19.79	1,056.78	724.59	84.66	0.95	808.30	248.48	270.87
Leasehold improvements	168.12	1.51	-	-	169.63	78.50	15.56	-	94.06	75.57	89.62
Others											
Roads	226.00	-	-	-	226.00	74.46	7.51	-	81.97	144.03	151.54
Sub total	**36,537.17**	**653.76**	**64.67**	**122.52**	**37,248.78**	**14,632.85**	**2,001.71**	**36.04**	**16,598.52**	**20,650.26**	**21,904.32**
Previous year	34,156.96	2,118.05	132.00	394.16	36,537.17	12,757.07	1,919.10	43.32	14,632.85	21,904.32	21,399.89
Intangible assets											
Computer software	354.35	567.26	-	-	921.61	233.08	203.53	-	436.61	485.00	121.27
Technical knowhow	249.75	-	-	-	249.75	249.75	-	-	249.75	-	-
Sub total	**604.10**	**567.26**	**-**	**-**	**1,171.36**	**482.83**	**203.53**	**-**	**686.36**	**485.00**	**121.27**
Previous year	487.70	116.40	-	-	604.10	393.77	89.06	-	482.83	121.27	93.93
Total	**37,141.27**	**1,221.02**	**64.67**	**122.52**	**38,420.14**	**15,115.68**	**2,205.24**	**36.04**	**17,284.88**	**21,135.26**	**22,025.59**
Previous year	34,644.66	2,234.45	132.00	394.16	37,141.27	13,150.84	2,008.16	43.32	15,115.68	22,025.59	21,493.82

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
2.10 Non-current investments (at cost)		
Other investments in equity instruments, long term, unquoted [24,500 (previous year 24,500) equity shares of ₹ 10 each fully paid up of M/s Everest Building Solutions Limited]	2.45	2.45
	2.45	**2.45**

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
2.11 Long-term loans and advances		
(Unsecured, considered good)		
a. Capital advances	391.26	26.76
b. Security deposits	678.52	566.27
c. Advance tax		
[Net of provision for current tax - ₹ 2,044.91 lacs (previous year ₹ 3,104.83 lacs)]	3,048.32	2,522.18
d. Other loans and advances		
Balances with excise, customs and port trust authorities	211.27	211.27
	4,329.37	**3,326.48**
2.12 Other non-current assets		
(Unsecured, considered good)		
Bank balances in earmarked accounts		
Balances held as margin money (deposit accounts)	14.22	209.57
	14.22	**209.57**
2.13 Inventories		
(See note 1.2(vii))		
a. Raw materials		
i. On hand	10,009.59	6,783.37
ii. In transit	2,217.84	587.21
	12,227.43	7,370.58
b. Work-in-progress	7,439.69	4,934.34
c. Finished goods	3,851.62	2,128.60
d. Stock-in-trade	707.78	498.23
e. Stores and spares	1,148.23	836.01
f. Packing materials	41.85	30.59
	25,416.60	**15,798.35**
2.14 Trade receivables		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	196.58	506.55
- Doubtful	20.22	29.81
Less: Provision for doubtful trade receivables	20.22	29.81
	196.58	506.55
b. Other trade receivables		
- Secured, considered good	2,872.65	2,886.06
- Unsecured, considered good	2,165.72	777.86
	5,234.95	**4,170.47**

(₹ in lacs)

	As at 31.03.2013	As at 31.03.2012
2.15 Cash and bank balances		
Cash and cash equivalents		
a. Cash on hand	4.88	11.54
b. Cheques on hand	1,005.47	539.56
c. Balances with banks		
i. Current accounts	577.67	1,004.93
ii. Other deposit accounts		
- Original maturity of 3 months or less	2,250.00	1,335.00
Cash and cash equivalents	3,838.02	2,891.03
Other bank balances		
i. Other deposit accounts		
- Original maturity more than 3 months	1,200.00	340.00
ii. Earmarked accounts		
- Unpaid dividend (current accounts)	34.25	31.53
- Balances held as margin money (deposit accounts)	213.04	40.60
Other bank balances	1,447.29	412.13
	5,285.31	**3,303.16**
2.16 Short-term loans and advances		
(Unsecured, considered good)		
a. Loans and advances to employees	97.82	40.87
b. Prepaid expenses	429.78	352.47
c. Balances with government authorities		
i. Balances with excise, customs and port trust authorities	1,037.40	441.63
ii. VAT credit receivable	780.49	678.40
d. Advance to suppliers	2,456.94	891.78
e. Other loans and advances	71.85	12.48
	4,874.28	**2,417.63**
2.17 Other current assets		
a. Interest accrued but not due	74.63	19.47
b. Insurance claims	47.76	34.33
	122.39	**53.80**

(₹ in lacs)

	Year ended 31.03.2013	Year ended 31.03.2012
2.18 Revenue from operations		
a. Revenue from sale of products	83,050.42	70,895.66
b. Revenue from contracts	24,122.38	21,954.41
c. Other operating revenues		
i. Sale of scrap	547.54	481.94
ii. Export incentives	52.65	49.74
	600.19	531.68
	107,772.99	**93,381.75**
2.19 Other income		
a. Interest income		
i. Interest from banks on deposits	418.25	93.87
ii. Interest on income tax refund	25.06	119.05
iii. Other interest	10.53	189.81
	453.84	402.73
b. Other non-operating income		
i. Profit on sale of fixed assets (net)	-	1,135.47
ii. Liabilities / provisions no longer required written back	326.04	61.76
iii. Miscellaneous income	95.37	179.07
	421.41	1,376.30
	875.25	**1,779.03**
2.20 Cost of materials consumed		
Cost of materials consumed	59,030.75	47,504.91
Less: Pre-operative expenses transferred to capital work in progress (see note 2.34)	2.14	-
	59,028.61	**47,504.91**
2.21 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade		
Inventories at the end of the year:		
Finished goods	3,851.62	2,128.60
Work-in-progress	7,439.69	4,934.34
Stock-in-trade	707.78	498.23
	11,999.09	7,561.17
Inventories at the beginning of the year:		
Finished goods	2,128.60	2,036.61
Work-in-progress	4,934.34	5,282.11
Stock-in-trade	498.23	360.84
	7,561.17	7,679.56
	(4,437.92)	**118.39**

(₹ in lacs)

	Year ended 31.03.2013	Year ended 31.03.2012
2.22 Employee benefits expense		
a. Salaries and wages	8,059.64	6,947.67
b. Contributions to provident and other funds	629.18	493.63
c. Staff welfare expenses	614.12	558.54
	9,302.94	7,999.84
Less: Pre-operative expenses transferred to capital work in progress (see note 2.34)	93.24	25.12
	9,209.70	**7,974.72**
2.23 Finance costs		
a. Interest expense on borrowings	553.78	433.75
b. Other borrowing costs	4.21	10.00
	557.99	**443.75**
2.24 Other expenses		
a. Consumption of stores and spare parts	3,163.77	2,854.28
b. Consumption of packing materials	1,007.66	812.55
c. Power and fuel	3,770.61	3,188.97
d. Repairs and maintenance		
- Building	354.50	264.83
- Machinery	625.02	807.20
- Others	191.32	156.20
e. Rent	576.16	562.23
f. Rates and taxes	305.26	125.42
g. Insurance	124.84	80.83
h. Travelling	1,212.84	1,057.77
i. Advertisement and sales promotion expenses	1,801.18	1,168.41
j. Cost for erection of buildings	1,430.64	1,444.73
k. Loss on sale of fixed assets (net)	21.94	-
l. Net loss on foreign currency transactions and translation	301.33	971.91
m. Outward freight charges on finished goods	7,573.21	7,127.15
n. Miscellaneous expenses	3,971.68	3,118.32
	26,431.96	23,740.80
Less: Stores and spares capitalised	-	27.09
Less: Pre-operative expenses transferred to capital work in progress (see note 2.34)	190.29	63.45
	26,241.67	**23,650.26**

2.25 Contingent Liabilities

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

(₹ in lacs)

Particulars	As at 31.03.2013	AS at 31.03.2012
i. Sales tax matters	4,475.92	4,238.61
ii. Customs, excise and service tax matters	2,816.27	206.20
iii. Income Tax matters	6,523.48	6,972.74
Total	13,815.67	11,417.55
iv. Advance paid / adjusted by Income Tax authorities against above	3,375.15	3,547.02

b) Guarantees aggregating to ₹ 2,540.76 lacs (previous year ₹ 1,751.62 lacs) issued by banks have been secured by a first pari-passu charge on the entire current assets, present and future, including receivables of the Company and second pari-passu charge on all fixed assets, land and buildings present and future, except land and building situated at Kolkata.

c) Estimated amount of contracts to be executed on capital account – ₹ 1,598.18 lacs (net of advances – ₹ 773.18 lacs), [previous year – ₹ 1,142.54 lacs (net of advances ₹ 969.55 lacs)].

d) Export Obligation: The Company has purchased fixed assets under the 'Export Promotion Capital Goods Scheme'. As per the terms of the license granted under the scheme, the Company had undertaken to achieve an export commitment of ₹ 7,518.69 lacs (Previous year ₹ 9,950.22 lacs) over a period of 8 years.

The Company has filed for satisfaction of its export obligations of ₹ Nil lacs (Previous year ₹ 3,122.99 lacs) during the year ended 31 March, 2013, the balance export obligation as at the year end being ₹ 7,518.69 lacs (Previous year ₹ 6,827.23 lacs). The Company would be liable to pay customs duty of ₹ 939.84 lacs (Previous year ₹ 853.40 lacs) and interest on the same in the event of non-fulfillment of the balance export obligation. However the Company does not expect any liability to arise based on its export performance.

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

(₹ in lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Audit fee (including fees for limited review)	31.00	31.00
Fee for other services	5.40	5.55
Reimbursement of expenses	2.87	2.50
	39.27	**39.05**

2.27 Construction Contracts

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

(₹ in lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Cost incurred and recognised profits	11,037.00	14,912.54
Retentions	91.94	77.87
Amounts due from customers	1,855.45	1,068.52

2.28 Foreign Exchange Disclosure

Outstanding forward exchange contracts as on 31 March, 2013:

Particulars	As at 31.03.2013		As at 31.03.2012	
	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)
Receivables	-	-	USD 6.00	300.91
Payables	USD 76.26	4,306.17	USD 79.36	4,240.19
ECB Loan	USD 130.00	6,746.90	USD 10.00	544.73

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

Particulars	As at 31.03.2013		As at 31.03.2012	
	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)
Receivables	USD 11.08	602.88	USD 14.19	707.48
Payables	USD 40.48	2,201.79	USD 25.04	1,298.90
	EURO 2.18	151.71	-	-
ECB Loan	USD 20.00	1,087.60	USD 40.00	2,074.80

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

a. Defined contribution plan

The Company's contributions of ₹ 294.74 lacs (previous year ₹ 285.62 lacs) towards provident fund and ₹ 97.48 lacs (previous year ₹ 100.29 lacs) towards superannuation fund are charged to Statement of Profit and Loss. The contributions payable to the plan by the Company are at rates specified in rules to the schemes.

b. Defined benefit plan

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

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

c. The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2013:

(i) Movement in net liability

(₹ in lacs)

Particulars		As at 31.03.2013	As at 31.03.2012
Present value of obligations as on 01.04.2012	(A)	1,235.91	1,122.50
Interest cost	(B)	100.82	88.36
Current service cost	(C)	117.20	103.54
Benefits paid	(D)	(127.09)	(63.21)
Actuarial (gain)/loss on obligations	(E)	112.52	(15.28)
Present value of obligations as on 31.03.2013 (F=A+B+C+D+E)	(F)	**1,439.36**	**1,235.91**

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

(₹ in lacs)

Particulars		As at 31.03.2013	As at 31.03.2012
Present value of funded defined benefit obligations as on 31.03.13	(A)	1,439.36	1,235.91
Estimated fair value of plan assets	(B)	1,184.40	894.35
Net liability / (asset) (C=A-B)	(C)	**254.96**	**341.56**
Amounts in the Balance Sheet			
a. Liabilities		254.96	341.56
b. Assets		-	-
c. Net liability / (asset)		254.96	341.56
Amount charged to Statement of Profit and Loss			
Service cost	(E)	117.20	103.54
Interest cost	(F)	100.82	88.36
Expected return on plan assets	(G)	91.84	75.72
Net Actuarial (gain) / loss	(H)	111.42	(15.28)
Expense recognised in the Statement of Profit and Loss (I=E+F-G+H)	(I)	**237.60**	**100.90**

(iii) Principal actuarial assumptions

Assumptions	Year ended 31.03.2013 Rate (%)	Year ended 31.03.2012 Rate (%)
Discount rate	8.10%	8.60%
Rate of return on plan assets	9.25%	9.25%
Salary escalation	9.00%	8.65%
Mortality rate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate
Withdrawal rate		
Upto 30 years	3.00%	3.00%
Ages from 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

The discount rate is based on the Government bond yields as at 31 March, 2013.

(iv) Experience adjustments

(₹ in lacs)

Particulars	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Defined benefit obligation	(1,439.36)	(1,235.91)	(1,122.50)	(1,039.03)	(936.43)
Plan assets	1,184.40	894.35	818.63	751.30	694.69
Funded status	(254.96)	(341.56)	(303.87)	(287.73)	(241.74)
Experience gain / (loss) adjustments on plan liabilities	(0.78)	32.30	5.25	(8.53)	*
Experience gain / (loss) adjustments on plan assets	1.10	-	0.24	0.26	*

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

The Company expects the benefit payout of ₹ 54.59 lacs (previous year ₹ 71.17 lacs) to the gratuity fund for the year ended 31 March, 2013.

(v) **Fair value of plan assets**

(₹ in lacs)

Particulars		As at 31.03.2013	As at 31.03.2012
Fair value of plan assets at the beginning of the year	(A)	894.35	818.63
Expected return on plan assets	(B)	91.84	75.72
Contributions	(C)	200.00	-
Benefits paid	(D)	(2.89)	-
Actuarial gain/ (loss) on plan assets	(E)	1.10	-
Fair value of plan assets at the end of the year (F=A+B+C+D+E)	**(F)**	**1,184.40**	**894.35**

(vi) **Actual return on plan assets**

(₹ in lacs)

Particulars		As at 31.03.2013	As at 31.03.2012
Expected return on plan assets	(A)	91.84	75.72
Actuarial gain/ (loss) on plan assets	(B)	-	-
Actual return on plan assets (C =A+B)	**(C)**	**91.84**	**75.72**

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

Particulars	As at 31.03.2012	As at 31.03.2011
Government of India securities	45.95%	51.89%
Debt instruments	39.33%	41.66%
Equity shares	4.76%	3.65%
Other deposits	9.96%	2.80%
	100.00%	100.00%

The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets as at 31 March, 2013 has not been provided by the Life Insurance Corporation of India.

2.30 Deferred Taxation

(₹ in lacs)

Particulars	As at 01.04.2012	Charged/ (Credited) to Statement of Profit and Loss	As at 31.03.2013
a. Deferred tax assets			
Tax impact of:			
i. Expenditure covered by Section 43B of the Income-tax Act, 1961	320.71	33.44	354.15
ii. Provision for doubtful debts	9.67	(2.80)	6.87
Total deferred tax assets	**330.38**	**30.64**	**361.02**
b. Deferred tax liabilities			
Tax impact of:			
Excess of depreciation allowable under the Income-tax Act, 1961 over depreciation provided in financial statements	2,719.97	97.61	2,817.58
Total deferred tax liability	**2,719.97**	**97.61**	**2,817.58**
Net deferred tax liability	**2,389.59**	**66.97**	**2,456.56**
Net deferred tax liability(previous year)	*2,408.45*	*(18.86)*	2,389.59

Previous year figures are in italics.

2.31 Current tax is net of excess provision of earlier years written back ₹ Nil (previous year ₹ 20.97 lacs).

2.32 Managerial Remuneration

a. Remuneration paid to directors:

(₹ in lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Whole time directors		
1. Salaries and perquisites (See note below)	240.66	213.67
2. Contributions to provident and superannuation fund	15.49	13.28
3. Commission to whole time directors	105.00	105.00
4. Performance incentive to whole time directors	74.00	74.00
	435.15	**405.95**
Non-executive directors		
5. Commission / performance incentive to non executive directors	37.50	26.50
6. Sitting fees	7.10	7.60

Note:

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

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

(₹ in lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Profit before tax as per the Statement of Profit and Loss	7,890.15	7,403.19
Add:		
Managerial remuneration	435.15	405.95
Commission/performance incentive to non executive directors	37.50	26.50
Directors sitting fees	7.10	7.60
Depreciation and amortisation as per books of account	2,205.24	2,008.16
Loss on sale of fixed assets	21.94	-
Total	10,597.08	9,851.40
Less:		
Depreciation as envisaged under Section 350 of the Companies Act, 1956 *	2,205.24	2,008.16
Profit on sale of fixed assets	-	1,135.47
Total	2,205.24	3,143.63
Net profit for calculation on which remuneration payable	**8,391.84**	**6,707.77**
Maximum remuneration payable to whole time directors under Section 309 of the Companies Act, 1956 @ 10% of net profit	839.18	670.78
Actual remuneration paid to whole time directors	435.15	405.95
Maximum commission payable to non-executive directors under section 309 of the Companies Act, 1956 @ 1% of net profit	83.92	67.08
Actual commission/ performance incentive paid to non-executive directors	37.50	26.50

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

2.33 Related Party Disclosures

a. List of related parties

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

ii. Associate company*
- M/s Everest Building Solutions Limited

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

*Has not commenced operations

b. Transactions with related parties during the year:

(₹ in lacs)

S. No	Particulars	Year ended 31.03.2013	Year ended 31.03.2012
i.	Dividend paid to enterprise exercising significant influence		
	M/s Falak Investment Private Limited	516.84	332.26
ii.	Remuneration to key management personnel		
	Mr. Aditya Vikram Somani	215.11	207.43
	Mr. Manish Sanghi	121.90	110.09
	Mr. Y. Srinivasa Rao	98.14	88.43
iii.	Dividend paid to key management personnel		
	Mr. Aditya Vikram Somani	0.04	0.02
	Mr. Manish Sanghi	5.74	2.12
	Mr. M. L. Gupta	7.70	-
	Mr. Y. Srinivasa Rao	3.12	-

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

(₹ in lacs)

S. No	Particulars	As at 31.03.2013	As at 31.03.2012
i.	Share capital from enterprise exercising significant influence		
	M/s Falak Investment Private Limited	738.35	738.35
ii.	Investment in equity of associate company		
	M/s Everest Building Solutions Limited	2.45	2.45
iii.	Commission due to key management personnel		
	a. Mr. Aditya Vikram Somani	105.00	105.00
iv.	Performance incentive due to key management personnel		
	a. Mr. Manish Sanghi	40.00	40.00
	b. Mr. Y. Srinivasa Rao	34.00	34.00

2.34 Capital Work in Progress and Pre-operative Expenditure

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

a. Capital work in progress

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
i. Project assets	3,333.06	695.28
ii. Unallocated project pre-operative expenditure (see b below)	378.40	92.73
	3,711.46	**788.01**

b. Pre-operative expenditure

(₹ in lacs)

Particulars	As at 1.04.2012	Additions	Deletions	As at 31.03.2013
Cost of materials consumed	-	2.14	-	2.14
Salaries and wages	23.84	86.87	-	110.71
Contributions to provident and other funds	1.17	4.86	-	6.03
Staff welfare expenses	0.11	1.51	-	1.62
Consumption of stores and spare parts	-	8.45	-	8.45
Power and fuel	-	25.37		25.37
Repairs and maintenance - Others	1.55	4.70	-	6.25
Rent	2.03	6.44	-	8.47
Rates and taxes	3.02	43.78	-	46.80
Insurance	0.32	4.71	-	5.03
Travelling	5.36	12.95	-	18.31
Advertisement and sales promotion expenses	-	0.20	-	0.20
Miscellaneous expenses	55.33	83.69	-	139.02
Unallocated preoperative expenditure	**92.73**	**285.67**	**-**	**378.40**
Previous year	4.16	88.57	-	92.73

2.35 Segment Information

a. Business segments:

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

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

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

b. Geographical segments:

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

c. Segment accounting policies:

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

i. Segment revenue and expenses:

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

ii. Segment assets and liabilities:

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

Information about business segments:

(₹ in lacs)

Particulars	Building products		Steel buildings		Total	
	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2013	Year ended 31.03.2012
1. Segment Revenue						
External revenue (Net of excise duty)	76,690.72	66,200.03	24,122.38	21,954.41	100,813.10	88,154.44
Other operating income	164.30	166.03	435.89	365.65	600.19	531.68
Total Revenue	76,855.02	66,366.06	24,558.27	22,320.06	101,413.29	88,686.12
2. Segment Results	8,760.52	6,802.30	1,409.61	1,343.63	10,170.13	8,145.93
Unallocated expenses (net of income)					1,721.99	298.99
Operating Profit	8,760.52	6,802.30	1,409.61	1,343.63	8,448.14	7,846.94
Finance costs					557.99	443.75
Profit before tax					7,890.15	7,403.19
Provision for taxation					2,640.18	2,126.98
Net Profit					**5,249.97**	**5,276.21**

(₹ in lacs)

Particulars	Building products		Steel buildings		Total	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
3. Other Information						
A. Assets						
Segment assets	49,835.52	37,958.82	11,602.10	8,613.53	61,437.62	46,572.35
Unallocated assets					8,688.67	5,523.16
Total Assets	49,835.52	37,958.82	11,602.10	8,613.53	70,126.29	52,095.51
B. Liabilities						
Segment liabilities	11,104.28	8,178.78	7,080.62	5,102.14	18,184.90	13,280.92
Unallocated liabilities					22,964.14	13,863.37
Total Liabilities	11,104.28	8,178.78	7,080.62	5,102.14	41,149.04	27,144.29
C. Others						
Capital expenditure	2,467.37	1,667.63	702.40	564.15		
Depreciation	1,679.07	1,623.64	423.97	280.80		
Non – cash expenses other than depreciation	9.40	24.41	109.02	106.41	118.42	130.82

2.36 Lease Commitments

Operating lease

The Company has taken property on cancellable and non-cancellable operating leases and has recognised rent of ₹ 576.16 lacs (previous year ₹ 562.23 lacs). The total of future minimum lease payments under non-cancellable operating lease are set out as below:

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Not later than one year	117.55	110.25
Later than one year but not later than five years	523.33	502.77
Later than five years	57.55	195.67

2.37 Changes in Foreign Exchange Rates

During the previous years, the Company had changed its policy on accounting for fluctuation on foreign exchange based on notification F.No.17/33/2008/CL-V dated 31 March, 2009 and subsequent amendments thereto, issued by the Ministry of Corporate Affairs, which was effective 7 December 2006, allowing capitalisation of exchange differences arising on revaluation of long term foreign currency monetary items (like ECB) pertaining to depreciable capital assets to the cost of fixed assets and deferment of similar exchange fluctuation in "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA) where it does not relate to acquisition of fixed assets. In accordance with the said notification, the Company has during the current year capitalised ₹ 122.52 lacs (previous year ₹ 394.16 lacs) to the cost of fixed assets. The aforesaid amounts so capitalised are being depreciated over the remaining useful life of the fixed assets.

2.38 Earnings per Share

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
a. Number of equity shares of ₹ 10 each fully paid up at the beginning of the year	15,112,713	15,084,174
b. Number of equity shares of ₹ 10 each fully paid up at the year end	15,187,290	15,112,713
c. Weighted average number of equity shares used in computing earning per share	15,130,985	15,092,743
d. Weighted average number of options granted under options	458,765	421,817
e. Adjustment for number of options granted at fair value	458,765	421,817
f. Net profit for the year – (₹ / lacs)	5,249.97	5,276.21
g. Basic earnings per share (₹)	34.70	34.96
h. Diluted earnings per share (₹)	34.70	34.96
i. Nominal value of equity shares (₹)	10.00	10.00

2.39 Cost of Materials Consumed

(₹ in lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Opening stock	7,370.58	6,928.59
Add: Purchases	63,885.46	47,946.90
	71,256.04	54,875.49
Less: Closing stock	12,227.43	7,370.58
Cost of materials consumed	59,028.61	47,504.91
Materials consumed comprises:		
Raw fibre	22,350.35	16,084.64
Cement	12,019.22	9,816.75
Steel	13,686.05	12,350.88
Other items	10,972.99	9,252.64
	59,028.61	**47,504.91**

2.40 Purchases of Stock- in-Trade

(₹ in lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Polycarbonate roofing	263.66	216.33
Roofing accessories	-	140.46
Access floors	191.70	256.97
Smart steel building	358.73	-
Other items	779.01	748.01
	1,593.10	**1,361.77**

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

Particulars	Year ended 31.03.2013 (₹ /lacs)	%	Year ended 31.03.2012 (₹ /lacs)	%
a. Raw materials				
i. Imported	23,468.69	39.76	18,625.71	39.21
ii. Indigenous	35,559.92	60.24	28,879.20	60.79
	59,028.61	**100.00**	**47,504.91**	**100.00**
b. Stores and spare parts (including packing materials)				
i. Imported	144.47	3.47	89.56	2.44
ii. Indigenous	4,026.96	96.53	3,577.27	97.56
	4,171.43	**100.00**	**3,666.83**	**100.00**

2.42 Other Additional Information

(₹ in lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
a. Imports (CIF) value		
i. Raw materials	24,140.59	16,573.32
ii. Stock-in-trade	581.21	881.26
iii. Capital goods (including capital work-in-progress)	13.57	350.42
iv. Stores and spares	136.78	102.43
b. Expenditure in foreign currency (on cash basis)		
i. Travelling expenses	63.47	48.62
ii. Interest	531.06	58.56
iii. Others	138.05	142.28
c. Earnings in foreign exchange		
FOB value of goods exported	5,611.01	5,663.12

2.43 Share Capital

Reconciliation

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
a. Number of equity shares outstanding at the year beginning	15,112,713	15,084,174
b. Number of options exercised during the year	74,577	28,539
c. Number of equity shares outstanding at the year end	15,187,290	15,112,713

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

Particulars	Year ended 31.03.2013 (No. of shares)	%	Year ended 31.03.2012 (No. of shares)	%
a. Falak Investment Private Limited	7,383,470	48.62	7,383,470	48.86
b. Reliance Capital Trustee Co Ltd	966,748	6.36	1,016,748	6.73

2.45 The Company has identified and accounted for inventory shortage pertaining to certain raw materials of approximately ₹ 90 lacs during the year at one plant.

2.46 Employee Stock Option Scheme

The Company has granted 160,945 options (previous year 150,720 options) during the year ended 31 March, 2013. The exercise price per option shall be the average of the two weeks high and low price of the share preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that stock exchange on the date prior to the date of grant of options, whichever is less. Options granted shall vest with the grantee after a period of one year from the date of grant. The exercise period of the options is a period of four years after the vesting of the options.

Particulars	ESOS (2007)	ESOS (2008)	ESOS (2009)	ESOS (2010)	ESOS (2011)	ESOS (2012)
Year in which scheme was established	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Number of options authorised and granted	148,000	144,850	140,000	147,705	150,720	160,945
Exercise price	₹ 98	₹ 52	₹ 169	₹ 174	₹ 126	₹ 268
Vesting date	After one year from the date of grant of option					
Vesting requirement	One year service from the date of grant of option					
Exercise period	During four years after vesting date					

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

Particulars	ESOS (2007)	ESOS (2008)	ESOS (2009)	ESOS (2010)	ESOS (2011)	ESOS (2012)
i. Opening balance	23,747	14,360	100,660	132,330	150,720	-
	34,661	*21,410*	*110,800*	*147,705*	-	-
ii. Granted during the year	-	-	-	-	-	160,945
	-	-	-	-	*150,720*	-
iii. Exercised during the year	9,337	2,740	19,220	23,115	20,165	-
	9,089	*6,150*	*200*	-	-	-
iv. Forfeited during the year	-	-	-	-	-	-
	-	-	-	-	-	-
v. Expired during the year	(14,410)	(1,470)	(9,400)	(10,295)	(13,845)	-
	(1,825)	*(900)*	*(9,940)*	*(15,375)*	-	-
vi. Outstanding at the year end	-	10,150	72,040	98,920	116,710	160,945
	23,747	*14,360*	*100,660*	*132,330*	*150,720*	-
vii. Options exercisable at the year end	-	10,150	72,040	98,920	116,710	160,945
	23,747	*14,360*	*100,660*	*132,330*	*150,720*	-
viii. Remaining contractual life	-	0.83	1.82	2.80	3.81	4.81
(years) at the year end	*0.84*	*1.83*	*2.82*	*3.80*	*4.81*	-

Previous year figures are in italics.

The Company has accounted the above options using the intrinsic value method. As noted by the Remuneration Committee, the exercise price has been determined at ₹ 268 and thus there is no stock compensation expense under the intrinsic value method for the options granted.

The Guidance Note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic and diluted, had the Company adopted the fair value method. Had the Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the year ended 31 March, 2013 would have been lower by ₹ 88.83 lacs (previous year ₹ 88.89 lacs) and the basic and diluted EPS would have been revised to ₹ 34.11 (previous year ₹ 34.37) and ₹ 34.11 (previous year ₹ 34.37) respectively. The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 5 years, an expected dividend yield of 2.60% (previous year 3.42%) on the underlying equity shares, volatility in the share price of 35.32% (previous year 40.22%) and a risk free rate of interest of 7.91% (previous year 8.13%). 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.

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

2.48 Expenditure on Research and Development

(₹ in lacs)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
Capital	15.43	4.83
Revenue	144.31	105.96

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

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director

Y. Srinivasa Rao
Executive Director (Operations)

Rakesh Kumar Gupta
Sr. Vice President (Finance)

Neeraj Kohli
Company Secretary and Head - Legal

Mumbai
9 May, 2013

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Attendance/Proxy Form

EVERDEST INDUSTRIES LIMITED

Regd. Office: GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.

ATTENDANCE SLIP

80TH ANNUAL GENERAL MEETING

I/We .... hereby record my/our presence at the 80th Annual General Meeting of the Company on Friday, the 26 July, 2013 at GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.

For Shares held in Physical Mode	For Shares held in Electronic Mode
Regd. Folio No. : ________________	DPID No. : ____________ Client ID No.: ____________
No. of Shares Held : ______________	No. of Shares Held : ____________________

* Please note that Folio No. must be provided

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

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

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

Member's/Proxy's Signature

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

EVEREST INDUSTRIES LIMITED

Regd. Office: GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.

PROXY FORM

80th Annual General Meeting – 26 July, 2013

For Shares held in Physical Mode	For Shares held in Electronic Mode
Regd. Folio No. : ________________	DPID No. : ____________ Client ID No.: ____________
No. of Shares Held : ______________	No. of Shares Held : ____________________

* Please note that Folio No. must be provided

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

I/We ....
of .... in the district of ....
being a Member/Members of EVEREST INDUSTRIES LIMITED, hereby appoint ....
of .... in the district of ....
or failing him .... of ....
in the district of ....

as my/our proxy to vote for me/us and on my/our behalf at the 80th Annual General Meeting of the Company to be held on Friday, 26 July, 2013 at 11:30 A.M. at Gat 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra and / or at any adjournment thereof.

Signed this .... day of .... 2013.

Affix Revenue Stamp and sign across the stamp

....

Signature of Shareholder

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

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