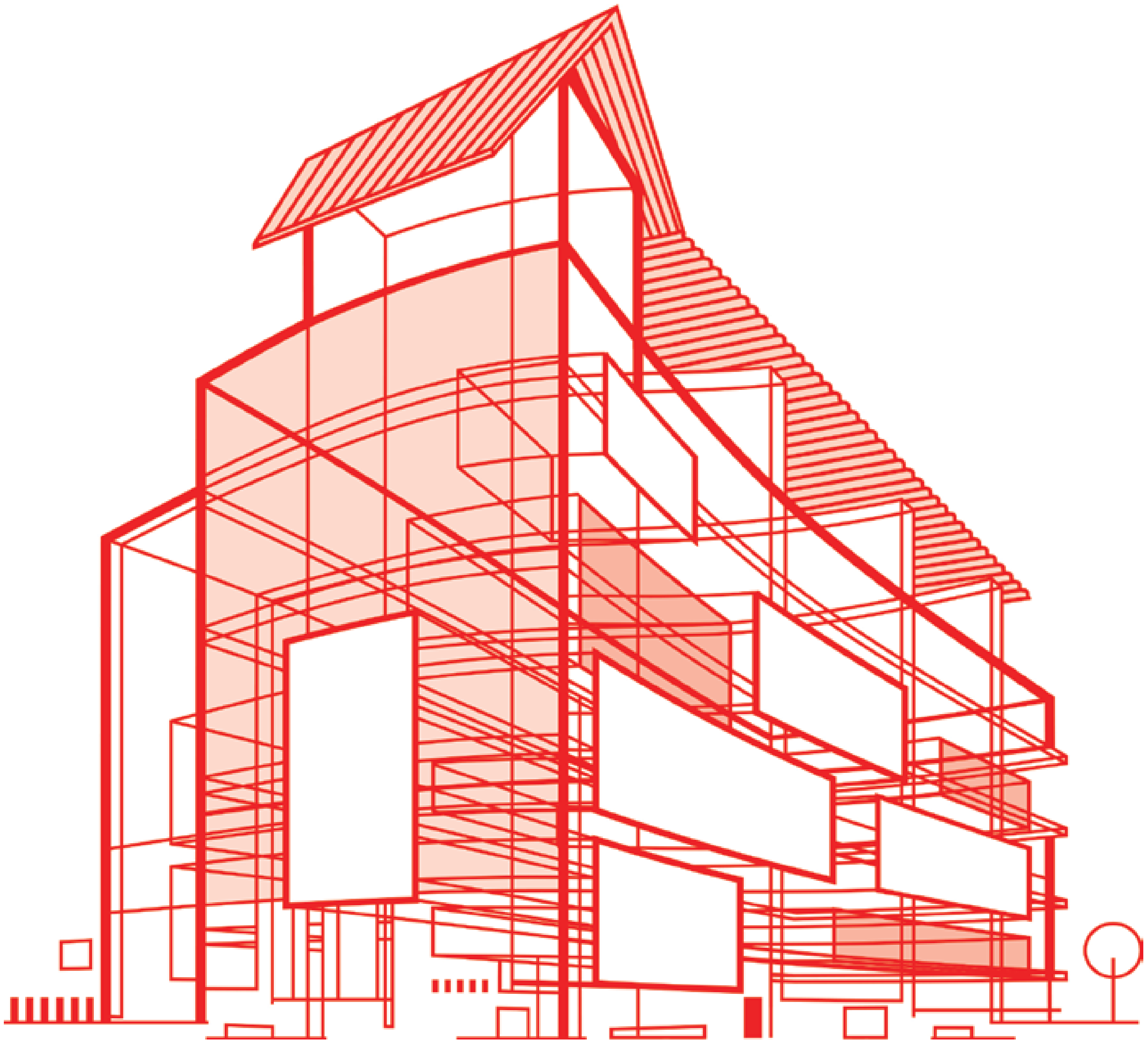
EVEREST INDUSTRIES LIMITED

ANNUAL REPORT

2018-19



New Age
Building Solutions

CONTENTS

Caution regarding forward-looking statements

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

M L Gupta - Vice Chairman and Director

Narotam Sekhsaria - Director

Padmini Somani - Director

B L Taparia - Director

Bhavna G Doshi - Director

Rajendra Prabhakar Chitale - Director

Alok Mahinder Nanda - Director

Manish Sanghi - Managing Director

Y Srinivasa Rao - Executive Director

COMPANY SECRETARY

Neeraj Kohli

AUDITORS

M/s S R Batliboi & Co. LLP

BANKERS

Axis Bank Limited

DBS Bank Limited

HDFC Bank Limited

ICICI Bank Limited

Kotak Mahindra Bank Limited

State Bank of India

Yes Bank Limited

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENTS

MCS Share Transfer Agent Limited
F-65, Okhla Industrial Area, Phase - I, New Delhi - 110 020

[MANAGEMENT]

BOARD OF DIRECTORS

M L Gupta - Vice Chairman and Director

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

Narotam Sekhsaria - Director

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

Padmini Somani - Director

M.Sc. in Financial Economics from University of London. She has experience in multiple sectors including technology, human capital, financial intermediation, retail and general management. She has been active in the philanthropic and development space. She has been recognised for her work in youth education, health and livelihood programmes.

B L Taparia - Director

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

Bhavna G Doshi - Director

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

Rajendra Prabhakar Chitale - Director

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

Alok Mahinder Nanda - Director

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

Manish Sanghi - Managing Director

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

Y Srinivasa Rao - Executive Director

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

[MANAGEMENT]

MANAGEMENT TEAM

Nikhil Dujari – Chief Financial Officer

B Com. (Hons) and Chartered Accountant. He is an expert in business accounting, internal control, taxation, banking and treasury, audit and contract structuring. He comes with 22 years of experience of working with reputed organisations like E&Y, PWC, Alstom and New Holland Group.

Neeraj Kohli – Company Secretary and Head Legal

B.com (Hons) from Shri Ram College of Commerce, Delhi University, Fellow Member of the Institute of Company Secretaries of India, Associate Member of the Institute of Cost Accountants of India and LL.B. from Delhi University. He has rich experience of 29 years in Secretarial and Legal matters.

Rahul Chopra – Business Head – Building Products (Boards and Panels)

B.A.(Economics). He has been with Everest since 1987. He is an expert in Building Products marketing, Business operations, Market activation, Brand building and handling large sales force.

S Krishnakumar – Business Head – (Steel Buildings)

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

Neelabh Kumar Singh - Business Head – Building Products (Roofing)

MBA in Marketing. In his career span of 25 years, he has spent 20 years in the Building Material Industry. His rich experience has made him an expert in marketing, specially in Rural India and consumer service sector.

New Age
Building Solutions

Today, Everest is a complete building solutions provider. The company offers a wide range of roofing, ceiling, wall, flooring and cladding products in its building products segment. The company has consistently introduced new age building products like, Pre-engineered steel buildings for the industrial and commercial sector and solar rooftop solutions. The company has also introduced India's first coloured fibre cement roofing sheet.

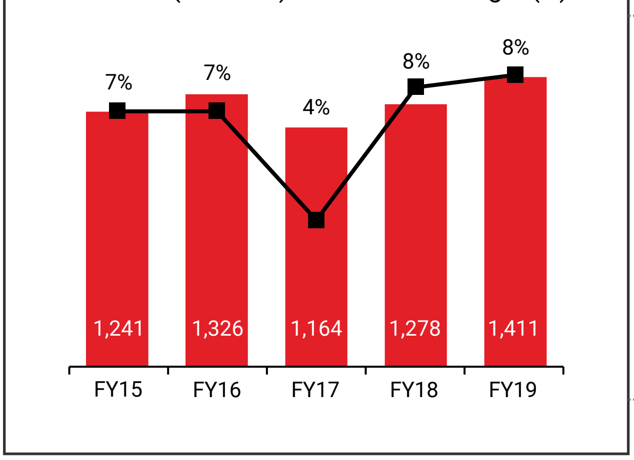
Artewood

Pre-Engineered Buildings


Super

FINANCIAL HIGHLIGHTS

Revenue (₹ Crores) and EBITDA Margin (%)

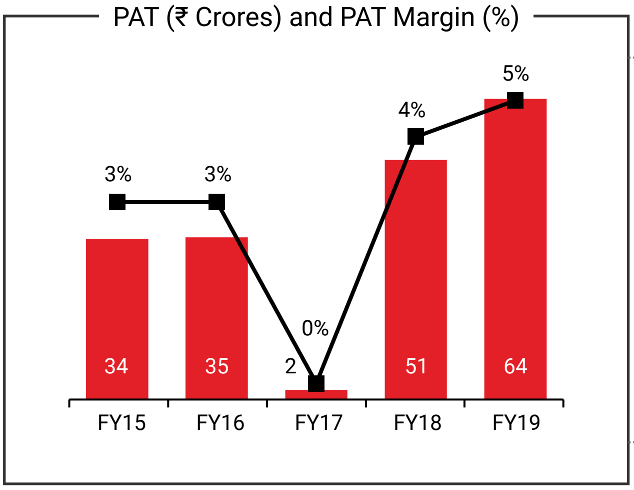


Revenue

₹ 1,411 Crores

Growth 10%

PAT (₹ Crores) and PAT Margin (%)

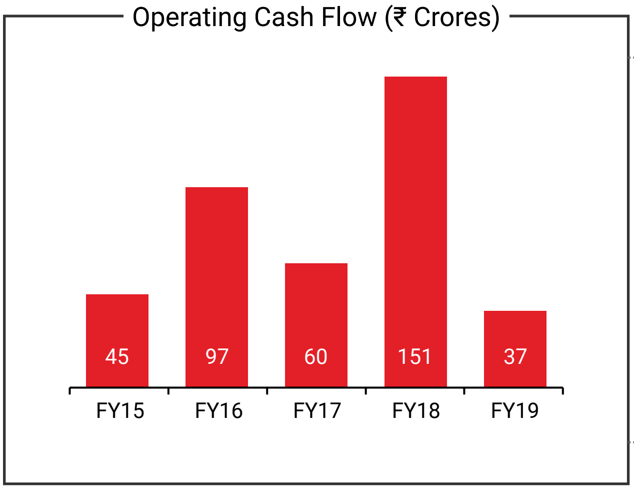


PAT

₹ 64 Crores

Growth 27%

Operating Cash Flow (₹ Crores)



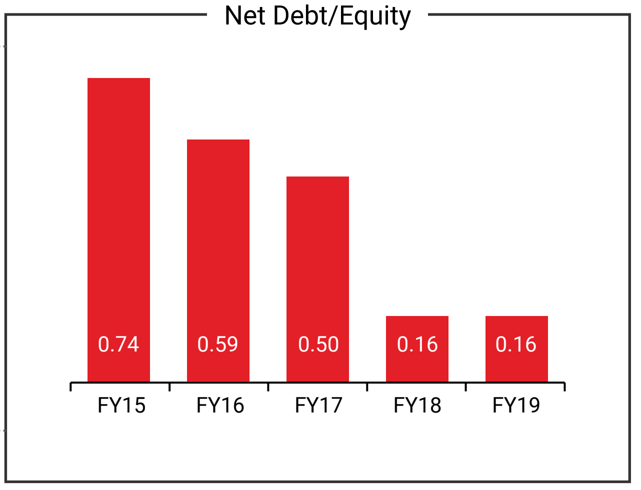
Operating Cash Flow

₹ 37 Crores

FINANCIAL HIGHLIGHTS

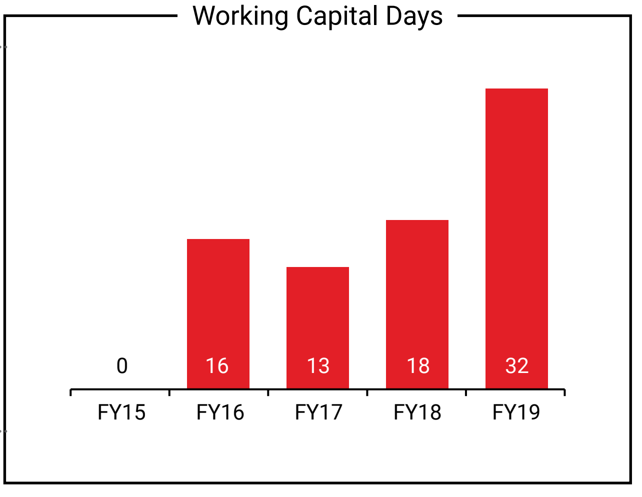
Net Debt / Equity

0.16



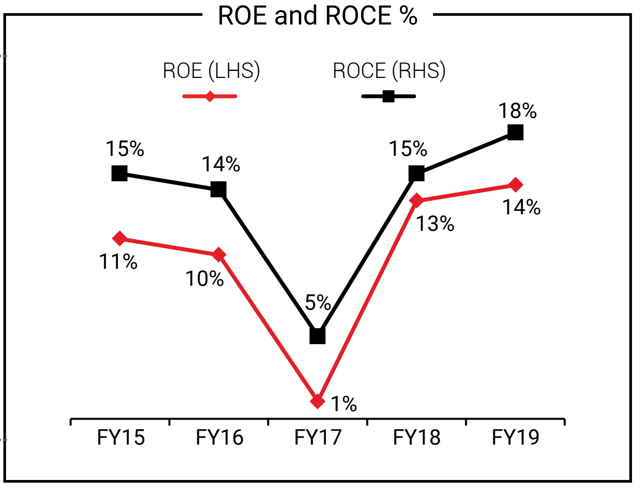
Working Capital Days

32



ROE - 14%

ROCE - 18%



ABOUT EVEREST

Established in 1934, Everest has transitioned from a roofing company to a comprehensive building solutions provider, with a constant endeavour to innovate and pioneer new age building solutions. Today, the company offers a wide range of roofing, ceiling, wall, flooring and cladding products in its Building Products segment. The company has consistently introduced new age building products like, Pre-engineered steel buildings for the industrial and commercial sector and solar rooftop solutions. The company has also introduced India's first coloured fibre cement roofing sheet. Everest is one of the largest Pre-engineered steel building providers in India and has designed and installed more than 2500 Pre-engineered steel buildings.

BUSINESS SEGMENTS

The Company has two business segments – Building Products and Steel Buildings.

The Building Products business caters to rural and urban, housing and commercial markets. Today 64 % of the revenue comes from the building products division which offers a wide range of roofing products as well as accessories and fibre cement boards and panels.

The Steel Buildings segment (36% of the revenue) provides unique, customised Pre-engineered buildings and Smart Steel Buildings for industrial, commercial and logistics applications.

OUR VISION

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

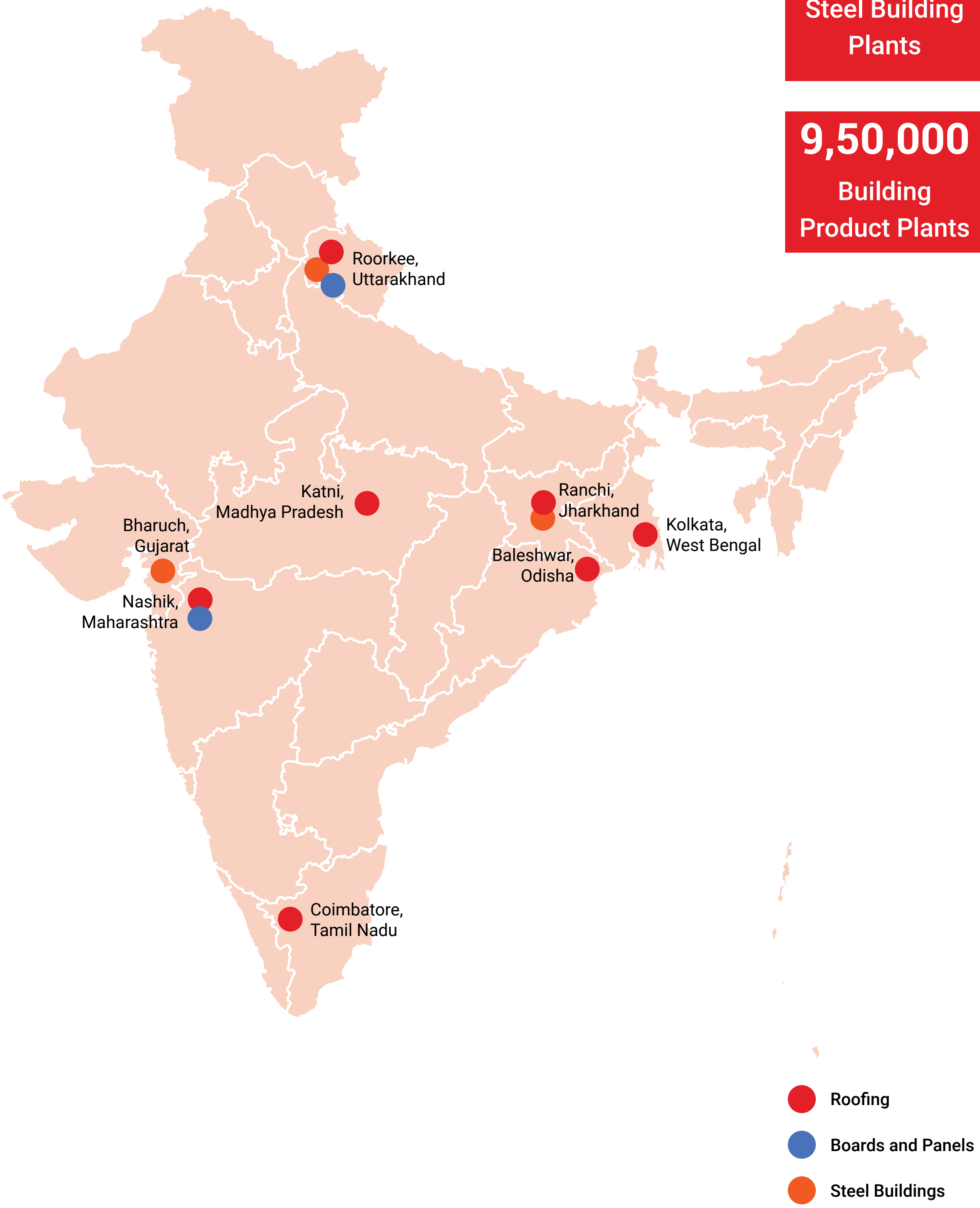
6,000+	1,00,000+	600+	2,500+
Dealers	Villages	Cities	Pre-Engineered Steel Buildings

OPERATIONS

Total Capacity (MTPA)

72,000
Steel Building Plants

9,50,000
Building Product Plants



[BUSINESS OVERVIEW]

BUILDING PRODUCTS

Roofing

Everest offers a wide range of roofing products for residential, commercial and industrial applications. We do over 5 crore Sq m of industrial and residential roofing every year. The company's constant endeavour to innovate new and value-added products for its consumers, has resulted in immense brand loyalty. With seven roofing sheet production lines across the country and a distribution reach of more than 1 Lakh villages and 600 towns, the Everest brand is synonymous with roofing in India.

Everest Fibre Cement roofs have been a flagship product of the company for more than 8 decades. Made from superior quality cement and imported fibre using a unique fibre mesh technology, these sheets are used for rural applications such as animal shelters and poultry farms, residential applications and commercial applications. These corrugated sheets undergo rigorous quality control checks, making them the most suitable and economical option for a durable, pucca roof.

Everest Super

Everest Super is India's first coloured and waterproof fibre cement roofing sheet, created by our in-house R&D team, to address the aspiring needs of the rural consumers. Everest Super roofs are available in multiple colour variants like red, green, blue, copper, gold and yellow. Its unique properties of water resistance, anti-fungal and low thermal conductivity which keeps the indoors cool, have made the product a preferred choice for consumers.

Steel Roofs

Everest Steel Roofs are coloured metal roofing sheets which are an ideal option for residential, industrial and commercial applications for its anti-corrosive and weather-resistance properties.

Rooflight

Everest Rooflight is made from virgin polycarbonate resins, which transmit sunlight thereby conserving electricity and having a natural and aesthetic visual appeal.

Hi-Tech

Everest Hi-Tech is a superior roofing product made with synthetic fibres making it a good non-asbestos and non-metal option. The fibres used in the product replace asbestos and gives high impact resistance which conforms to the highest international standards.

BUILDING PRODUCTS

Boards and Panels

Everest offers a range of new-age fibre cement boards and panels, which enable strong, light, rapid and durable construction of residential, commercial and industrial infrastructure. Made using environment friendly materials, these products are used in a wide range of applications such as cladding, ceilings, walls, facades, wall partitions, interior and exterior wall lining, pre-fab structures, drywalls and mezzanine floors.

Everest Boards and Panels are manufactured using Hatchek process enabled with HPSC (High Pressure Steam Curing) technology which makes them moisture, fire and termite resistant. These new age panels have significant competitive edge to other wood based alternatives.

BUILDING PRODUCTS (CONTD.)

Designer Ceilings

Made of high-quality Fibre cement boards, Everest Designer Ceilings come with superior attributes that enhance the aesthetics of your living and working spaces, besides promising lifelong performance. Everest Designer Ceilings are manufactured using state-of-the-art processes with a basic mix of cement, cellulose, pulp fibres and additives. This revolutionary process not only makes them highly durable but also resistant to fire, moisture and termites. These are available in four textures i.e. Lake & Hill, Oceanic, Electra and Cascade.

Heavy Duty Boards

Heavy duty boards from Everest help you achieve more with less. These boards give increased strength with less thickness, more durability at less cost, thus resulting in savings for the user. They are used for facades, floorings, external and internal wall paneling.

Rapicon Walls

These are revolutionary dry wall solutions that help construct 4 times faster than traditional construction while maintaining the safe and solid features of a conventional brick or block wall. Rapicon Walls comprise of sandwich panels made of Fibre Reinforced Aerated cement concrete and Everest Wall Boards. The unique 'Tongue and Groove' joint system facilitates rapid construction and maximizes space utilization.

STEEL BUILDINGS

Pre-engineered steel buildings have become the preferred solution for factories, warehouses and commercial buildings. Everest provides comprehensive solutions from designing, engineering, manufacturing to final erection. The company has successfully delivered more than 2500 Pre-engineered buildings. Everest builds over 8 Lakh Sq m of Pre-engineered buildings every year.

Pre-Engineered Buildings

Pre-engineered buildings are an advanced and innovative method used in construction. These are Structured Steel buildings that are shipped from the plant and assembled at site. The innovative technology and speedy construction results in significant time savings and no cost overruns for customers. On time delivery, quality and reliability are the reasons that marquee companies like L&T, Godrej, Rockman, Reliance Retail, Supreme Industries, Sulzer Pumps Ltd., Cummins, Kansai Nerolac Paints and many others have chosen Everest as their preferred choice for Pre-engineered building solutions.

Smart Steel Buildings

Everest Smart Steel Buildings are Light Gauge Steel Frame structures used for low rise constructions, such as staff accommodation, site offices, rooftop extensions, schools and hospitals, especially on a challenging terrain.

[MARKETING]

Everest reaches out proactively to its consumers. All its marketing programs are targeted towards the end consumer, with the objective of educating them about the new age building products. Brand engagement remains core to the marketing philosophy at Everest. We reach out to our target audience like architects, interior designers and industry influencers through various mediums like exhibitions, knowledge seminars and TV campaigns. Everest Super is changing the landscape in rural India by giving the customers the choice of colour. Our TV and radio campaigns connected well with the customers: asking a common question, if life is colourful then why not your roof?

We are now launching Artewood, a premium finished, ready to install product. Artewood will redefine the way exteriors and interiors of a house would look. With this product, Everest will be the first choice of every architect when it comes to lifestyle décor.

Digital

In line with the modern day requirements, Everest is now transforming to a digitally active brand. From building a social media presence to engaging customers to making online sales, we are doing it all and realizing the potential of the digital world.

Everest has an active social media presence on platforms like Facebook and Linkedin. The visual heavy platform Instagram, is our new destination where we share some of the amazing projects that have used Everest products. The response has been overwhelming and we plan to amplify the activities to reach out to our current audience and the potential ones. Everest being a pioneer in its field, is also sharing its knowledge with the relevant audiences. We plan to be present on content platforms where we answer product related queries and also educate people on the topics they have no access to. To put it simply, Everest Digital is beyond its website, it is from information to inspiration.

Everest award of excellence

L to R: Mr. Radha Krishnan TR; Dr. Raneev; Architect Sangeet Sharma; Mr. Rahul Chopra

Everest conducts the award of Excellence for the final year architecture students. We aim to interact with budding architects of tomorrow and educate them about our new age building products. It encourages high standards of scholarship in the field of architecture.

We conducted the award at Anna University on the 5th of March 2019.

Award winning Chandigarh based architect, Sangeet Sharma was invited as the chief guest who also happened to be an alumnus of the college. Around 100 students attended the programme. Architect Sangeet Sharma presented his architectural work, experience and emerging trends of the construction industry with the students. He connected with students on thinking, building and writing architecture. Sharma works around sustainable applications and his thought process is well reflected in the five books he has authored.

[NEW PRODUCT LAUNCHES]

Artewood – A statement of style and sophistication

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

Integrated Building Solutions

Everest is a complete building solutions provider that offers Integrated Building Solutions to its customers.

From designing to manufacturing to erection of the building, Everest does it all. Everest is the only concept to commission player in this segment that can boast of in house capabilities ranging from design to erection of steel structures, complemented by an array of wall and roof solutions, crowned by its rooftop solar offering. This is a first of its kind initiative in the building industry. Traditionally, multiple contractors are involved to make an industrial or a commercial building but with this new concept, Everest becomes a one stop destination for its customers and takes away the hassles of multiple vendors.

CHANGING THE RURAL LANDSCAPE

Challenge

Severe climatic conditions like heat, rain and strong winds, are a cause of concern for the poultry farm owners across the country. Their most important asset - the chickens, faced issues like weight loss, mortality and various diseases. A roof that could solve the problems for the farm owners, was the unsaid need of the industry.

Action

Everest Super, a coloured roofing sheet launched by Everest provides a perfect solution to the poultry farm owners. Everest Super is made with special technology and its colours not only add aesthetic beauty but also have functional purpose to solve the issues for the poultry farm owners. Everest Super helped to lower the inside temperature of the shed by 4-8°C, increased weight gain rate of the chickens by up to 25% and reduced mortality rate by up to 80%.

During monsoons the chickens were exposed to various kinds of diseases due to fungi. Everest Super has anti-fungal properties which proved to be 3 times more effective than normal AC sheets.

Conclusion

Poultry farm owners finally found a wonderful product, which provides a cooling effect during summers and is moisture resistant during the monsoons. As a result more and more poultry farm owners have started using Everest Super for their roofing needs.

Amazing attributes of Everest Super Roofing have impressed not only the poultry farm owners, but also the rural and semi-rural industrial and commercial property owners. People are now using Everest Super roofing extensively in their projects all across the country.

A COMPLEX ACHIEVEMENT

The Task

To cater to the growing demand for edible Oil, a Greenfield capacity expansion was planned near the palm oil field in Chintalapudi Mandal, A.P. After a stringent shortlisting process, Everest Pre-engineered buildings was selected for design and engineering, manufacturing, logistics and erection of multiple buildings spread over an area of over 9550 Sq m, in a short span of time.

The Challenges

There was a severe challenge at the site. The oil manufacturing machinery was already installed leaving no access for us to install the PEB buildings. The site was surrounded by an ash handling building on one side which had a huge chimney, a turbine foundation work on the other side and the remaining space was occupied by a building. This situation was never faced before when a PEB building had to be erected at a place which was inaccessible.

Everest Innovation

To ensure timely completion of the project, Everest came up with a solution to erect complete installation of the building from outside using cranes. For this purpose, two 180 MT cranes were used to complete the erection work on time. The material was lifted to a height of 40 m to complete the boiler house building. Safety briefing and training was carried out for workers to ensure their safety when working at height. It was mandatory for all workers to wear PPE equipment and do the erection work when they were properly attached to safety harnesses.

Result

With full compliance to safety, the Innovative minds of the Everest team delivered a very complex 34.8 m high, G+6 multi-storey process plant, under the most complex site conditions.

A SYMBOL OF PRIDE

The Task

A luxury boutique resort, designed by a top notch architect, wanted to experiment with wood based aesthetics. The tropical climate of Goa was a concern. Their options were Marine ply for roof tile substrate and Pinewood for cladding and ceiling. Everest helped them get the desired Portuguese backdrop with Fibre cement boards and planks.

Action

While the client wanted to use wood extensively, the humid climatic conditions did not support their vision, owing to the fact that wood is susceptible to damage with water, fire, termites etc. Everest proposed the use of Fibre cement boards as the perfect material for the resort. Being a new age product, gaining the client's confidence was a challenge. We convinced them to do a mock-up installation. This installation was quite impressive. It addressed all their concerns and helped Everest bag the project.

Everest Fibre cement boards and planks, gave them the exact look of wood without the disadvantages. The roof tile underlay was done by Everest Standard boards and Everest Cement planks were used for cladding, barricades and pillars, weaving the bohemian story with style. Everest Fibre cement boards, planks and Artewood are now being recommended by many architects and builders. It is gaining both popularity and acceptance in the hospitality sector.

Result

While the Resort enjoys the adulation of tourists, the guests enjoy their vacation in the secluded settings of this eco-friendly aesthetic marvel. This piece of art is now a symbol of pride for Goa as well as Everest.

[RISKS AND CHALLENGES]

Risk identification is an important aspect to make good project decisions which will in turn help maximize the returns and give shareholders their worth for investment. However, risk identification will not result in anything unless effective risk mitigation strategies are used. Everest Industries takes proactive measures to identify the risk and mitigates it through an integrated risk management approach, comprising of centrally-issued policies, divisionally-evolved procedures, and periodic reviews undertaken by the senior management. Some of the key strategies to mitigate different types of risk are explained below –

RISK: VOLATILE RAW MATERIAL PRICES

Volatility in raw material prices is a critical risk to business which could also impact the company's profitability. The raw materials used by the company are chrysotile fibre, cement and steel. To mitigate this risk, the company has developed a system to manage its inventory effectively and buying them on contract basis at best possible negotiated prices to have least possible impact of price volatility. Another major raw material is steel which has shown high volatility in recent years. This risk is mitigated by executing the projects faster and including escalation clauses in contracts to hedge against the rising steel prices, or in some cases the contracts are made in a way that prices of steel is passed to buyer.

In the Cement and Steel industry, a capital intensive market has seen an uptrend in prices in recent years. We believe that this would be offset by either an increase in selling prices of our final product or by market forces as prices can't continue to be high in the long term as it impacts a large number of government projects for roads & infrastructure.

RISK: SUSTAINING GROWTH MOMENTUM

It is important for any organization to not just grow but it should be sustainable, or else the organization faces the risk of unsustainability and volatility. For this, Everest Industries has made investments to ensure that the company keeps on growing over the next couple of years. With these investments, the company is aiming to increase its market share by adding new clients to its existing customer base and expanding the network of dealers to explore different geographical regions. For the steel projects, the growth momentum is targeted through maximising the capacity utilisation of existing plants.

RISK: DEPENDENCE ON A SINGLE SEGMENT

Putting too many eggs in one basket is a big risk. Similarly, dependence on a single segment for its revenue is also a risk an organisation cannot take. Everest has mitigated this risk by diversifying into different product portfolios.

This improves the visibility of the brand and expands the customer base. The company offers boards and panels which are used by commercial, industrial and residential segments, thereby opening doors to new opportunities. Also, shifting from its conventional roofing products, the newer roofing products have seen acceptance in industrial, residential and commercial places.

RISK: RESTRICTIONS ON USE OF ASBESTOS

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 Russia. Since it is not sprayed, fibre emission is fully controlled. Fibre concentration at our production facilities is better than international norms and we ensure zero discharge of industrial effluent. Regular health check-ups for all of our employees confirm the absence of any asbestos-related disease over decades of service. We ensure the highest level of safety for our employees and the community. Living and working under an Everest Roof is safe.

RISK: LACK OF CLARITY ON INCENTIVE UNDER GST

The industry is undergoing change. This is a result of several initiatives of the government. Everest and the industry at large have managed to be compliant with GST and other laws and regulations. The government has been considerate in their approach to the new developments and the industry needs to partner with the regulator to ensure the success of initiatives promoted by the government.

As Everest we are committed to 100% compliance and have always achieved the best. In Odisha, the state government is yet to notify the tax subsidy scheme that we were allowed.

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OVERVIEW

The global economy is expected to grow by approximately 2.6% in 2019. As per World Bank, growth among emerging and developing economies is forecasted to fall to a 4 year low of 4% in 2019. The growth is constrained by sluggish investment and risks including rising trade barriers, renewed financial stress and sharper than expected slowdowns in several major economies. Current economic momentum remains weak, while heightened debt levels and subdued investment growth in developing economies are holding countries back from achieving their potential. With growth in advanced economies projected to gradually decline to about 1.7% once economic slack is eliminated, the further pickup in global activity will entirely be driven by emerging markets and developing economies.

INDIAN ECONOMIC OVERVIEW

The Indian GDP has grown by 6.9%[1] in Financial Year 2019. The decline in GDP growth is on account of multiple factors like, fallout of NBFCs, low credit growth, tight liquidity conditions, dismal growth in wages and flat exports owing to a global slowdown. Indian manufacturing continued its downtrend growing at 3.1%[2]. However, GDP growth rate is expected to bottom out in the coming quarters. RBI has cut rates twice and is likely to follow with another in the upcoming policy with the liquidity scenario improving. With the government continuing to roll out policies focusing on rural population, there could be some relief to the ongoing distress and signs of recovery should be visible in the second half of the financial year.

RURAL INDIA GROWTH

The Financial Year 2018-19 in India saw a shift in jobs from farm to non-farm occupations. As a result, economic hardship in the agricultural sector became acute and also non-farm rural incomes got adversely affected with slower wage growth and the lack of new jobs during the past year. This was negated by an increase in Minimum Support Price of agricultural produce.

The share of agriculture in rural output is 39%[2], whereas the rest is contributed by the manufacturing, construction and services sectors. However, a large 64% of rural employment is in the agriculture sector. Agriculture in India generates only 15.6% of GDP but sustains 44% population of India.[3]

The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage. Budget allocated to the sector and for farm welfare in 2018-19 doubled to ₹ 57,600 Crores The government has taken various initiatives like[4]:

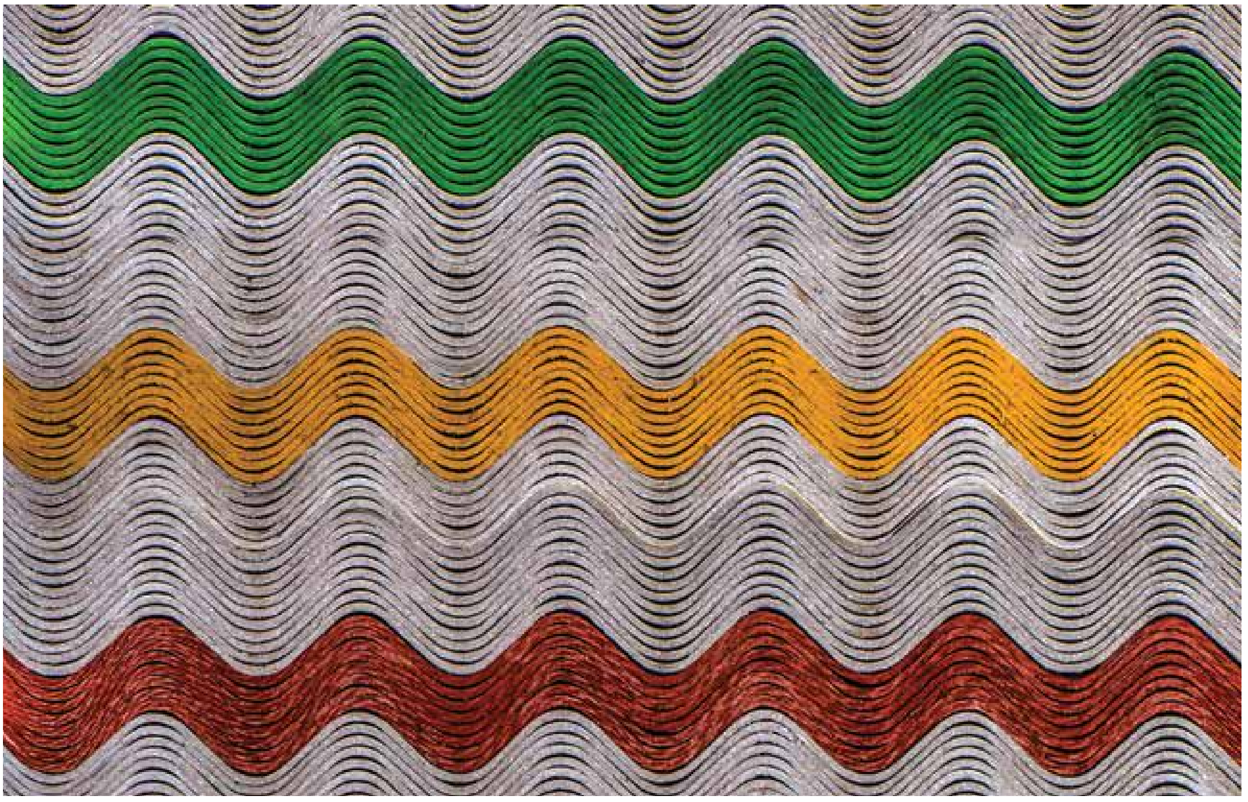
- PM-KISAN scheme which will benefit ~1.2 Crore small and marginal farmers with an annual budget of ₹ 75,000 Crores by giving direct income support[5]
- The government declared 50% hike in MSP for some of the crops and announced an institutional credit of ₹ 11 Lakh Crores for the agriculture sector[6]
- To build One Crore rural houses with a budget of ~₹ 82,000 Crores, 87% of the target has been completed till date
- PM Health Insurance scheme is likely to give the rural Indian additional spending power that he can then use for alternative investment

URBAN INDIA GROWTH

The population in urban India has grown and stood at around 28.5 Crore people constituting 28% of the total population. Indian real estate is expected to contribute 13% to the country's GDP by 2025 and reach a market size of USD 1 Tn by 2030. By the year 2021, more than 43.2 Crore people will live in urban areas and this is likely to increase to 67 Crores by 2031[7].

For urban development, 100 cities are selected to become Smart Cities with an outlay of ₹ 2.04 Lakh Crores of which projects worth ₹ 4,800 Crores have been completed. The construction industry plays a major role in the development of urban India and has contributed nearly 9% of the national GDP during the last five years and till 2025 it is expected to grow at an average of 7.1% each year[8].

[1]Businessline [2]Livemint [3]World Bank Data [4]Report by IBEF
[5]Business-standard [6]Economictimes [7]Planning Commission Report
[8]Budget 2018, Economic Times



INDUSTRIAL GROWTH

The World Bank has forecasted that India will continue to remain the fastest growing major economy in the world in 2018-19. According to the World Bank report[9], India's GDP will climb up to y-o-y of 7.5% in the next two financial years (2019-20 and 2020-21)[10], as a result of accelerated growth driven by an upswing in consumption and investment growth.

India is the third largest consumer market having growing consumer spending in domestic market, with a rapidly increasing middle class. To cater to the demands and consumption of this burgeoning middle class, the manufacturing sector is expected to grow from current 16% of Gross Domestic Product (GDP) to 25% by 2022[10].

The logistics sector is the backbone to any country's industrial growth and development. Logistics includes transportation, inventory management, warehousing, materials handling and packaging and integration of information. It works like a bridge between the point of origin and the point of consumption. From mere transportation of goods, with the on-going deeper penetration of internet and e-Commerce, it has become an integral part - covering all aspects from supply chain to warehousing and delivering. In the last 4 years, the Indian warehousing and logistics market has risen to ₹ 56,000 Crores and is projected to reach a CAGR of 9.5% during 2019-2024[10] .

HOUSING GROWTH

The real estate sector contributed 7% to the country's GDP and its share is expected to double by 2040[11]. The government rationalisation of GST rates from 8% to 1% in the affordable housing criteria is seen as an immediate move towards getting the real estate sector the much-needed acceleration. With effects of RERA and GST waning and the builders and developers falling in line, the sector holds promise. Moreover, rising purchasing power, rising population, increased push towards social economic infrastructure and rural migration to urban areas are seen as the major reasons for the growth in the Housing Sector.

The Pradhan Mantri Awas Yojana, provided a total of 1.07 Crore houses in the last 4 years. Affordable Housing Fund (AHF) has been established with National Housing Bank with a corpus of ₹ 10,000 Crores as a Priority Sector Lending. Also, under the 'Housing for All' Scheme, The Ministry of Rural Development and Ministry of Housing and Urban Affairs provides pucca houses to all. Achieving the goal of 'Housing for All' for a shortage of 1.2 Crore Units in Urban Area will be a big step in the realization of New India Vision 2022 that will trigger economic growth and create millions of jobs for skilled as well as unskilled workers[12].

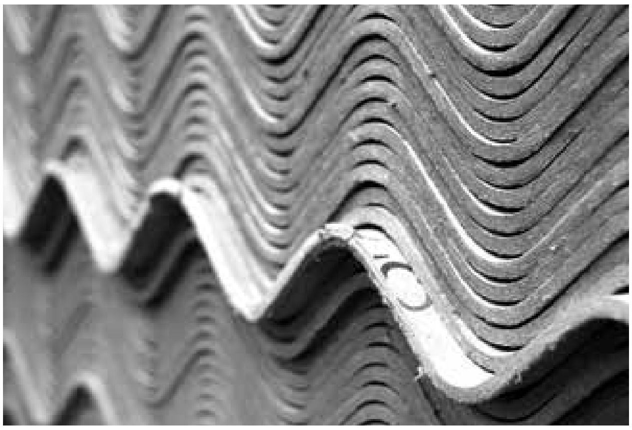
[9]World Bank Report-Global Economic Prospects: Darkening Skies
[10]Report by IBEF

[11]Timesofindia [12]Ministry of Rural Development

BUSINESS SEGMENTS OVERVIEW

BUILDING PRODUCTS

The Roofing Industry



The Indian roofing industry is witnessing a paradigm shift. Customers are now demanding durability and flexibility along with aesthetically pleasing designs for their roofs. The industry is preparing for the next generation of roofing. The demand for fibre cement roofing sheets was supported by different factors on an industry-wide scale by improved disposable income in the hands of rural population, implementation of MSP, good monsoons, increased farm efficiency, nuclearization of families, government initiatives around Housing, etc. Growth in the infrastructure and industrial segments have been a major demand driver for the roofing industry. Major shift is observed from clay tiles and conventional roofing. Customers are looking for architectural solution which provides innovative shapes and attractive colours. Everest offers complete solutions in the roofing portfolio. From being the pioneers of coloured roofing sheets – Everest Super – to the non-asbestos roofing sheets – Hitech, from galvalume metal sheets (Everest Steel Roof) to the transparent roofing sheets (Everest Rooflight) – we provide complete solutions, along with the required accessories.

Estimated at ₹ 42,000 Crores the roofing industry is expected to grow between 6-8% relying upon development in GDP and rural income and better monsoons. Supported by positive monetary developments, the Company sold higher volumes during the year which also saw our highest ever turnover.

Cost Control

The scope for controlling costs remains never ending and continues to be one of the priorities of the Company.

Our Material Utilisation efficiencies improved and we also benefitted from better negotiations from material suppliers. Overall, however, material costs were stable as exchange rates hardened during the year.

All plants saw measures to review and optimise material use patterns to gain from usage efficiencies.

Our manufacturing costs were optimised due to higher output and improved factory utilisations. Balancing equipment were added at many plants and Kolkata plant was refurbished to improve the quality and quantity of output.

Market Share

We were successful in gaining market share through targeting strategic markets and creating value added products. The focus on increasing penetration resulted in gaining market. The industry grew by about 6% while we grew at 12% on volume.

Prices

Market prices have not increased in line with increase in raw material prices. Our premium roofing sheet, Everest Super, is priced at a premium to the regular fibre cement roofing sheets and with an increase in income levels the demand of the product has increased for this particular product improving our overall realization for the Roofing business.

Brand Everest and Customer Servicing

We have made a strategic shift in our marketing and branding initiatives. From a need-based reactive approach to a proactive strategy that acts as a springboard, we are working closely with our customers, trying to understand their nuances and developing solutions and systems that work for them. It enables us to be the closest to our customers and in the process grab more eyeballs and reinforce brand recall.

Everest Super – the coloured roofing sheets - which our company had launched in 2016, has been changing the landscape in many parts of rural India. Available in multiple colours, these sheets are fulfilling the growing aspirations of the masses. More and more people in rural India are now using the coloured roofing sheets. The Everest brand continued to strengthen with its initiatives like in-shop and on-shop communication initiatives to create significant brand visibility. We continue to educate, inform and train roofers about these new coloured roofing sheets. Our focus on dealer engagement continues. We concentrated on consistent efforts to reach out to consumers and influencers. We consciously undertook marketing initiatives, which positively impacted our brand.

Our Non-Asbestos roof also picked up and has benefitted the Company from a reach perspective and also in the value we are able to bring to our customers.

Polycarbonate roofing which adds to our product range also helps us to bring value to our customers and to offer them the entire range of products.

During the previous year we added metal roofing lines in a couple of our factories all of which are doing well and delivering timely, efficient products to our customers.

We also increased our focus in servicing the dealer network better by improving our logistics where we have reduced delivery times to market and by reducing cost of dispatch through depot alignment. The lead time for the resolution of customer complaints was reduced from 45 days to 8 days which has led to a huge surge in dealer confidence. New quality initiatives were undertaken at each plant to enhance quality with an aim to push the expectations of consumers even higher.

The Boards and Panels Industry

Across large parts of the country, an unprecedented optimism is palpable. India's upwardly mobile society is making lifestyle choices that were unimaginable a few decades ago. Economic empowerment, rising aspirations, disposable income and a seamless digital life are changing perspectives about lifestyles. With a surge in affordable housing and ready-to-move-in offices, the demand for faster, speedier and quality products in interior infrastructure is growing. The new age wood panel – Fibre cement board is now gaining acceptance in private as well as government projects. These eco-friendly Fibre cement boards are becoming popular as the alternate wood-based panels, because these are contemporary and cost effective and offer faster and dry construction. At Everest, we are well poised to cater to this demand with our existing, as well as upcoming solutions and systems.

Fibre cement boards are superior to conventional boards and panels such as gypsum boards, MDF, plywood, etc. It is a revolutionary product which brings in speed and strength to construction with multiple applications in the interiors and exteriors for industrial, residential and commercial structures. The Fibre cement boards and panels industry has grown at 17 % in the last year. The size of this market is expanding, and many peers have followed the trend by starting manufacturing boards which have helped to create awareness as a whole. With the wood panel industry sized at roughly ₹ 50,000 Crores, there is a large opportunity for us to serve going forward. Dry wall construction is expected to grow at 13.4 % CAGR.[13]

Numerous government initiatives such as 'Housing for All', 'Smart Cities', 'Swacch Bharat' etc have started to supplement the demand for these products. Our wide product range has helped us to be the market leader in the boards and panels segment.

Everest Boards and Panels Solutions

Everest today offers complete solutions in the Fibre cement boards and panels category - from ceilings to walls, from floors to cladding and dry wall systems for faster and dry construction. The vast range of Fibre cement products is manufactured at our state-of-the-art plants in Roorkee (Uttarakhand) and Nashik (Maharashtra).

The industry is moving towards value addition, which will be a potential growth driver, going forward. Everest continued its focus on growing the value-added product portfolio, to cater to the growing demands of the consumers. Everest Rapicon Walls, Cement Wood planks, Designer Ceiling tiles and Heavy Duty Boards are gaining traction with architects and interior designers.

Influencer initiatives

In India, the use of Fibre cement boards is catching on. Therefore, the need for education on superior product attributes and possible applications is important. We focused on educating our partners to position Fibre cement boards as a substitute to wood and wood-based panels in the Tier-II and Tier-III markets.

We continued to train applicators, engage with influencers to create awareness of the advantages of our products over other wood-based panels. Architects and Designers are the key influencers to the purchase decision making process of Fibre cement boards. The Boards and Panels business partnered with various exhibitions, seminars and thought leadership platforms which cater to the architect and interior designer fraternity, with a target to educate the audiences. Training programmes to increase awareness, improve workmanship and create a better rapport between our team in the field and contractors / installers, were conducted.

- **Pehchan:** The Pehchan programme is essentially an awareness programme to be run in synchronization with the expansion plan. The objective is two fold: to reach out to the contractors and installers to make them aware of the applications and advantages of Everest products; and secondly, to familiarize our team with the contractors and installers. In the last year we reached out to **7362 contractors and installers** through this engagement.
- **Kaushal:** A skill enhancement programme, Kaushal is a focused one-day training programme where the interested contractors and installers from the data base of Pehchan are provided hands-on training on our applications. In Financial Year 18, we have trained 5809 new contractors through Kaushal.

Innovation

Everest offers **'Green Solutions'** as an endeavour to save the planet by lowering the carbon footprint caused during construction. At the core of **'Green Solutions'** lies Everest Fibre cement boards, an advanced green material regarded as the best substitute for natural wood and wood-based products. Made from 40% recycled content, Everest Fibre cement boards boast of excellent versatile applications and thus, serve as clean and green material.

With increased awareness about modern methods of construction and with a need to work with speed, our Fibre cement boards are finding acceptance with the residential, commercial and industrial segments. In this regard, the company has been working on improving its

[13] DNA consult - Cement based boards market in India, Industry report 2018

product and solution mix with the test marketing of few new offerings for interior and exterior designer partitions, ready to install cladding solutions and solution for damp proofing of walls. There has been positive learning from these efforts which are expected to translate into new solution offerings from the Company this fiscal year.

Steel Buildings Industry

The need for rapid infrastructure development in the country to match the economic growth is spurring a corresponding demand for Pre-engineered buildings and ready to use building technology. To match the pace of infrastructural growth, the availability of world-class building products and technologies is essential. In view of the potential to increase productivity and efficiency and maintaining quality, the role of Pre-engineered buildings has been well acknowledged by the global experts.

The need to construct fast and durable structures is leading to steel buildings gaining popularity worldwide. Steel buildings have primarily been used in industrial structures such as factories and warehouses and also for infrastructure projects like metro stations, shipyards and airport hangers. Use of pre-engineered technology is increasing primarily because these are technology driven versatile, economical and environment friendly method of construction.

Everest Steel Buildings Solutions

Everest has been a pioneer to adapt globally accepted cutting-edge technologies. Everest Steel building division offers Integrated building solutions which are compliant to all applicable quality standards. At the same time these solutions meet all the expectations of architects and structural engineers who endorse indigenous Pre-engineered buildings, specific to the local climatic conditions and culture.

Everest is committed to providing end-to-end solutions under one roof by systematic development from structural design to installation. Everest is one of its kind player in the PEB segment, offering end-to-end solutions. From designing to manufacturing to erection of the building, we do it all. Everest is the only concept to commissioning player in this segment that can boast of in-house capability ranging from design to erection of steel structures, complemented by an array of wall and roof solutions, literally and figuratively crowned by its roof top solar offering. In addition to PEB structures for industrial usage, the company also offers Smart Steel Buildings, a Light Gauge Steel Frame (LGSF) structure that sees multiple applications across residential and commercial segments.

Timely performance, excellent service backup and a faster response time ensures high percentage of repeat clientele for the company.

We have completed the designing, manufacturing and erection of over 2,500 Pre-engineered buildings since our inception.

During the year, the company completed 164 projects covering more than 8,00,000 Sq m. The order book of the company stands at 20,000 MT at the year end.

In FY2018-19, Everest delivered some remarkable Pre-engineered building projects like Rockman Industries Ltd at Srikalahasti (Tirupati), T.N. The company also completed a project for ATG Tyres at Dahej, Gujarat spread over an area of 59,343 Sqm and BKT Tyres at Bhuj, Gujarat spread over an area of 22,540 Sq m. Everest also delivered a complex G+6 multi-storey process plant building for Godrej Agrovet ltd at Chintampalle, A.P. Total 7 buildings were completed spread over an area of 1,00,500 sq. ft.

We are committed to growing our footprint and brand position through efficiency building and responsiveness to customers. Although, volatile steel prices have hampered gains made on other efficiencies created, we are steadfast in our belief that these initiatives are sustainable and steel prices will be stable.

New Initiatives

In our Steel Building Segment, we have combined our expertise and wide product offerings to offer Integrated Building Solutions to our prestigious customers, for all their building needs. We have conceptualized and delivered Steel buildings comprising of built-up sections for framing structure, Light Gauge Framing and Boards for internal partition in the building and Rapicon wall panels (aerated concrete) on the outside periphery and roof top solar with both capex and opex options.

Raw Material Impact

Steel price volatility and unrealistic price increases continue to have an adverse impact for the entire industry. Import restrictions have affected profitability.

The Indian government imposed an emergency Minimum Import Price (MIP) measure in Feb 2016 for only the second time in history. MIP has since been replaced by long-duration anti-dumping duties (ADD) applicable till 2021.

OPERATIONAL QUALITY IMPROVEMENT

Various steps taken to improve productivity at units translated into 14% higher production for Roofing segment and 17% higher production for Boards. In addition, Rapid Construction walls production (Rapicon) production increased by 8%. We also enhanced our Rapicon production capacity by 20%.

This resulted in additional operation efficiencies and reduction in conversion cost by 2%. Additional growth in production came mainly from new products as a result of which we were enthused to launch a pipeline of projects to improve Everest super colour roofing sheets productivity and quality during this financial year.

We also worked on our Finished goods dispatch capabilities which were improved across all units, by improving infrastructure to meet higher customer service levels.

On Fibre cement boards we introduced Artewood – A special purpose paint coated Fibre cement board for external/Internal use which looks like wood but carries the properties of a Cement wall. We believe this is a better solution for our customers who wish to use wood as a finish but are not able to do so to the exteriors. This is because our product is termite, fire and moisture resistant and can stand the vagaries of weather.

Power consumption (KWH/MT of production) reduced by 1.6% across roofing lines compared to last year. We also completed automation of flash feeding at Kymore and Lakhmapur Works.

We set up an additional paint line at Lakhmapur Works to produce world class coated Fibre cement products for special use.

We also modernised Calcutta Works to enhance the capacity of Roofing products. This was commissioned and during the year we had slowly increased production to enhanced capacity after initial stabilization period.

As a result of our efforts we also were recognised by our customers and other national and industry associations which awarded us with the following awards.

AWARDS

GOLD AWARD

"Innovative Kaizen Stream" in National Kaizen Circle competition 2018

special recognition championship award for "Quality" category in 11th CII National Competitiveness & Cluster Summit 2018

2nd PRIZE

'Energy & Cost' Category in 11th CII National Competitiveness and Cluster Summit 2018

2nd PRIZE

'Top Contributing Company' for Kaizen and Quality circle in 11th CII National competitiveness & Cluster Summit 2018

1st RUNNER UP

Foundation level in 2nd National competition on SPC towards Zero Defect by CII.

FINANCE

We recorded our highest ever turnover and the profit for the year was at its highest. We continue to invest our earnings in the business and expect that this would result in a large change to the basis of the business which would lay the foundation for future growth. Piggyback the higher profit, Cash flows were satisfactory and the additional cash generated was invested back in the business to build additional stock for our peak season and to enable market growth initiatives which resulted in increased receivables at the end of the year. We believe this is an investment in the right direction and would yield rich dividends in the times to come.

Our borrowings continued at reasonable levels and debt equity ratio maintained at 0.16.

The impact of prepayment of loans in the previous year and added repayments during the year was felt in the current year where our borrowing costs declined by over 30% despite a hardening of the interest rates. This was possible due to lower use of fund-based limits.

GST posed a significant challenge on technology front and the e-way bill system was successfully implemented while we continued to service our customers to their expectations.

Our Bhagwanpur unit came on to full tax regime which used to get subsidy on local taxes paid. This resulted in a decrease in revenue from the plant. In respect of Odisha plant, we had a scheme of exemption from the state government on the sales made under Local VAT. The said scheme has been extended by the government of Odisha for another two years. However, the scheme relating to application and reimbursement of the same is yet to be notified.

Forex rates moved from ₹ 64 per USD as at March 31, 2018 to ₹ 74.5 per USD during November and then cooled off to ₹ 69.1 to close the year. This resulted in additional cost for imported raw materials.

Our effective rate of tax at 24%.

GDP growth of the country had a positive impact on the demand in our industry. Indian GDP rose by 7% while our output grew by 11% in case of building products. This resulted in better utilization of our resources which had a positive impact on our cost of production and it will be sustained in years to come. In the Steel buildings segment, our growth was impacted by the sentiment of cautious optimism due to ensuing general elections and the generic rise in steel prices during the year.

In doing the above, we also took upon larger orders as a result of which trade receivables increased from 67 Crores to 97 Crores. These are usually within the credit period and would help the company realise its larger objective of growth.

The following ratios sum up the financial position of the company and the Improvements we made during the year.

Particulars	FY19	FY18	FY17
PBDIT Margin	8.0%	7.7%	4.2%
PBT Margin	6.0%	4.9%	0.4%
PAT Margin	4.6%	4.0%	0.3%
ROE	14.2%	12.8%	1.2%
ROCE	17.5%	15.8%	5.6%
Cost of Borrowing (%)	6.1%	8.0%	8.2%
Debt to Equity	0.16	0.16	0.50
Collection Period (days)	26	19	29

[HEALTH AND SAFETY]

At Everest we believe that health, safety and environment management go a long way in maintaining an organisation's sustainability. The company has hence always demonstrated environmental and social responsibility at every step. Our objectives include complying with all applicable laws relevant to the industry. The management believes in sharing responsibility with even the entry level employees in conforming to the existing laws. Safety is a way of life at Everest and we take all precautions at our Pre-engineered building sites during installation. Further, safe work place practices are followed strictly at all our plant locations and erection sites.

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 Russia. Since it is not sprayed, fibre emission is fully controlled. Fibre concentration in the atmosphere at our production facilities, is better than international norms and we ensure zero discharge of industrial effluent. Regular health check-ups for all of our employees confirm the absence of any asbestos-related disease over decades of service. We ensure the highest level of safety for our employees and the community. Living and working under an Everest Roof is safe.

[R&D]

Our R&D has developed and introduced metallic and royal blue colours in coloured roofing sheets.

Alternate raw material mixes were introduced in Fibre cement board and Roofing sheets production to enhance the quality and optimize the cost. This resulted in improved usage efficiencies. The company continually focuses on research and development activities and has always had a philosophy of introducing new and improved products in the marketplace.

[IT SYSTEMS]

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

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

For our advanced technological solutions and out of the box thinking, Everest has been awarded multiple awards:

1. Data Security - Security Management - 2018
2. Data Centre Awards -2018
3. IDC Insights Awards 2018 – Excellence in Omni-Experience

[OPPORTUNITIES]

India is witnessing a radical transformation, one that has never been seen before in living memory. There is an upsurge in the housing sector, supported by the Government of India's encouraging policies, including the mission to provide 'Housing for All' by 2022 and Real Estate (Regulation and Development) Act to enhance transparency in the real estate sector. These have been the game changers in the building material sector. A consistent increase in consumption is being witnessed in Tier-II and Tier-III cities, especially in sectors like offices, shopping malls, hotels, real estate and hospitals. India's young and aspirational population, which has high disposable income and affinity towards credible brands, will drive a sustained demand growth for our products. Rising transparency levels, progressive regulations and a robust commercial real estate market in the country have made the segment a favourite among investors.

[GROWTH DRIVERS]

Rising residential and commercial construction activity throughout the country	Increasing disposable incomes and discretionary spends	Government's initiative of creating 100 smart cities	Rising customer preference for branded goods	Major spends and budget allocations for infrastructure development.

[CHALLENGES]

The father-daughter duo, Ajeet Bajaj and Deeya Bajaj, unfurled the Everest flag atop Mt. Vinson, thus telling us that there is no obstacle so high that cannot be surmounted.

Shortage of sand and skilled labour is pulling back on the growth potential of construction activity across the country.

Weakness in export markets in Boards has impacted capacity utilization. Local production in Middle East has made the product unviable, therefore we have started focusing on supplying value added products.

We continue to face challenges on quality of erection labour, site conditions and underdeveloped logistics in the country. But these are all changing for the better.

[OUTLOOK]

With India's growing economy, the preferences of Indians are shifting too. Government initiatives and thrust on housing for all by 2020 and 'affordable housing' is leading to significant improvement in lifestyle across Tier-II and Tier-III cities. These factors have created more demand for aesthetically designed homes, generating sizeable scope for the Wood panel industry and providing new opportunities to grow as a segment.

The Wood panel industry plays an important role in the housing and construction sector. Therefore, the demand for Wood panels will grow with the development of the real estate segment. As the Government of India is focused on infrastructure, the wood panel industry is set to grow significantly. Besides, an increase in disposable income, rapid urbanisation and an emerging market for Fibre cement boards is expected to boost demand. With these growth drivers in place, Everest is focused on enhancing engagement with influencers (architects, interior designers) and build relationships with channel partners to grow this segment. Additionally, the company plans to continue its marketing and advertising ventures to strengthen growth.

[HUMAN RESOURCES]

- **HR Initiatives:** Corporate HR has participated in CII HR Excellence Award Programme to assess the HR Practices. As a part of the programme the CII Assessors have assessed the HR Practices

- **Recruitment:** During the year we have recruited 163 Officers and 29 Graduate Engineering Trainees. To nurture the young talent we have conducted Graduate Engineering Trainee Induction Programme at IIT-Roorkee and the faculty from IIT Roorkee has delivered the sessions.
- **Performance Culture:** Performance Culture has been promoted across the organization by explaining the importance of goals. To promote the performance culture HR has identified Lakshya Champions to implement across.
- **Industrial Relations:** Cordial Industrial Relations were maintained across all the manufacturing locations and the Long-term Wage settlements were signed at Podanur Works and Lakhmapur Works.
- **Rewards and Recognition:** The Employee Stock Option Scheme for senior management grants them the option to acquire shares of the company. During the year, 217 employees got ESOPs of 1,70,000 shares. The employees are also rewarded for achieving targets under Everest's Excellence Bonus Scheme. Loyalty is rewarded through the Long Service Award programme existent in the company.
- To promote operational excellence among the manufacturing locations; Operation Championship Awards were awarded.

CORPORATE SOCIAL RESPONSIBILITY

Training and Skill Building

Enabling the development of latent skills can help build a "virtuous circle"—the quality and relevance of education and training fuels innovation investment, technological change, enterprise development, economic diversification and competitiveness. Emerging economies can, in turn, leverage this synergy to accelerate the process of employment.

To build skill sets across our intended target groups - adolescents, youth, women and marginalized construction workers among others – Everest initiated skills training in computers, sewing and training on modern building techniques across various locations in order to directly benefit 6938 people since its inception. Everest also collaborated with GMR Varalakshami Foundation to provide residential vocational training. Everest mobilizes needy candidates around its business locations and sends them to GMRVF centres for quality residential skill training.

Everest has integrated its programme Roof Master Training and Skill Training for Board and Panel fabricators and made 'Building Master Training (BMT)' as its flagship programme. BMT has an objective that "With expert training from Everest, marginal workers may train on modern building techniques and earn higher wages".

Building Master Training was conducted in 25 locations across 20 districts in 5 States which benefited 643 people across all locations. Everest partnered with National Skill Development Corporation (NSDC), Construction Industry Development Council (CIDC), Sattva and many other grass root level organizations to implement these training programmes.

Everest is running Computer Skill Training Centers in association with NIIT Foundation and NSDC at Bhagwanpur (Roorkee, Uttarakhand), Kymore (Katni, Madhya Pradesh) and Remuna (Balasore, Odisha) and trained total 1090 people in said locations.

Sewing Center is being run in Bhagwanpur (Roorkee, Uttarakhand) with NSDC who not only trained 150 women from local villages but also helped them to get employment or establish their own work. Career Guidance Center in Kymore (Katni, Madhya Pradesh) assisted 255 youth from local villages and showed them a career path.

Health, Hygiene and Sanitation

Public Healthcare in India is still in a state of flux. Rural areas continue to look for effective ways to make healthcare facilities available to vulnerable population. To that end during 2018-19 Everest initiated a Tobacco Control Programme in association with Salaam Mumbai Foundation (SMF) to make all 15 development blocks of Nashik totally 'Tobacco Free'. Under the said programme 13,454 people were reached out and educated on ill effects of tobacco and ways to bringing change in habits.

The programme was conducted through awareness rallies and intensive training sessions were provided to government officials at block and village level, media personnel, government teachers, multipurpose health workers, police, NGO, cluster coordinators etc.

Everest in partnership with SMF made another development block of Nashik named Niphad totally 'Tobacco Free'. Last year Dindori development lock was made 'Tobacco Free'.

Promotion of Sports

More than 85% of school children in India have no access to sports due to a lack of adequate facilities. Less than 10% of the population under 35 years of age has access to organized sports. An equally small percentage of youth have access to playgrounds.

Everest seeks to provide a platform for rural youth and children where they can demonstrate their sporting capabilities and acquire skills that can help them live a healthy and progressive life. To facilitate this, we organized various local and community-level sporting events and training programs at our plant locations in which total 784 people participated.

In 2018-19, Everest organized various national sport tournaments in its plant locations for local community. A Football coaching workshop and tournament was organized at Podanur (Coimbatore, Tamil Nadu) wherein youth/kids (including girls teams) from nearby villages participated, total 103 youth were part of regular training programs while 480 people participated in District level Football Tournament in association with Coimbatore District Football Association (CDFA). Everest also organized a Badminton Tournament at Kymore (Katni, Madhya Pradesh) for the rural youth/kids in which 201 people participated.

Environmental Sustainability and Community Building

Everest believes in maintaining green and sustainable environment and mitigating environmental challenges. To that end, we pursue the practice of planting saplings in various areas across our sites and the lands allocated by the Government Departments/Authorities. Through multiple plantation drives thousands of saplings were planted at government schools, hospitals etc.

In other Community building programs, Everest has responded during the flood disaster in Kerala and undertaken various initiatives to help local community by providing construction materials to more than 178 families to renovate their houses, helped 51 old age inmates to rehabilitate their shelter home by providing the materials i.e. new furniture, electronic devices, appliances, medical equipment, renovation cost of building etc. and also supported individual families to restore their small shop to regain their income source.

Highlights of 2018-19

2138

DIRECT BENEFICIARIES OF SKILL DEVELOPMENT PROGRAMS

643
Building Master Training

1495
Computer and Vocational Training

784
Youth participated in Sports Promotion Programs

13454
People reached out directly under Tobacco Control and Advocacy Program

Individual Social Responsibility (ISR)

Every member of the Everest team is motivated, skilled and adds to the strength of the company. Their large-heartedness allows them to willingly share their time and talent with others to build a better, stronger and safer community.

The fact that giving back is intrinsic to our company culture is evident from the system which encourages each employee to contribute at least four man hours in a year for community-driven initiatives. Our efforts have included the creation of several employee engagement opportunities which have been a success with employees contributing towards various activities such as sensitization drives on No Tobacco Day, sensitization on workplace preparedness for women etc. Employees are also visiting skill-centers and sport projects to impart sessions on digital literacy, e-marketing and new technologies, importance of education on individual's life, employment trend in India and benefits of team work and career related subjects. Participating in various giving activities i.e. Food Donation Drives, Joy of Giving-fulfilling the wishes of less privileged children, plantation drive, International women's day, Vastra Daan etc. Employees also take part in organizing various CSR activities voluntarily i.e. sport tournaments, awareness and counselling sessions etc. In 2018-19 total 1079 employees participated in above said ISR activities and contributed 2065 man-hours for Social Change.

Building Nation Through Skills

India is one of the fastest growing economies in the world and going through massive industrialization and infrastructure development. However, India has been facing a large gap in the demand and supply of skilled workforce. It is also estimated that alone in Building and Construction sector shortage of skilled manpower till 2022 would be 33 million.

Everest performed consultation process with various stakeholders in construction sector and found that there is a huge capacity gap in job works related to structural fabrication, erection of roof sheets, building products and other construction works. It is observed that enhancing their skill set would help these marginal construction workers to increase their daily wages by almost 40% to 60% apart from creating more employment opportunities for them. This led to the initiation of the project Roof Master Training Programme in 2015 to train semi-skilled construction workers in structural fabrication and, roof sheet installation. Later in 2017 one more programme SAKSHAM was designed and developed to train semi-skilled workers in installation of boards, solid wall panels, cladding, fall ceiling and flooring. In 2018-19 both programmes were integrated to give holistic training to semi-skilled construction workers which will help them to enhance their skills and income. The integrated programme named as 'Building Master Training' aims that "With expert training from Everest, marginal workers may train on modern building techniques and earn higher wages".

In 2018-19, the Building Master Training was conducted in 5 states, 20 districts and 25 locations and trained 649 people.

Odds stacked against him to get success, firm determination paid him back...

Ritan Kumar Swain,
Balichandrapur, Jajpur Odisha.

Ritan is 10th pass and resides with his family of 5 members. Due to lack of financial support, he dropped out himself from education and started working in Jindal Steel on daily wage. The income of ₹ 5,000-7,000/- per month was not adequate to fulfill his daily basic family needs.

Everest's 'Building Master Training' programme was being organized near to his village. He participated, acquired skills and became a certified Building Master.

Now, Ritan has opened a fabrication shop. He is the only skilled fabricator providing services to the customers in his area. Today, Ritan earns approximately ₹ 16,000 per month which is almost double than what he was earning previously.

NOTICE

Notice is hereby given that the Eighty Sixth (86th) Annual General Meeting ('AGM' or 'Meeting') of the members of Everest Industries Limited ('Company') will be held at the Registered Office of the Company at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422 202 (Maharashtra) on Wednesday, July 24, 2019 at 12.30 p.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt:

    a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon; and

    b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Report of the Auditors thereon.

2. To declare dividend of ₹ 7.50/- per equity share for the Financial Year ended March 31, 2019.

3. To appoint a Director in place of Mr. Manish Sanghi (DIN 00088527), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.

SPECIAL BUSINESS

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

    "RESOLVED THAT pursuant to the provisions of Sections 197, 198, schedule V and all other applicable provisions, if any, of the Companies Act, 2013 including statutory modification or enactment, if any, the approval of the members of the Company be and is hereby accorded to fix the basic salary of Mr. Manish Sanghi (DIN 00088527) at ₹ 7,70,000/- p.m. in the salary grade of ₹ 6,00,000-75,000-13,50,000 and the perquisites and allowances payable to him shall be 125% of the basic salary and other terms and conditions as set out in the explanatory statement to the Notice of this (86th) Annual General Meeting.

    RESOLVED FURTHER THAT remuneration by way of performance incentive, in addition to the salary, perquisites and allowances mentioned as aforesaid and payable in a particular financial year shall be determined by the Nomination and Remuneration Committee and as decided by the Board of Directors of the Company in their sole discretion, subject to the overall ceilings stipulated in Sections 197 of the Companies Act, 2013.

    RESOLVED FURTHER THAT the remuneration of Mr. Manish Sanghi shall be fixed w.e.f April 1, 2019 and the annual increments will be effective from 1st April each year on the basis of merit and performance of the Company within the salary grade mentioned as aforesaid subject to the overall ceilings stipulated in Sections 197 of the Companies Act, 2013 and will be decided by the Nomination and Remuneration Committee and the Board of Directors of the Company.

    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 as per schedule V of the Companies Act, 2013 and in case the Company pays in excess of the said limits as specified in the schedule during the stated period then the payment of excess remuneration shall be subject to such approvals as may be required.

    RESOLVED FURTHER THAT upon recommendation by Nomination and Remuneration Committee, the Board of Directors may alter/vary/revise the remuneration and/or terms and conditions and/or the agreement in such manner as may be agreed to between the Company and Mr. Manish Sanghi.

    RESOLVED FURTHER THAT Mr. Manish Sanghi shall be liable to retire by rotation.

    RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and desirable to give effect to this resolution."

5. To re-appoint Mr. M.L. Gupta (DIN 00088685) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

    "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, Mr. M.L. Gupta (DIN 00088685), age about 78 years and who was appointed as an Independent Director and who holds office of Independent Director upto September 30, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (5) consecutive years with effect from October 1, 2019 upto September 30, 2024.

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

6. To appoint Mr. Rajendra Chitale (DIN 00015986), as a Director and as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Mr. Rajendra Chitale (DIN 00015986), who was appointed as an Additional Director of the Company with effect from January 23, 2019 under Section 161(1) of the Companies Act, 2013 ("the Act") and Article 82 of the Articles of Association of the Company by the Board of Directors and who holds office upto the date of this (86th) Annual General Meeting of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, the appointment of Mr. Rajendra Chitale (DIN 00015986) as an Independent Director, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment as an Independent Director of the Company, for a term of five years commencing from January 23, 2019 upto January 22, 2024, not liable to retire by rotation, be and is hereby approved.

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

7. To appoint Mr. Alok Nanda (DIN 02149755), as a Director and as an Independent Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT Mr. Alok Nanda (DIN 02149755), who was appointed as an Additional Director of the Company with effect from January 23, 2019 under Section 161(1) of the Companies Act, 2013 ("the Act") and Article 82 of the Articles of Association of the Company by the Board of Directors and who holds office upto the date of this (86th) Annual General Meeting of the Company, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, the appointment of Mr. Alok Nanda (DIN 02149755) as an Independent Director, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment as an Independent Director of the Company, for a term of five years commencing from January 23, 2019 upto January 22, 2024, not liable to retire by rotation, be and is hereby approved.

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

8. To ratify the remuneration of the Cost Auditors of the Company for the financial year ending March 31, 2020 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], the remuneration of ₹ 5,75,000/- payable to M/s. Chandra Wadhwa & Co., Cost Accountants (Firm Registration Number 00239), appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020, be and is hereby ratified and confirmed.

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

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

"RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder, the provisions of Articles of Association and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment thereof] and any other applicable laws for the time being in force and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee or such other Committee which the Board might constitute, to exercise its powers, including the powers conferred by this resolution), the consent of the members be and is hereby accorded to the Board to formulate and implement Employees' Stock Option Scheme – 2019 (ESOS-2019) (the "Scheme") and the Board be and is hereby authorised to grant options to such employees (including 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, at the time when the grant is made, equity stock options (the "Options") not exceeding 180,000 (One Lakh Eighty Thousand) Options under the Employees' Stock Option Scheme 2019 (ESOS-2019) during the financial year 2019-2020, 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 Lakh 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 the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, 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 and seek modifications, alterations or revisions are not detrimental to the interests of the employees.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division and other corporate actions, the Board is authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the employees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred herein to Nomination and Remuneration Committee or such other Committee, with power to further delegate to any Executives/ Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

By Order of the Board
For Everest Industries Limited

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

Mumbai, May 1, 2019

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

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") with respect to the special business set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT PROXY, TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

   A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/ AUTHORITY, AS APPLICABLE.
4. Corporate Members intending to send their authorized representative to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.

5. Members, Proxies and Authorised representatives are requested to bring to the Meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No.

6. The Company has fixed Wednesday, July 17, 2019 as the 'Record Date' for determining entitlement of Members to final dividend for the financial year ended March 31, 2019 and for the purpose of AGM. The dividend as recommended by the Board of Directors, if approved by the members at the AGM, shall be paid to those members whose names stand on the Register of Members of the Company on the closing hours of business on Wednesday, July 17, 2019. 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 Wednesday, July 17, 2019 as per the list provided by the respective Depositories for this purpose.

7. Pursuant to the provisions of Section 125(5) of the Act, the Company has transferred the unpaid or unclaimed dividends from time to time on due dates to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 25th July, 2018 (date of last Annual General Meeting) on the website of the Company (www.everestind.com), as also on the website of the Ministry of Corporate Affairs.

8. In terms of Section 152 of the Act, Mr. Manish Sanghi (DIN 00088527), Director, retires by rotation at the AGM and being eligible has offered himself for re-appointment. A brief resume of Mr. Sanghi, nature of his expertise in specific functional areas, disclosure of his relationship between Directors, inter-se, names of Companies in which he holds the directorship and the membership of Committees of the board and his shareholding as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 is given in the Explanatory Statement.

9. Copy of the Annual Report 2018-19 and the Notice of the 86th AGM of the Company, *inter alia,* indicating the process and manner of e-voting along with the Attendance Slip, Proxy Form and route map is being sent by electronic mode to the members whose email addresses are registered with the Company/ Depository Participant(s), unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report 2018-19 and the Notice of the AGM are being sent by the permitted mode.

10. The certificates received from the Auditors of the Company that Employee Stock Option Schemes i.e. ESOS 2014, ESOS 2015, ESOS 2017 and ESOS 2018 have been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed at the relevant Annual General Meeting of the Company shall be placed at the ensuing AGM and 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 AGM.

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

12. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, will be available for inspection by the members at the AGM.

13. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

14. The Company is providing facility for voting by electronic means and the business may be transacted through such voting.

15. Members may also note that the Notice of the 86th AGM along with Attendance Slip, Proxy Form, Route Map and the Annual Report for the Financial Year 2018-19 will also be available on the Company's website www.everestind.com.

16. The route map showing directions to reach the venue of the AGM is enclosed to this Notice.

17. The physical copies of the AGM Notice and Annual Report for the Financial Year 2018-19 and document(s) referred to in the Explanatory statement to the Notice, will also be available at the Registered Office of the Company for inspection between 11.00 a.m. to 1.00 p.m. on any working day up to the date of AGM.

18. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, MCS Share Transfer Agent Limited ("MCS") for assistance in this regard.

19. To support the 'Green Initiative', members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DPs") in case the shares are held by them in electronic form and with MCS in case the shares are held by them in physical form.

20. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to MCS in case the shares are held in physical form.

21. Pursuant to Section 72 of Companies Act, 2013, member(s) of the Company may nominate a person in whom the shares held by him/them shall vest in the event of his/their unfortunate death. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with MCS. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

22. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank account details by every participant in securities market. Member(s) holding shares of the Company, either in electronic form or physical form are, therefore, requested to submit the PAN and provide Bank account details to their Depository Participants with whom they are maintaining their demat accounts (in case of shares in electronic form) and to the Company/RTA (in case of shares are in physical form).

23. Voting through electronic means

    i. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting service. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited ("CDSL").

    ii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM. A person, who is not a member as on the Cut-off Date, should treat this Notice for information purposed only.

    iii. The facility for voting through ballot or polling paper will be available at the venue of AGM and members attending the meeting who have not cast their vote by remote e-voting will be able to exercise their right at the meeting.

    iv. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

    v. Members can opt for only one mode of voting i.e. either by Ballot Form or remote e-voting. In case members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.

    vi. The instructions for shareholders voting electronically are as under:

        i) The remote e-voting period commences on Saturday, July 20, 2019 at 9:00 am and ends on Tuesday, July 23, 2019 at 5:00 pm. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off Date i.e. Wednesday, July 17, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

        ii) Members who have already voted prior to the meeting date would not be entitled to vote at the Meeting venue.

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

        iv) Click on Shareholders/Members

        v) Now Enter your User ID

            a. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction

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

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

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

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

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

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

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

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

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

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

xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

xxi) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

vii. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, July 17, 2019.

viii. Mr. Tanuj Vohra, Company Secretary (Membership No. F5621) and in his absence Ms. Anuja Singh Parihar, Company Secretary (Membership No. 38741) of M/s. TVA & Co. LLP, Company Secretaries have been appointed as the Scrutinizer to scrutinize the voting at AGM and remote e-voting process in a fair and transparent manner.

ix. The Chairman of the Meeting shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

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

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

24. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to maintain Bank details of its Members for the purpose Payment of Dividend etc. Members are requested to register/ update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode, to enable expeditious credit of the dividend to their bank accounts electronically.

25. As per section 118(10) of the Companies Act, 2013, read with the Secretarial Standard 2 on General Meetings issued by Institute of Company Secretaries of India, "No gifts, gift coupons or cash in lieu of gifts shall be distributed to members in connection with the meeting".

EXPLANATORY STATEMENT

The following Explanatory Statement in terms of Section 102 of the Companies Act, 2013 ("Act") is annexed to and forms part of the Notice convening the 86th Annual General Meeting:

Item No. 4

The members are informed that Mr. Manish Sanghi was re-appointed by the members of the Company as Managing Director of the Company for a period of five (5) years w.e.f. October 1, 2016 to September 30, 2021 at the 83rd Annual General Meeting of the Company held on June 29, 2016.

Subsequently, in order to comply with the conditions specified in the amended schedule V of the Act for availing the enhanced limits of remuneration for managerial personnel as per the schedule V, the Board in its meeting held on January 25, 2017 approved the change in the period of remuneration to be paid to Mr. Sanghi from five (5) years to three (3) years w.e.f. October 1, 2016. Such change in period of payment of remuneration was also approved by the members of the Company on March 8, 2017 by way of Special Resolution through Postal Ballot.

Consequently, it was also decided that the Company would seek fresh approval from the members of the Company for payment of remuneration to Mr. Sanghi on the expiry of said 3 years for the remaining period of his tenure as per the Special Resolution passed at 83rd Annual General Meeting.

The Members are further informed that the current period of three (3) years for which remuneration was approved by the shareholders will be completed on September 30 2019, and the Board in its meeting held on May 1, 2019, on the recommendation of Nomination & Remuneration Committee, fixed remuneration of Mr. Sanghi for the period from April 1, 2019 to September 30, 2021 as Managing Director which is subject to approval of members of the Company.

The terms of remuneration payable to Mr. Sanghi, *inter alia,* contain the following principal terms and conditions:

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

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

ii. Perquisites & Allowances

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

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

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

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

iii. Provident Fund, Superannuation/Annuity Fund/NPS

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

iv. Performance Incentive

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

v. Interest Subsidy

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

vi. Minimum Remuneration

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

vii. Annual Leave

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

The terms and conditions of Mr. Sanghi's appointment may be varied, altered, increased, enhanced or widened from time to time by the Nomination and Remuneration Committee/ Board as it may in its discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Companies Act, 2013 or any amendments thereto made hereafter in this regard.

The Board of Directors recommends the resolution as set out in Item No. 4 for approval of the members of the Company by way of a Special Resolution for fixing the remuneration of Mr. Manish Sanghi, Managing Director of the Company, for the period from April 1, 2019 to September 30, 2021 as Managing Director of the Company.

The draft Agreement to be entered into between the Company and Mr. Manish Sanghi is available for inspection without any fee by the members at the registered office of the Company on all working days between 11.00 am to 1.00 pm upto the date of Annual General Meeting.

Mr. Manish Sanghi is interested in the Special Resolution set out at Item No. 4 with respect to fixation of his remuneration. The relative(s) of Mr. Sanghi may be deemed to be interested in the said Special Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice. The Board of Directors ("Board") commends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

Disclosures required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 are annexed to this Notice.

Item No. 5

Mr. M.L. Gupta was appointed as Independent Director on the Board of the Company pursuant to the provisions of section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 ("Rules") for a period from April 29, 2016 to September 30, 2019.

The Nomination and Remuneration Committee of the Board, on the basis of the report of performance evaluation of Mr. M L Gupta, which was satisfactory, has recommended the re-appointment of Mr. M.L. Gupta as an Independent Director for a second term of five (5) years on the Board of the Company with effect from October 1, 2019 upto September 30, 2024.

The Board is of the view that the continued association of Mr. M.L. Gupta would benefit the Company, given his knowledge, experience, performance and contribution to Board processes. Mr. M.L. Gupta is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from Mr. M.L. Gupta that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Rules and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received necessary candidature notice under Section 160 of Act with respect to Mr. M.L. Gupta.

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

Mr. M.L. Gupta, an Engineer from Indian Institute of Technology, Kharagpur, was with the Associated Cement Companies Limited (ACC) since 1968, and has held many important positions of Management, before retiring as President – Corporate Affairs from ACC.

Mr. M.L. Gupta is not debarred from holding the position of a Director pursuant to any order of SEBI or any other authority.

A copy of draft letter of appointment of Mr. M.L. Gupta, setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

This Special Resolution, once passed, with the requisite majority shall also be deemed as approval of the shareholders under the regulation 17 (1A) of Listing Regulations, for the appointment of Mr. M.L. Gupta as an Independent Director, with effect from October 1, 2019, beyond the age of seventy five years.

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

Disclosures required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 are annexed to this Notice.

Item no. 6 & 7

The Board, based on recommendation of the Nomination and Remuneration Committee ("NRC"), appointed Mr. Rajendra Chitale and Mr. Alok Nanda, as Additional Directors in a capacity of Independent Directors of the Company on January 23, 2019 and they hold office as Directors up to the date of this (86th) AGM, pursuant to the provisions of Section 161(1) of the Act.

Mr. Chitale and Mr. Nanda are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from Mr. Chitale and Mr. Nanda that they meet the criteria of Independence prescribed under Section 149 of the Act read with the Rules and Regulation 16 of the Listing Regulations. The Company has received necessary candidature notice under Section 160 of Act with respect to Mr. Chitale and Mr. Nanda, for appointment as Directors of the company.

Mr. Rajendra Chitale is Managing Partner of Chitale & Associates. He is a member of the Insurance Advisory Committee and the Committee on Investment, Expenditure & ULIP issues of the Insurance Regulatory and Development Authority of India (IRDA), and has served as a member of the Working Group on Insurance, Pensions, Small Savings, etc., Financial Sector Legislative Reforms Commission, Government of India, the Company Law Advisory Committee, Government of India, the Takeover Panel of the SEBI, Investor Education & Protection Fund Committee, Government of India, the Advisory Committee on Regulations of the Competition Commission of India, and the Maharashtra Board for Restructuring of State Enterprises, Government of Maharashtra.

Mr. Alok Nanda is the founder and CEO of Alok Nanda & Company Communications Pvt. Ltd. In this capacity, he has advised some of India's leading brands and companies which include Lodha-India's largest real estate developer, Marico, Unilever, Ambuja Cements, Taj Hotels, Quikr, IDFC Bank, TrueNorth - a leading private equity firm and Kotak Bank.

In the opinion of the Board, Mr. Rajendra Chitale and Mr. Alok Nanda fulfil the conditions specified in the Act, the Rules made thereunder and the Listing Regulations for appointment as Independent Directors and that they are independent of the management of the Company. In addition to sitting fees for attending the meetings of the Board and its Committees, Mr. Chitale and Mr. Nanda would be entitled to remuneration by way of commission as decided by the Board in accordance with the members approval taken in the 82nd Annual General Meeting of the Company and applicable provisions of the Listing Regulations, Act and rules made thereunder.

Mr. Rajendra Chitale and Mr. Alok Nanda are not debarred from holding the position of a Director pursuant to any order of SEBI or any other authority.

Mr. Rajendra Chitale is interested in the Ordinary Resolution set out at Item No. 6 with respect to his appointment. The relative(s) of Mr. Rajendra Chitale may be deemed to be interested in the said Ordinary Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 6 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

Mr. Alok Nanda is interested in the Ordinary Resolution set out at Item No. 7 with respect to his appointment. The relative(s) of Mr. Alok Nanda may be deemed to be interested in the said Ordinary Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 7 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the members.

Copy of letter for appointment of Mr. Rajendra Chitale and Mr. Alok Nanda as Independent Directors of the Company would be available for inspection without any fee by the members at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m. till the date of AGM.

Disclosures required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 are annexed to this Notice.

Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Chandra Wadhwa & Co., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors of the Company for the financial year ending March 31, 2020.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends Ordinary Resolution set out at Item No. 8 of the Notice for members consideration and ratification.

Item No. 9

The Nomination & Remuneration Committee and Board of your Company have approved an Employees' Stock Option Scheme – 2019 (ESOS-2019) (the "Scheme") for the Financial Year 2019-20 in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI Regulations") with the objective of strengthening employee bonds with the Company and creating a sense of ownership. Your Board felt it appropriate to extend ESOS-2019 to permanent employees including Managing Director and Whole-time Director(s) in order to motivate and retain the best talent. Further, fresh Equity Shares are proposed to be issued under ESOS-2019 by the Company and the Scheme will be implemented and managed directly by the Company.

Section 62(1)(b) of the Act and regulation 6(1) of SEBI (Share Based Employee Benefits) Regulations, 2014 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-2019. The Special Resolution is set out at Item No. 9 of the Notice.

The salient features of ESOS-2019 are as under:

a. Brief description of the Scheme :

The Scheme shall be called Employees' Stock Option Scheme – 2019 (ESOS-2019) and shall extend its benefits to the present and/or future permanent employees and/or directors whether a Whole-time Director or not (other than promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) of the Company (hereinafter referred to as "Identified Employees"), in accordance with the applicable laws.

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

b. Total number of Options to be granted :

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

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

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

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

The persons not eligible for grant of Options:-

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

d. Requirements & Period of Vesting :

The vesting period is one year from the date of grant of Options to the identified 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 the vesting period. The basic condition for vesting is continued employment.

e. Maximum period within which the options shall be vested :

All the Options granted will vest at the end of one year from the date of grant of Options.

f. Exercise period and process of exercise :

The exercise period shall commence from the date of 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 application in writing.

g. Exercise Price or pricing formula :

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

h. Appraisal process for determining the eligibility of employees to the ESOS-2019 :

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.

i. Maximum number of Options to be granted per employee and in aggregate :

An employee may be granted Options not exceeding 30,000 (Thirty Thousand).

The maximum aggregate number of Options to be granted under the Scheme is 180,000 (One Lakh Eighty Thousand). Each Option shall entitle the holder of the Option thereof to apply for and be allotted one fully paid Equity Share of ₹10/-.

j. The Maximum quantum of benefits to be provided per employee under the scheme :

The maximum quantum of benefit that will be provided to every eligible Employee under the Scheme will be the difference between the Market value of Company' s Share on the Stock Exchange as on the date of exercise of options and the Exercise Price paid by the employee to the Company.

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

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

l. Whether the Scheme involves new issue of shares by the company or secondary acquisition by the Trust or both :

New issue of shares by the Company through fresh allotment.

m. The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc :

Not Applicable

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

Not Applicable

o. Adjustments in case of Corporate Actions :

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

p. Disclosure and Accounting Policies :

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

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

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

r. Disclosure in Board's Report :

The Company is using Fair Value method for expensing of share based employee benefits. However, if in future the Company opts of intrinsic value method, the difference between the employee compensation cost computed on the basis of the intrinsic value method or such other prescribed method and the employee compensation cost calculated on the basis of the Fair Value method for the Options and also the impact of this difference on the profits and on earnings per share (EPS) of the Company, shall be disclosed in the Board's Report.

s. Monitoring and Administration :

- The Board has already in place a Compensation Committee referred to as 'Nomination and Remuneration Committee' which shall be responsible for monitoring and administration of the scheme.
- The decision of the Board / Nomination and Remuneration Committee of Directors on all matters/issues pertaining to said ESOS-2019 shall be final and binding on the eligible employees of the Company.

Section 62(1)(b) of the Act and regulation 6(1) of SEBI (Share Based Employee Benefits) Regulations, 2014 provides that allotment of Equity Shares to Employees under a scheme of employee stock options shall require approval of the members in the General Meeting. The consent of the members is, therefore, sought to authorize the Board to issue the equity shares under the Scheme in the manner specified in the Special Resolution set out at Item No. 9 of the Notice. The Special Resolution proposed to be passed is as per and in accordance with the said SEBI Regulations and the Companies Act, 2013.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval of the members.

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested in the Special Resolution set out at Item No. 9 to the extent of the equity shares / options already held by them and the Options which may be granted to them under the ESOS-2019.

Additional information in respect of Mr. Manish Sanghi, Mr. M.L. Gupta, Mr. Rajendra Chitale and Mr. Alok Nanda pursuant to the Listing Regulations and the Secretarial Standard on General Meetings

Name of Director	Mr. Manish Sanghi	Mr. M.L. Gupta	Mr. Rajendra Chitale	Mr. Alok Nanda
Date of Birth	4.2.1963	3.2.1941	10.4.1961	14.7.1960
Age	56 Years	78 Years	58 Years	59 Years
Experience	33 Years	56 Years	36 Years	37 Years
Date of first appointment on the Board	8.7.2002	8.7.2002	23.1.2019	23.1.2019
Expertise in specific functional areas	Marketing	Technical, General Management	Audit, Taxation and Finance	Advertising and Communication
Qualifications	B.Sc. Engg. (Mech), PGDM(IIM-A)	B.Tech (Hons.)	B.Com, LL.B, F.C.A.	B.Com
Remuneration last drawn (Financial Year 2018-19)	₹ 2,31,78,508/-	₹ 14,40,000/-*	₹ 80,000/-**	₹ 80,000/-**
Names of other entities in which the person also holds the directorship.	1. Everest Building Solutions Limited 2. PHD Chamber of Commerce and Industry	NIL	1. Ambuja Cements Limited 2. Hinduja Ventures Limited 3. Hinduja Global Solutions Limited 4. Reliance Capital limited 5. Reliance General Insurance Company Limited 6. Reliance Nippon life Insurance Company Limited 7. The Clearing Corporation of India Limited 8. JM Financial Asset Management Limited 9. Chitale Advisory Services Private Limited	1. Alok Nanda & Company Communications Pvt. Ltd.
Names of other entities in which the person also holds Membership / Chairmanship of Committees of the Board	NIL	NIL	1. Ambuja Cements Limited - *[Chairman of Audit Committee, Management Committee and Risk Management Committee and Member of Stakeholders' Relationship Committee and Corporate Social Responsibility Committee]* 2. Reliance Capital Limited - *[Chairman of Audit Committee and Nomination & Remuneration Committee]*	NIL

			3. Reliance General Insurance Company Limited - *[Chairman of Audit Committee and Member of Nomination & Remuneration Committee, Risk Management Committee and Investment Committee]* 4. Reliance Nippon Life Insurance Company Limited - *[Member of Board Audit & Compliance Committee, Corporate Social Responsibility Committee, Risk Management Committee, Board Policyholders' Protection Committee, Board Investment Committee and Board Asset Liability Management Committee]* 5. Hinduja Ventures Limited - *[Member of Audit Committee and Nomination & Remuneration Committee]* 6. Hinduja Global Solutions Limited- *[Member of Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee]* 7. The Clearing Corporation of India Limited - *[Chairman of Audit Committee and Member of Committee of Directors for transfer of Shares and Committee of Directors for Byelaws, Rules and Regulations]* 8. JM Financial Asset Management Limited - *[Member of Audit Committee and Investment Advisory Committee]*	
Shareholding in the Company (as on March 31, 2019)	84,707 Shares	30,000 Shares	Nil	10 Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company,	None	None	None	None
Number of Meetings of Board attended during the year	7 of 7	7 of 7	2 of 2	2 of 2
Terms and conditions of re appointment	Refer to item no. 4 of the Notice and the corresponding Explanatory Statement	Refer to item no. 5 of the Notice and the corresponding Explanatory Statement	Refer to item no. 6 of the Notice and the corresponding Explanatory Statement	Refer to item no. 7 of the Notice and the corresponding Explanatory Statement

* Commission & Sitting Fees for attending Board and Committee meetings

** Sitting Fees for attending Board meetings

By Order of the Board
For Everest Industries Limited

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

Mumbai, May 1, 2019

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

BOARD'S REPORT

To
The Members of
Everest Industries Limited

Your Directors are pleased to present the Eighty-Sixth Annual Report of Everest Industries Limited ('Company' or 'Everest') together with the Audited Financial Statements for the financial year ('Year') ended 31st March, 2019.

FINANCIAL RESULTS

(₹ In Lakhs)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Total Income	1,41,059.60	1,27,859.88	1,41,479.37	1,30,694.43
Profit before Depreciation & Finance Costs	11,307.32	9,725.15	11,105.14	9,994.54
Less : Depreciation	2,055.50	2,354.61	2,055.50	2,354.61
: Finance Costs	761.57	1,259.18	763.20	1,258.18
Profit before Tax	8,490.25	6,111.36	8,286.44	6,380.75
Tax Expense	2,069.87	1,043.05	2,100.69	1,074.67
Profit for the year	**6,420.38**	**5,068.31**	**6,185.75**	**5,306.08**
Other comprehensive income for the year, net of tax	(35.95)	129.40	(45.26)	129.40
Total comprehensive income for the year, net of tax	6,384.43	5,197.71	6,140.49	5,435.48
Add: Balance in Profit & Loss Account	26,840.21	21,828.51	27,011.04	21,740.72
Minority share	-	-	-	20.85
Profit Available for Appropriation	33,224.64	27,026.22	33,151.53	27,197.05
Appropriations:				
Dividend	1,015.70	154.55	1,015.70	154.55
Tax on Dividend	208.78	31.46	208.78	31.46
Closing Balance	**32,000.15**	**26,840.21**	**31,927.05**	**27,011.04**

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 ended 31st March, 2019 subject to the approval of the Members. The total outgo on account of dividend including tax on dividend will be ₹ 1,413.79 lakhs as against ₹ 1,224.48 lakhs for the previous financial year.

PERFORMANCE REVIEW

The Company has achieved a Total Income of ₹ 1,411 crores. The Highlights of the Company's standalone performance are as under:

1. Revenue during the year at ₹ 1410.60 crores was higher by 10.3% as compared with ₹ 1278.59 crores in the previous year. Top line in building products segment recorded a increase of 10.6% whereas in the steel building segment the same recorded a increase of 10.3%.
2. Production volume in the two business segments were as follows:
   a. In building products segment the production at 8,61,650 MT was higher by 13.84% over 7,56,894 MT in the previous year.
   b. In steel buildings segment the production at 52,338 MT was lower by 1.31% over 53,032 MT in the previous year.
3. Operating Profit (EBIDTA) at ₹ 113.07 crores was higher by 14.3% over ₹ 98.90 crores in the previous year.
4. Profit before Tax by ₹ 84.90 crores was higher by 38.9% as compared to ₹ 61.11 crores in the previous year.
5. Cash profit was ₹ 85.26 crores as compared to ₹ 70.88 crores in the previous year.

The consolidated revenue of the Company for the year ended 31st March, 2019 was ₹ 1414.79 crores higher by 8.3% from ₹ 1306.94 crores in the previous year. The consolidated operating profits at ₹ 111.05 crores as compared to ₹ 99.95 crores in the previous year. Profit after tax was at ₹ 61.86 crores as against ₹ 53.06 crores in the previous year.

TRANSFER TO RESERVES

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

SHARE CAPITAL

During the year under review, the share Capital of the Company has increased from ₹ 15,62,61,600 to ₹ 15,63,63,400 on account of allotment of shares to the employees of the Company under Employees Stock Option Schemes.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

a) in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 ('Act') for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act, Mr. Manish Sanghi, Managing Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

Mr. M.L. Gupta was appointed as Independent Director on the Board of the Company pursuant to the provisions of section 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 for a period from April 29, 2016 to September 30, 2019. The Nomination and Remuneration Committee of the Board, on the basis of the report of performance evaluation of Mr. M L Gupta, which was satisfactory, has recommended the re-appointment of Mr. M.L. Gupta as an Independent Director for a second term of five (5) years on the Board of the Company with effect from October 1, 2019 upto September 30, 2024.

The Board is of the view that the continued association of Mr. M.L. Gupta would benefit the Company, given his knowledge, experience, performance and contribution to Board processes. Mr. M.L. Gupta is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from Mr. M.L. Gupta that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Rules and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received necessary candidature notice under Section 160 of Act with respect to Mr. M.L. Gupta. In the opinion of the Board, Mr. M.L. Gupta fulfills the conditions specified in the Act, the rules made thereunder and the Listing Regulations for re-appointment as Independent Director and that he is independent of the management of the Company. The resolution pertaining to re-appointment of Mr. M.L. Gupta as Independent Director is set out in Item no. 5 of the Notice of the 86th Annual General Meeting.

During the Year, members of the Company in the 85th Annual General Meeting have fixed the remuneration to be paid to Mr. Y Srinivasa Rao, Executive Director of the Company for the remaining period of his current term as Executive Director of the Company by passing a Special Resolution. During the Year, Mr. Nikhil Dujari had resigned from the position of Chief Financial Officer (CFO) of the Company w.e.f August 1, 2018 and re-joined the Company as CFO on September 3, 2018.

The Board of Directors ('Board') has, on the recommendation of Nomination & Remuneration Committee ('NRC') and in accordance with provisions of the Act and Listing Regulations, appointed Mr. Rajendra Chitale and Mr. Alok Nanda as Additional Independent Directors, for a tenure of 5 years on January 23, 2019, subject to the approval of members at the forthcoming 86th Annual General Meeting ('AGM') of the Company. They shall hold office as Additional Directors upto the date of the AGM and are eligible for appointment as Directors. The resolutions pertaining to appointment of Mr. Rajendra Chitale and Mr. Alok Nanda as Directors & Independent Directors are set out in Item no. 6 and 7 of the Notice of the AGM respectively.

During the Year, Falak Investment Private Limited ('Falak'), promoter of the Company holding 73,83,470 equity shares aggregating to 47.22% of the Company's paid up equity share capital, had sent to the Company a Special Notice and Requisition dated January 14, 2019 for convening an Extraordinary General Meeting for passing Ordinary Resolution for removal of Mr. A V Somani as Director of the Company. The Company had also received a notice dated January 14, 2019 from Falak under Section 160 of the Companies Act, 2013, stating its intention to propose the candidature of Mr. Narotam Sekhsaria and Ms. Padmini Somani for the office of Non-Executive Directors of the Company, along with the deposit as prescribed under the Act. Based on the requisition of Falak, the members of the Company at the Extraordinary General Meeting of the Company held on February 26, 2019 voted for removal of Mr. A V Somani as a Director of the Company and appointed Mr. Narotam Sekhsaria and Ms. Padmini Somani as Non-executive Directors of the Company. Mr. A V Somani ceased to be a Director of the Company with effect from February 26, 2019.

Mr. Amitabh Das Mundhra completed his term of five years as an Independent Director of the Company on March 31, 2019 and consequently, ceased to be Director of the Company w.e.f April 1, 2019.

Mr. B L Taparia and Mrs. Bhavna Doshi have been re-appointed as Independent Directors of the Company for the second term of the five (5) years by the members of the Company by way of Special Resolution passed on March 30, 2019 through Postal Ballot on the recommendation of the Nomination & Remuneration Committee and the Board of the Company. The Board was of the view that the continued association of Mr. B L Taparia and Mrs. Bhavna Doshi would benefit the Company, given their knowledge, experience, performance and contribution to Board processes.

Mr. Manish Sanghi was re-appointed by the members of the Company as Managing Director of the Company for a period of five (5) years w.e.f. October 1, 2016 to September 30, 2021 at the 83rd Annual General Meeting of the Company. Subsequently, in order to comply with the conditions specified in the amended schedule V of the Companies Act, 2013 for availing the enhanced limits of remuneration for managerial personnel as per the schedule V, the Board in its meeting held on January 25, 2017 approved the change in the period of remuneration to be paid to Mr. Sanghi from five (5) years to three (3) years w.e.f. October 1, 2016. Such change in period of payment of remuneration was also approved by the members of the Company on March 8, 2017 by way of Special Resolution through Postal Ballot. Consequently, it was also decided that the Company would seek fresh approval from the members of the Company for payment of remuneration to Mr. Sanghi on the expiry of said 3 years for the remaining period of his tenure as per the Special Resolution passed at 83rd Annual General Meeting. Mr. Sanghi's period of three (3) years for which remuneration was approved by the members will be completed on September 30, 2019 and the Board in its meeting held on May 1, 2019 on the recommendation of Nomination & Remuneration Committee fixed the remuneration of Mr. Sanghi for the period from April 1, 2019 to September 30, 2021 as Managing Director of the Company subject to approval of members of the Company in the AGM. The resolution pertaining to fixation of remuneration of Mr. Sanghi is set out in Item no. 4 of the Notice of the AGM.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

BOARD EVALUATION

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

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

SUBSIDIARIES, ASSOCIATE & JOINT VENTURE COMPANIES

The Company has one subsidiary in India viz. Everest Building Solutions Limited. This Company is engaged mainly in rendering of erection and other related services to its customers. The subsidiary had a turnover of ₹ 267.62 Lakhs and incurred a Loss of ₹ 189.66 lakhs during the financial year 2018-19. The Board of the Company has approved the scheme of merger with Everest Building Solutions Limited in the Board meeting held on May 1, 2019 which is subject to necessary statutory and regulatory approvals including the approval of the National Company Law Tribunal.

The Company also has a subsidiary in Mauritius viz. Everest Building Products. This Company operates as a holding company for its subsidiaries in the UAE. During the Year, the subsidiary earned an interest income of ₹ 0.03 lakhs and a net loss of ₹ 189.10 lakhs mainly arising on account of impairment of investment.

The Mauritius subsidiary has a subsidiary, Everestind FZE incorporated in UAE. Everestind FZE is a legal entity involved in the trading of Company's products in the middle east and foreign markets. During the Year, entity earned a turnover of ₹ 2132.94 lakhs and a net loss of ₹ 2.76 lakhs out of trading of Company's products.

In terms of proviso to sub-section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed Form AOC-1, which forms part of the Board's Report as **ANNEXURE-1.** During the financial year 2018- 19, no Company has become or ceased to be a subsidiary or Joint Venture or Associate of the Company.

DEPOSITS

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

CORPORATE GOVERNANCE

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the Year, the Company has not entered into any contract/ arrangement with a related party as specified under section 188 of the Companies Act, 2013. Therefore, disclosure in Form AOC-2 is not required. The Policy on materiality of related party transactions and dealing with related party transactions is available on the Company's website at the link *http://www.everestind.com/uploads/Files/161invuf_Related-Party.pdf*

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

- Capacity building, skill development, training and employment generation.
- Promotion of education, art, culture and sports.
- Preventive health care and Sanitation
- Environmental Sustainability
- Eradicating Hunger & Poverty

The Company would also undertake other need-based initiatives in compliance with Schedule VII to the Act. During the Year, the Company has spent ₹ 84.71 lakhs on CSR activities. The financial data pertaining to the Company's CSR activities for the financial year 2018-19 is attached in the prescribed format in **ANNEXURE-2** to the Board's Report. The Company is undertaking the CSR activities through its trust 'Everest Foundation'.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the Year under review, as stipulated under regulation 34(2)(e) of Listing Regulations is presented in a separate section forming part of the Annual Report.

EMPLOYEES' STOCK OPTION SCHEME

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

The applicable disclosures as stipulated under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2019 with regard to the Employees' Stock Option Schemes (ESOS) are provided in **ANNEXURE – 3** in the Board's Report.

The Company has received certificates from the Statutory Auditors of the Company that the Schemes have been implemented in accordance with the applicable SEBI Regulations and as per the special resolutions passed by the members in the Annual General Meetings. The certificates shall be placed at the 86th Annual General Meeting for inspection by the members.

STATUTORY AUDITORS

M/s S.R. Batliboi & Co. LLP, Chartered Accountants has been appointed as Statutory Auditors of the Company in the 83rd Annual General Meeting for a period of 5 years subject to ratification by the members at every annual general meeting. Pursuant to the amendment to section 139 of the Act effective from 7th May, 2018, ratification by members every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of forthcoming 86th Annual General Meeting does not include the proposal for seeking members approval for ratification of Statutory Auditors' appointment.

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s S.R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, in their report for the financial year ended March 31, 2019. The Statutory Auditors have not reported any incident of fraud to the Audit Committee or to the Board of Directors under section 143(12) of the Act during the Year under review.

COST AUDITORS

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

The Board of Directors on the recommendation of Audit Committee has appointed M/s Chandra Wadhwa & Co., Cost Accountants as Cost Auditor to audit the cost records of the Company for the financial year 2019-20. As required under the Act, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the forthcoming 86th Annual General Meeting.

SECRETARIAL AUDITOR AND SECRETARIAL STANDARDS

The Board has appointed M/s TVA & Co. LLP, Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2018-19 as required under Section 204 of the Act and the rules made thereunder. The Secretarial Audit Report for the financial year 2018-19 is attached as **ANNEXURE - 4** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

DISCLOSURES

AUDIT COMMITTEE

The Audit Committee of the Board as on March 31, 2019 comprises of Mr. B L Taparia (Chairman), Mr. M L Gupta (Member), and Mrs. Bhavna Doshi (Member). Mr. Rajendra Chitale has been appointed as Member of the Audit Committee w.e.f. April 10, 2019. For details, please refer to Corporate Governance Report attached to this report. The Board has accepted all the recommendation made by the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board, as on March 31, 2019, comprises of Mr. M L Gupta (Chairman), Mr. Amitabh Das Mundhra (Member) and Mr. B L Taparia (Member), Mrs. Bhavna Doshi (Member). Ms. Padmini Somani has been appointed as Member of the Nomination & Remuneration Committee w.e.f. April 10, 2019. Mr. Amitabh Das Mundhra ceased to be Member of Nomination and Remuneration Committee w.e.f April 1, 2019 on expiry of his term as Independent Director of the Company. For details, please refer to Corporate Governance Report attached to this Annual Report.

The Nomination and Remuneration Committee has framed the Nomination, Remuneration and Board Diversity Policy. A copy of Nomination, Remuneration and Board Diversity Policy is attached as **ANNEXURE - 5** to the Board's Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has laid out the Company's policy on Corporate Social Responsibility (CSR), and the CSR activities of the Company are carried out as per the instructions of the Committee.

The CSR Committee of the Board, as on March 31, 2019, comprises of Ms. Padmini Somani (Chairperson), Mr. M L Gupta (Member), Mr. Alok Nanda (Member), Mr. Manish Sanghi (Member) and Mr. Y Srinivasa Rao (Member). For details, please refer to Corporate Governance Report attached to this report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee reviews and ensures redressal of investor grievances. For details, please refer to Corporate Governance Report attached to this report.

The Stakeholders Relationship Committee of the Board, as on March 31, 2019, comprises of Mr. M L Gupta (Chairman), Mr. Manish Sanghi (Member) and Mr. Y Srinivasa Rao (Member).

VIGIL MECHANISM POLICY

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

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

RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROLS

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

NUMBER OF MEETINGS OF THE BOARD

The Board met seven (7) times during the financial year 2018-19, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Act and Listing Regulations.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in the Note No. 2.04 to the Standalone Financial Statement. The Company has neither given any loans nor provided any security or fresh guarantee under Section 186 of the Act during the financial year 2018-19.

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

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

EXTRACT OF ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and rules framed thereunder, the Extract of the Annual Return for financial year 2018 - 19 is given in **ANNEXURE - 7** in the prescribed Form No. MGT-9, which is a part of this report. The complete Annual Return is available on the Company's website http://www.everestind.com/disclosures-under-statutory-enactments

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.

2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.

3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company and its future operations.

5. No material changes and commitments affecting the financial position of the Company have occurred from the end of the last financial year till the date of this report.

6. No change in the nature of the business of the Company happened during the financial year under review.

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

HUMAN RESOURCES

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

Manish Sanghi	**M L Gupta**
Managing Director	Director

Mumbai, 1st May 2019

ANNEXURE - 1

FORM AOC - 1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES OF THE COMPANY.

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

PART "A": SUBSIDIARIES

(₹ In Lakhs)

Name of the subsidiary	Everest Building Products	Everestind FZE	Everest Building Solutions Limited
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2018 to 31.03.2019	01.04.2018 to 31.03.2019	01.04.2018 to 31.03.2019
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD ₹ 69.1713	AED ₹ 18.8893	₹
3. Share capital	36.67	192.92	5.00
4. Reserves & surplus	(1.38)	(178.56)	(131.10)
5. Total assets	38.51	697.86	359.10
6. Total Liabilities	3.22	683.50	485.19
7. Investments	15.25	-	-
8. Total Income	0.03	2132.94	269.82
9. Profit/(Loss) before taxation	(189.10)	(2.76)	(189.66)
10. Provision for taxation	-	-	30.82
11. Profit/(Loss) after taxation	(189.10)	(2.76)	(220.48)
12. Proposed Dividend	-	-	-
13. % of shareholding	100%	100%*	100%

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

PART B: ASSOCIATES AND JOINT VENTURES: Not applicable

Note :

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

For and on behalf of the Board

Manish Sanghi
Managing Director

M L Gupta
Director

Nikhil Dujari
Chief Financial Officer

Neeraj Kohli
Company Secretary

Mumbai, 1st May, 2019

ANNEXURE - 2

ANNUAL REPORT ON CORPORTE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

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

1.	A brief outline of the company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes.	The Corporate Social Responsibility (CSR) policy has been developed in consonance with Section 135 of the Companies Act 2013 and in accordance with the CSR Rules notified thereof by the Ministry of Corporate Affairs, Government of India and shall apply to all CSR projects undertaken by Everest Industries Limited ('EIL') as per schedule VII of the Act, within the geographical limits of India only, for the benefit of marginalized, disadvantage, poor or deprived sections of the community and the environment with objective of engaging organizational recourses and capacity to improve the social, economical and environmental conditions of the community at large through sustainable development practices and imbibing the societal values in stakeholders. The activities that the Company has undertaken under the CSR Policy area pertaining to Employment enhancing vocational skills, Health, hygiene & sanitation and Promotion of education and sport etc. The weblink of CSR Policy is *http://www.everestind.com/uploads/Files/194invuf_CSR-Policy_Final.pdf*
2.	The composition of the CSR Committee	Ms. Padmini Somani - Chairperson Mr. M. L. Gupta - Member Mr. Alok Nanda - Member Mr. Manish Sanghi - Member Mr. Y. Srinivasa Rao - Member
3.	Average Net Profit of the company for last 3 financial years	₹ 4163.42 lakhs
4.	Prescribed CSR expenditure (2% of amount)	₹ 83.27 lakhs
5.	Details of CSR activities/projects undertaken during the year:	
	a) total amount to be spent for the financial year	₹ 84.00 Lakhs
	b) total amount spent	₹ 84.71 lakhs
	c) amount un-spent, if any	NA
	d) manner in which the amount spent during financial year, is detailed below:	Details given below:

S. No	Name of the CSR Project	Activities relating to (one of the items of Schedule VII in which the Projects / programs falls or is related to)	Geographical Location (District & State)	Amount (Outlay) to be spent (in lakhs)	Amount spent on projects (in lakhs)		Cumulative Expenditure up to the reporting period (in lakhs)	Projects implementation details; direct or through implementation Agency (IA)
					Direct	Overheads		
1	Health, Hygiene & Sanitation	Tobacco Control Program (Schedule VII (i) Promoting preventive health)	Nashik (Maharashtra)	12.50	9.56	1.52	11.08	Everest Foundation & Salaam Mumbai Foundation
2	Training and skill enhancement	Training on computers (Schedule VII (ii) enhancing vocational skills)	Kymore (Katni, M.P.)	6.50	5.12	1.01	6.13	Everest Foundation
		Building Master Training (Schedule VII (ii) enhancing vocational skills)	Barasat, Nezat, Hasnabad, Gobardanga, (North 24 Pargana, West Bengal) Gangasagar, Bhangar (South 24 Pargana,	46.50	47.58	2.02	49.60	Everest Foundation, Construction Industry Development Council & Sattva

S. No	Name of the CSR Project	Activities relating to (one of the items of Schedule VII in which the Projects / programs falls or is related to)	Geographical Location (District & State)	Amount (Outlay) to be spent (in lakhs)	Amount spent on projects (in lakhs)		Cumulative Expenditure up to the reporting period (in lakhs)	Projects implementation details; direct or through implementation Agency (IA)
					Direct	Overheads		
			West Bengal), Jajpur, Talcher (Angul), Puri, Mayurbhanj, Sundergarh, Kalahandi, Keonjhar, Rajkanika (Kendrapara), Gaisilete (Bargarh, Odisha), Salem, Tenkasi (Tirunelveli), Namakkal, Nagapattinam, Tirunelvelli (Tamil Nadu), Malappuram, Alleppey, Idukki, Kottayam (Kerala), Noida (Uttar Pradesh)					
3	Promoting Sports	Promoting national sport in rural areas. (Schedule VII (vii) Promoting rural and national sports)	Podanur (Coimbatore, Tamil Nadu) and Kymore (Katni, Madhya Pradesh)	8.50	7.30	0.50	7.80	Everest Foundation
4	Community Development	Community Development (Schedule VII (v) Promoting Art & Culture (iii) Providing facilities at Old Age Home during Disaster (i) eradicating hunger	Kidangannur (Pathanamthitta, Kerala), Noida, (Uttar Pradesh), Balasore (Odisha)	10.00	6.07	0.00	6.07	Everest Foundation
Total – Expense towards CSR activities (A)				**84.00**			**80.68**	
*Total– Admin Expense (taken 5% as overheads of total CSR expense) (B)							4.03	
Grand Total (A+B)							**84.71**	

*Though Total admin CSR expense is Rs 14.58 lakhs, however as suggested in the provisions in the notification of MCA dated 27th, Feb. 2014, we have kept it 5 per cent of total direct expense towards admin expenses.

5.	In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report	Not Applicable

RESPONSIBILITY STATEMENT

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

For and on behalf of the Board

Manish Sanghi
Managing Director
Mumbai, 1st May, 2019

Padmini Somani
Chairperson, CSR Committee
Boston, USA, 1st May, 2019

ANNEXURE - 3

STATEMENT PURSUANT TO REGULATION 14 (DISCLOSURE IN THE BOARD'S REPORT) OF SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

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

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

B. Diluted EPS on issue of shares in accordance with "Indian Accounting Standard (Ind AS) 33 - Earnings per Share" issued by ICAI: ₹ 41.08 (Standalone) and ₹ 39.29 (Consolidated).

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

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

D. Details of options granted to senior managerial personnel or identified employees during the year ended 31st March, 2019 is as under

Particulars	Options
Senior managerial personnel	
a. Mr. Manish Sanghi (Managing Director)	25,000
b. Mr. Y. Srinivasa Rao (Executive Director)	20,000
c. Mr. Rahul Chopra (Sr.Vice President & Business Head Boards & Panel)	7,500
d. Mr. Neelabh Kumar Singh (Vice President & Head Roofing Business)	3,000
e. Mr. Neeraj Kohli (Company Secretary)	1,750
Any other employees who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year.	NA
Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NA

E. The activity in the Employees Stock Option Schemes during the year ended March 31, 2019 is as under:

Name of the Scheme	ESOS - 2014	ESOS - 2015	ESOS - 2017	ESOS - 2018
Number of options outstanding at the beginning of the period	49,520	56,955	1,60,000	NIL
Number of options granted during the year	-	-	-	1,70,000
Number of options forfeited / lapsed during the year	910	2,210	23,380	-
Number of options vested during the year	-	-	1,36,620	-
Number of options exercised during the year	7,080	3,100	-	-
Number of shares arising as a result of exercise of options	7,080	3,100	-	-
Money realized by exercise of options (INR), if scheme is implemented directly by the company (including 681 shares for which allotment is pending)	₹ 23,78,880/-	₹ 8,12,200/-	-	-
Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA
Number of options outstanding at the end of the year	41,530	51,645	1,36,620	1,70,000
Number of options exercisable at the end of the year	41,530	51,645	1,36,620	1,70,000
Weighted average exercise price and weighted average fair value of Options granted during the year for Options whose exercise price either equals or exceeds or is less than the market price of the stock. Options whose exercise price is equal to the market price: - Weighted average exercise price of options - Weighted average fair value of options	NA NA	NA NA	NA NA	NA NA
A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: Weighted average share price - Exercise price - Expected volatility - Option life (comprising of vesting period and exercise period) - Expected dividends - Risk free rate of return	₹ 333.40 41.72% 5 years 0.75% 7.72%	₹ 250.00 42.16% 5 years 2.00% 7.88%	₹ 571.00 47.51% 5 years 0.18% 7.26%	₹ 477.00 38.82% 5 years 1.41% 7.35%
The method used and the assumptions made to incorporate the effects of expected early exercise	Historical data and pattern for early exercise of Options is not uniform, hence not considered in expected life calculations.			
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Volatility is the measure of the amount by which a price has fluctuated or is expected to fluctuate during a period. The measure of volatility used in the Black-Scholes options pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over twelve months period prior to the date of grant has been considered.			
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	No other feature has been considered for fair valuation of options except as mentioned in the points above.			

The Company in its Annual General Meeting held on July 26, 2013 and June 29, 2016 had passed Special Resolutions approving Employees' Stock Option Scheme 2013 and Employees' Stock Option Scheme 2016, however, no options have been granted by the Company in the financial year 2013-14 and 2016-17.

For and on behalf of the Board

Place : Mumbai
Date : 1st May, 2019

Manish Sanghi
Managing Director

M L Gupta
Director

ANNEXURE - 4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Everest Industries Limited
CIN: L74999MH1934PLC002093
Gat No 152, Lakhmapur, Taluka Dindori
Nashik-422202, Maharashtra

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

Based on our verification of the Everest Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Everest Industries Limited for the Financial Year ended on 31st March, 2019 according to the provisions of:

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

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

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

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

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

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

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

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

(vi) Other laws as specifically applicable to the Company:

   a) The Petroleum Act, 1934 and Rules made thereunder;

   b) The Explosives Act, 1884 and Rules made thereunder;

   c) The Electricity Act, 2003 and Rules made thereunder;

   d) The Boilers Act, 1923 and Rules made thereunder;

   e) Fire Prevention and Fire Safety Act and Indian Standard Code of practice for selection, installation and maintenance of portable first aid fire extinguishers; and

   f) The Bureau of Indian Standards Act, 2016 and Rules made thereunder.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. (NSE).

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

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

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

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

We further report that during the audit period there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, having a major bearing on the Company's affairs.

For TVA & Co. LLP
Company Secretaries

Place : Delhi
Date : 1st May, 2019

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

NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

1. Introduction

The Board of Everest Industries Limited has adopted the following :

a. Policy for nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and Other Employees.

b. Policy on Board Diversity.

2. Policy Objective

a. To lay down criteria for identifying persons who are qualified to become directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down.

b. To lay down criteria for determining qualification, positive attributes and Independence of a Director.

c. To lay down criteria, relating to remuneration of directors, key managerial personnel, Senior Management and Other Employees.

3. Definitions

“Board” means the “Board of Directors” of Everest Industries Limited;

“Company” means Everest Industries Limited;

“Independent Director” means a Director who satisfies the criteria of independence as prescribed under the Companies Act 2013 and the Listing Regulations, as may be amended time to time and appointed as Independent Director under section 149(10)/(11) read with schedule IV of the Companies Act, 2013;

“Key Managerial Personnel” or “KMP” means:

I. Chief Executive Officer or the Managing Director or the Manager;

II. Whole-Time Director;

III. Company Secretary;

IV. Chief Financial Officer;

V. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

VI. such other officer as may be prescribed under the Companies Act. 2013;

“Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended time to time;

“Nomination & Remuneration Committee” means “Nomination & Remuneration Committee” constituted by the Board of the Company from time to time under the provisions of the Companies Act 2013 and Listing Regulations;

“Other Employees” means all employees of the Company other than the directors, KMP and Senior Management;

“Policy” means the Nomination, Remuneration and Board Diversity Policy;

“Senior Management” shall mean officers/personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer;

Words and expressions used and not defined in this Policy but defined in the Companies Act, 2013 or applicable SEBI Regulations shall have the meanings respectively assigned to them in those Act/Regulations.

4. Constitution

a. The Board shall determine the membership of the Nomination & Remuneration Committee.

b. The Committee shall comprise of at least three non- executive directors, of which not less than one-half shall be Independent Directors.

Provided that the Chairperson of the Company (whether executive or non executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

c. Chairman of the Committee shall be an Independent Director.

5. Policy

This policy is divided into three parts:

5.1 Appointment & Removal

a. Criteria for identifying persons who are qualified to be appointed as a Director / Independent Director/ KMP / Senior Management / Other Employees of the Company:

i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director/ Independent Director/KMP or Senior Management and accordingly recommend to the Board his / her appointment.

ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.

iii. The Director/ Independent Director/ KMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Regulations or any other applicable enactment for the time being in force.

iv. Independent Director shall be appointed as per the criteria laid down under Section 149(6) of the Companies Act, 2013 and Listing Regulations as amended from time to time.

v. Other Employees shall be appointed and removed as per the policy and procedure of the Company.

b. Term / Tenure:

The Term/Tenure of the Directors/ KMP's and other employees shall be as per the Company's prevailing policy subject to the applicable provisions of the Companies Act, 2013 and rules made thereunder and Listing Regulations as amended from time to time.

c. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

d. Retirement:

The director, KMP, Senior Management and Other Employees shall retire as per the applicable provisions of the Companies Act, 2013 along with the rules made thereunder and the prevailing retirement policy of the Company. The Board will have the discretion to retain the director, KMP, Senior Management and Other Employees in the same position / remuneration or otherwise even after attaining the retirement age for the benefit of the Company subject to applicable provisions of the Companies Act, 2013 and Listing Regulations.

5.2 Remuneration

The level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's, Senior Management and Other Employees shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and Other Employees of the Company. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

i. Director/ Managing Director

Besides the above Criteria, the Remuneration/ Compensation/ Commission / Bonus etc. to be paid to Director/ Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder along with the Listing Regulations or any other enactment for the time being in force.

ii. Non-Executive Directors

The Non-Executive Directors (including Independent Directors) will be paid commission as decided by the Board subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder and Listing Regulations

The Non-Executive Directors (including Independent Director) will receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. Independent Directors shall not be entitled to stock option.

iii. Senior Management and Key Managerial Personnel

The Remuneration to be paid to Senior Management / KMP shall be recommended by Nomination & Remuneration Committee to the Board on the basis of the experience, qualification, expertise and/or performance of the related personnel and shall be decided by the Managing Director of the Company.

iv. Other Employees

The power to decide structure of remuneration for other employees has been delegated to the Managing Director of the Company or any other employee that the Managing Director may deem fit.

5.3 Diversity

The Board shall at all times promote and welcome diversity, equal opportunities and gender mix in its composition with due recognition and weightage to the skills, experience and business acumen of the directorship candidatures.

a. The Board will review and approve a chart or a matrix setting out the appropriate and core skills, experience and knowledge required of the Board members, in the context of the needs of the Company's businesses and strategies along with that of the sector's.

b. The Board will review its composition and size from time to time to ensure its appropriateness and the fulfillment of the gender diversity representation.

6. Disclosures

This Policy and criteria of making payments to non-executive director's shall be disclosed as per the applicable statutory requirements.

7. Amendment(s)

The Board may review or amend this Policy, in whole or in part, from time to time, after taking into account amendments made by regulatory authorities in applicable laws, rules and regulations etc and the recommendations from the Nomination & Remuneration Committee.

Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time this Policy is amended to conform to the applicable law, rule, regulation or standard.

8. Effective Date

This Policy shall come into force with effect from 23rd January, 2019 in supersession of earlier policy approved and adopted by the Board on 21st January, 2015

ANNEXURE - 6

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

A. Conservation of Energy:

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

(a) Energy Audit points of PW and SW are being implemented in all plants which resulted in reduction of Specific Energy Consumption from 44.21 KWh/ MT to 43.52 KWh/MT across roofing lines.
(b) Compressed Air Use optimized and Leakages has been arrested.
(c) Installation of LED Lightings in place of conventional Lightings in plants.
(d) Motors Healthiness Audit to identify and replace in-efficient motors with energy efficient motors – IE3

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

(a) Podanur Works consumes 500 KW Solar Power from captive solar power plant.
(b) Lakhmapur Works consumes 1100 KW Solar Power from captive solar power plant

(iii) Capital Investment on Energy Conservation Equipment:

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

B. Technology Absorption -

(i) The efforts made towards technology absorption:

(a) Introduced New Products in the market Viz
  a. Artewood – Paint coated Fiber Cement Planks.
  b. Fiber Cement Façade with stone texture.
(b) Introduction of new products in roofing which have water repellent, Antifungal and attractive colors.
(c) Development of boards with different colors to European market.
(d) Introduction of new aesthetic multicolored siding products to the market

(ii) Benefits derived like product improvement and product development:

(a) Improved Performance and aesthetics of product.
(b) Projects initiated to improve Everest super color roofing sheets productivity and quality during the financial year 2018-19. Also R&D has developed and introduced metallic and royal blue colors in roofing sheets

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

(a) details of technology imported : European Paint Coating line for Fiber cement products (for internal / external use)
(b) the year of import : 2018
(c) whether the technology been fully absorbed : Yes
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : N.A.

(iv) Expenditure incurred on Research and Development:

(₹ In Lakhs)

Particulars	Current Year	Previous Year
i. Capital	0.00	0.21
ii. Recurring	98.04	90.01
iii. Total	**98.04**	**90.22**
iv. Total R & D expenditure as a percentage of total turnover	0.07%	0.07%

C. Foreign Exchange Earnings and Outgo:

(₹ In Lakhs)

Particulars	Current Year	Previous Year
Foreign Exchange Earnings	2,737.68	4,671.62*
Foreign Exchange Used	21,209.85	21,371.55

*Includes ₹ 1,522.06 Lakhs received on reduction of capital from subsidiary company.

For and on behalf of the Board

Place : Mumbai
Date : 1st May, 2019

Manish Sanghi
Managing Director

M L Gupta
Director

ANNEXURE - 7

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L74999MH1934PLC002093
2.	Registration Date	3.4.1934
3.	Name of the Company	Everest Industries Limited
4.	Category / Sub-Category of the Company	Public Company/ Limited by shares
5.	Address of the Registered Office and contact details	GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422202, Maharashtra Tel +91 2557 250375/462 Fax +91 2557 250376
6.	Whether listed company	Yes
7.	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	M/s MCS Share Transfer Agent Ltd. F - 65, First Floor, Okhla Industrial Area, Phase – I, New Delhi -110020. Ph. No.: 011-41406149, 41406151 Fax No.: 011-41709881

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service*	% of total turnover of the company
1.	Building Products	23959	64.67%
2.	Steel Building	41003	35.33%

*As per NIC 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Everest Building Products, 365, Royal Road, Rose Hill, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
2.	Everestind FZE Jebel Ali Free Zone, Dubai UAE	N.A.	Subsidiary	100*	2(87)(ii)
3.	Everest Building Solutions Limited GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202, Mahrashtra	U45201MH2007PLC171720	Subsidiary	100	2(87)(ii)

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Sl. No.	Category of shareholder	No. of shares held at the beginning of the year (As on 01.04.2018)				No. of shares held at the end of the year (As on 31.03.2019)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	**Shareholding of Promoter and Promoter Group**									
1	**Indian**									
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	7520470	0	7520470	48.13	7520470	0	7520470	48.10	-0.03
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	**7520470**	**0**	**7520470**	**48.13**	**7520470**	**0**	**7520470**	**48.10**	**-0.03**
2	**Foreign**									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**7520470**	**0**	**7520470**	**48.13**	**7520470**	**0**	**7520470**	**48.10**	**-0.03**
(B)	**Public shareholding**									
1	**Institutions**									
(a)	Mutual Funds/ UTI	460318	1000	461318	2.95	441493	1000	442493	2.83	-0.12
(b)	Financial Institutions/ Banks	4208	50	4258	0.03	17191	50	17241	0.11	0.08
(c)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	187	187	0.00	0	187	187	0.00	0.00
(f)	Foreign Institutional Investors	270776	0	270776	1.73	425641	0	425641	2.72	0.99
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00

Sl. No.	Category of shareholder	No. of shares held at the beginning of the year (As on 01.04.2018)				No. of shares held at the end of the year (As on 31.03.2019)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	**735302**	**1237**	**736539**	**4.71**	**884325**	**1237**	**885562**	**5.66**	**0.95**
2	**Central Govt/State Govt/POI**	**25770**	**200**	**25970**	**0.17**	**30095**	**200**	**30295**	**0.19**	**0.02**
	Sub-Total (B)(2)	**25770**	**200**	**25970**	**0.17**	**30095**	**200**	**30295**	**0.19**	**0.02**
3	**Non-institutions**									
(a)	Bodies Corporate	1745302	4725	1750027	11.20	807597	4575	812172	5.19	-6.01
(b)	Individuals -									
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	3304181	225920	3530101	22.59	3854646	196918	4051564	25.91	3.32
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	1891037	0	1891037	12.10	1981430	0	1981430	12.67	0.57
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	NBFCs Registered with RBI	45	0	45	0.00	5005	0	5005	0.03	0.03
(e)	Any Other									
I	Trust & Foundations	550	50	600	0.00	550	50	600	0.00	0.00
ii	Cooperative Societies	0	0	0	0.00	0	0	0	0.00	0.00
iii	Educational Institutions	0	0	0	0.00	0	0	0	0.00	0.00
iv	Non Resident Individual	170771	600	171371	1.10	348642	600	349242	2.23	1.13
v	Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
vi	OCBs	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(3)	**7111886**	**231295**	**7343181**	**46.99**	**6997870**	**202143**	**7200013**	**46.05**	**-0.94**
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	**7872958**	**232732**	**8105690**	**51.87**	**7912290**	**203580**	**8115870**	**51.90**	**0.03**
	TOTAL (A)+(B)	**15393428**	**232732**	**15626160**	**100.00**	**15432760**	**203580**	**15636340**	**100.00**	
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
1	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
2	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	**15393428**	**232732**	**15626160**	**100.00**	**15432760**	**203580**	**15636340**	**100.00**	

ii. Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Falak Investment Private Ltd	7383470	47.25	0	7383470	47.22	0	-0.03
2	Trapu Cans Private Limited	137000	0.88	0	137000	0.88	0	0.00
		7520470	48.13	0	7520470	48.10	0	-0.03

Note: Decrease in the percentage of shareholding of Falak Investment Private Limited and Trapu Cans Private Limited is due to allotment of shares to the employees under Employee Stock Options Schemes during the Financial Year 2018-19.

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

There is no change in promoter's shareholding during the Financial Year 2018-19 except change in percentage of shareholding arising out of allotment of shares to the employees under Employees Stock Option Schemes. .

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

S. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the Beginning 01.04.2018/ end of the Year 31.03.2019	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Vijay Kishanlal Kedia	610113	3.90	01.04.2018				
				11.05.2018	30000	Purchase	640113	4.09
				18.05.2018	10000	Purchase	650113	4.16
				01.06.2018	11365	Purchase	661478	4.23
				08.06.2018	96294	Purchase	757772	4.85
				15.06.2018	11713	Purchase	769485	4.92
				22.06.2018	12442	Purchase	781927	5.00
				29.06.2018	531718	Purchase	1313645	8.40
				06.07.2018	-511927	Sale	801718	5.13
				13.07.2018	985	Purchase	802703	5.13
				27.07.2018	7908	Purchase	810611	5.18
				03.08.2018	101291	Purchase	911902	5.83
				10.08.2018	38098	Purchase	950000	6.08
		950000	6.08	31.03.2019			950000	6.08
2	HDFC Small Cap Fund	411860	2.64	01.04.2018		Nil movement during the year		
		411860	2.63	31.03.2019	0		411860	2.63
3	Shubhamangal Credit Capital Private Limited	150000	0.96	01.04.2018		Nil movement during the Year		
		150000	0.96	31.03.2019	0		150000	0.96

S. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the Beginning 01.04.2018/ end of the Year 31.03.2019	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	Dalton India (Master) Fund LP	141950	0.91	01.04.2018				
				14.09.2018	-10334	Sale	131616	0.84
				21.09.2018	-5446	Sale	126170	0.81
		126170	0.81	31.03.2019			126170	0.81
5	Raj Kumar Mittal	191353	1.22	01.04.2018				
				20.04.2018	-9500	Sale	181853	1.16
				11.05.2018	-18750	Sale	163103	1.04
				01.06.2018	-3750	Sale	159353	1.02
				03.08.2018	-6250	Sale	153103	0.98
				29.09.2018	-1000	Sale	152103	0.97
				28.12.2018	-12500	Sale	139603	0.89
				15.02.2019	-22125	Sale	117478	0.75
		117478	0.75	31.03.2019			117478	0.75
6	Sonal D Shah	100000	0.64	01.04.2018		Nil movement during the year		
		100000	0.64	31.03.2019	0		100000	0.64
7	Preeti N Shah	100000	0.64	01.04.2018		Nil movement during the year		
		100000	0.64	31.03.2019	0		100000	0.64
8	Urmila D Shah	100000	0.64	01.04.2018		Nil movement during the year		
		100000	0.64	31.03.2019	0		100000	0.64
9	Acadian Emerging Markets Small Cap Equity Fund LLC	38042	0.24	01.04.2018				
				25.05.2018	4340	Purchase	42382	0.27
				17.08.2018	16843	Purchase	59225	0.40
				21.09.2018	13830	Purchase	73055	0.47
		73055	0.47	31.03.2019			73055	0.47
10	The Board of Regents of The University of Texas System-Acadian Asset Management	23133	0.15	01.04.2018				
				18.05.2018	11937	Purchase	35070	0.22
				17.08.2018	17133	Purchase	52203	0.33
				14.09.2018	13756	Purchase	65959	0.42
				05.10.2018	6168	Purchase	72127	0.46
		72127	0.46	31.03.2019			72127	0.46

v. Shareholding of Directors and Key Managerial Personnel:

S. No	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the Beginning 01.04.2018/ end of the Year 31.03.2019	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	M L Gupta (Independent Director)	30000	0.19	01.04.2018		Nil movement during the year		
		30000	0.19	31.03.2019			30000	0.19
2	B L Taparia (Independent Director)	1000	0.01	01.04.2018		Nil movement during the year		
		1000	0.01	31.03.2019			1000	0.01
3	Alok Nanda (Independent Director)	0.00	0.00	01.04.2018				
				15.02.2019	10	Purchase	10	0.00
		10	0.00	31.03.2019			10	0.00
4	Manish Sanghi (Managing Director)	62539	0.40	01.04.2018				
				11.05.2018	18750	Purchase	81289	0.52
				03.08.2018	-5332	Sale	75957	0.49
				10.08.2018	-10000	Sale	65957	0.42
				15.02.2019	18750	Purchase	84707	0.54
		84707	0.54	31.03.2019			84707	0.54
5	Y Srinivasa Rao (Executive Director)	16152	0.10	01.04.2018				
				27.07.2018	-1378	Sale	14774	0.09
				03.08.2018	-1622	Sale	13152	0.08
				10.08.2018	-1400	Sale	11752	0.07
				17.08.2018	-2400	Sale	9352	0.06
				24.08.2018	-2342	Sale	7010	0.04
				07.09.2018	-300	Sale	6710	0.04
				28.12.2018	12500	Purchase	19210	0.12
		19210	0.12	31.03.2019			19210	0.12
6	A V Somani (Whole Time Director)*	500	0.00	01.04.2018		Nil movement during the year		
		500	0.00	31.03.2019			500	0.00

* A.V. Somani ceased to be Director of the Company w.e.f. 26.02.2019

The following Directors/Key Managerial Personnel did not hold any shares of the company during the financial year 2018-19

- Bhavna Doshi - Director
- Rajendra Chitale - Director
- Narotam Sekhsaria - Director
- Padmini Somani - Director
- Amitabh Das Mundhra - Director
- Nikhil Dujari - Chief Financial Officer
- Neeraj Kohli - Company Secretary

V. INDEBTEDNESS

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

(₹ In Lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01/04/2018)				
i) Principal Amount	8384.55	-	-	8384.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	43.05	-	-	43.05
Total (i+ii+iii)	**8427.60**	**-**	**-**	**8427.60**
Change in Indebtedness during the financial year				
• Addition	602.75	-	-	602.75
• Reduction	-	-	-	-
Net Change	**602.75**	**-**	**-**	**602.75**
Indebtedness at the end of the financial year (31/03/2019)				
i) Principal Amount	8998.91	-	-	8998.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	31.44	-	-	31.44
Total (i+ii+iii)	**9030.35**	**-**	**-**	**9030.35**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Manish Sanghi	Y.Srinivasa Rao	A.V.Somani*	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	187.65	145.80	250.71	584.16
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.14	-	-	0.14
	(c) Profits in lieu of salary under 17(2) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- Performance Incentive	18.00	15.00	-	33.00
5.	Others				
	- PF & Superannuation	22.52	17.50	-	40.02
6.	Others(Leave Encashment)	3.47	1.44	-	4.91
	Total (A)	**231.78**	**179.74**	**250.71****	**662.23**
	Ceiling as per the Act	₹ 1042.78 lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).			
	* Ceased to be whole time director of the Company w.e.f. 26.02.2019. ** Includes three months notice period remuneration as per the agreement entered by the Company with Mr. A.V. Somani.				

B. Remuneration to Other Directors:

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of Non- Executive Directors								Total Amount
		M.L. Gupta	Amitabh Das Mundhra	B.L. Taparia	Bhavna G Doshi	Rajendra Chitale	Alok Nanda	Narotam Sekhsaria	Padmini Somani	
1.	**Independent Directors**									
	Fee for attending board / committee meetings	4.40	0.90	4.20	3.50	0.80	0.80	-	-	14.60
	Commission	10.00	-	12.00	10.00	-	-	-	-	32.00
	Others	-	-	-	-	-	-	-	-	-
	Total (1)	**14.40**	**0.90**	**16.20**	**13.50**	**0.80**	**0.80**	**-**	**-**	**46.60**
2.	**Other Non-Executive Directors**									
	Fee for attending board / committee meetings	-	-	-	-	-	-	0.80	0.80	1.6
	Commission	-	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**	**-**	**0.80**	**0.80**	**1.6**
	Total (B) = (1+2)	**14.40**	**0.90**	**16.20**	**13.50**	**0.80**	**0.80**	**0.80**	**0.80**	**48.20**
	Overall Ceiling as per the Act	Rs 104.28 Lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)								
	Total Managerial Remuneration									**694.23 #**
	Overall Ceiling as per the Act	Rs 1147.06 Lakhs (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)								

#Exclusive of sitting fee

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	CFO* (Nikhil Dujari)	Company Secretary (Neeraj Kohli)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under 17(2) Income-tax Act, 1961	Not Applicable	 62.22 5.31 -	 18.18 1.48 -	 80.40 6.79 -
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - Performance Incentive		 - 10.06	 - 2.26	 - 12.32
5.	PF & Superannuation		2.38	1.64	4.02
	Others(Leave Encashment)		1.05	0.51	1.56
	Total (A)		**81.02**	**24.07**	**105.09**
	*Mr. Nikhil Dujari was employed for part of the year.				

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

For and on behalf of the Board

Place : Mumbai
Date : 1st May, 2019

Manish Sanghi
Managing Director

M L Gupta
Director

ANNEXURE 8

STATEMENT PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31ST MARCH, 2019

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

S. No.	Name	Designation	Qualification	Age (Years)	Experience (Years)	Remuneration Gross (₹ In lakhs)	Date of commence-ment of Employment	Previous Employment	% of shares held in the Company
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	A.V. Somani *	Whole Time Director	MBA,PGDM, M.Com.	45	28	250.71	21.6.2010	White Knight Constructions India Pvt. Ltd. (Director)	0.00
2.	Manish Sanghi	Managing Director	B.E. (Mech), PGDM (IIM-A)	56	33	231.78	16.01.2001	Delphi Automotive Systems Ltd. (General Manager-Marketing & Planning)	0.54
3.	Y. Srinivasa Rao	Executive Director	B.Sc. Engg. (Mech)	55	33	179.74	20.08.1997	Samcor Glass Ltd. (Manager)	0.12
4.	Sanjay Joshi**	Senior Vice President & Business Head (B&P)	B.Sc(Tech), PGDM	44	19	105.77	16.05.2016	Asian Paints Ltd.	0.00
5	Krishnakumar Subramanian	Senior Vice President & Head Business Unit	B.Tech (Mech), Executive MBA	47	26	94.32	25.04.2018	Larsen & Toubro Limited	0.00
6	Koushik Sarkar**	President (Strategy)	PGDM - IIM	55	31	91.26	01.11.2017	USG Boral Building Products India Pvt. Ltd.	0.00
7	Nikhil Dujari $	Chief Financial Officer	B.Com(H), CA	46	23	81.02	03.09.2018	Essel Propack Limited	0.00
8	Rahul Chopra	Sr.Vice President & Head Roofing Business	B.A(H)	54	32	72.52	01.01.1988	Nil	0.00
9	Manish Garg **	President & Chief Executive (SBS)	Diploma in Engineering, AMIE	46	28	65.53	20.04.2007	Interarch Building Products P. Ltd. (General Manager-Marketing)	0.00
10	Hiten Girish Parekh	Head-Solar Business	HSC	40	15	62.91	07.11.2016	Waaree Energies Ltd	0.00

* Mr. A.V. Somani ceased to be Director of the Company w.e.f. 26.02.2019 and was holding 500 shares in the Company

** Employed for part of the year.

$ Mr. Nikhil Dujari resigned w.e.f 01.08.2018 and re-joined the Company on 03.09.2018

Notes:

1. Mr. Koushik Sarkar, Mr. Sanjay Joshi and Mr. Manish Garg were in receipt of remuneration aggregating not less than ₹ 8,50,000 per month and employed for part of the Financial Year.
2. 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.
3. All the above employments are permanent in nature except Mr. Manish Sanghi, Mr. Y. Srinivasa Rao and Mr. A V Somani which are contractual.
4. None of the above employees are related to any Director of the Company.

For and on behalf of the Board

Place : Mumbai
Date : 1st May, 2019

Manish Sanghi
Managing Director

M L Gupta
Director

ANNEXURE 9

PARTICULARS OF REMUNERATION

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

a. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Non-Executive Directors	Ratio of the remuneration of each director to Median Remuneration of the employees
M.L. Gupta	1:4.32
Bhavna Doshi	1:4.05
Amitabh Das Mundhra	1:0.27
B.L. Taparia	1: 4.86
Narotam Sekhsaria*	1:0.24
Padmini Somani*	1:0.24
Rajendra Chitale **	1:0.24
Alok Nanda **	1:0.24
Executive Directors	
A.V. Somani $	1:75
Manish Sanghi	1:70
Y. Srinivasa Rao	1:54

* Appointed as Director w.e.f. 26.02.2019, ** Appointed as Director w.e.f. 23.01.2019, $ Ceased to be Director w.e.f. 26.02.2019

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	Remuneration (Rs in lakhs)		% Increase in remuneration
	2017-18	2018-19	
M.L. Gupta	8.30	14.40	73.49
Bhavna G. Doshi	8.50	13.50	58.82
Amitabh Das Mundhra	1.50	0.90	(40)
B.L. Taparia	11.30	16.20	43.36
A.V. Somani	243.00	250.71	NA*
Manish Sanghi	217.76	231.78	6.44
Y. Srinivasa Rao	167.11	179.74	7.56
Nikhil Dujari	65.12	81.02	24.42**
Neeraj Kohli	20.50	24.07	17.41

*Ceased to be Director of the Company w.e.f. 26.02.2019

** Mr. Nikhil Dujari resigned w.e.f 01.08.2018 and re-joined the Company on 03.09.2018

Note: Mr. Narotam Sekhsaria & Ms. Padmini Somani have been appointed as non-executive Directors w.e.f. 26.02.2019 and Mr. Rajendra Chitale & Mr. Alok Nanda have been appointed as Independent Director w.e.f. 23.01.2019. Therefore, their names have not been mentioned in the table.

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

d. The number of permanent employees on the rolls of company : 1488

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

The average increase in salaries of employees other than managerial personnel in 2018-19 was 8.00%. Percentage increase in the managerial remuneration for the year was 7.00 %.

f. Affirmation that the remuneration is as per the remuneration policy of the Company

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

For and on behalf of the Board

Place : Mumbai
Date : 1st May, 2019

Manish Sanghi
Managing Director

M L Gupta
Director

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PRACTICE ON CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

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

A. Composition of Board

The Board of the Company as on 31st March, 2019 consists of ten Directors of which two are Executive Directors and eight are Non-Executive Directors including two woman Directors. Out of eight Non-Executive Directors, six are Independent Directors. Mr. Amitabh Das Mundhra ceased to be Director of the Company with effect from April 1, 2019 on completion of his tenure as an Independent Director. The Company has an appropriate size of the Board for real strategic discussion and avails benefit of diverse experience and viewpoints. The composition of the Board of Directors is in conformity with the requirements of Regulation 17(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulations").

B. Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are paid sitting fee as well as commission within the limits prescribed under Section 197(1) of the Companies Act, 2013 ("Act"). The non-executive Directors of the Company are paid sitting fees for attending various meetings of the Board & Committee and commission. The amount of commission is based on the performance of the Company vis-à-vis role and performance of the non-executive Directors. The commission is approved by the Board of Directors. No stock options were granted to Non-Executive Directors during the financial year under review 2018-19 ("year").

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

Independent Directors are not serving as Independent Directors in more than seven listed companies.

The Directors of the Company who holds the position as Whole Time Director in the Company do not serve as Independent Director in more than three listed companies.

C. Key Board skills, expertise and competencies

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

Leadership	Ability to inspire, motivate and offer direction and leadership to others and represent the company before internal and external stakeholders.
Management	Knowledge or expertise or understanding of sound management and business principles or experience of working in senior management position of any organization.
Financial expertise	An understanding of financial statements and the accounting principles used by the company to prepare its financial statements; including the ability to assess the general application of such accounting principles in connection with the accounting for the company.
Strategy Development and Implementation	Experience in developing and implementing business strategies or ability to give strategic insights to key business objectives.
Legal and Regulatory	Understanding of the regulatory environment under the Company operates along with exposure in handling regulatory matters with a listed company or major organization and/or experience providing legal/regulatory advice and guidance within a complex regulatory regime.
Technical	Experience in Manufacturing, Production process and other technical aspects of the Business, Research and Development knowledge for new products and product lines.

D. Other provisions as to Board and Committees

The Board as on 31st March, 2019 comprises of Mr. Manish Sanghi as Managing Director, Mr. Y. Srinivasa Rao as Executive Director, Mr. Narotam Sekhsaria and Ms. Padmini Somani as Non Executive Directors, Mr. M.L. Gupta, Mr. Amitabh Das Mundhra, Mr. B.L. Taparia, Mrs. Bhavna Doshi, Mr. Rajendra Chitale and Mr. Alok Nanda as Non - Executive Independent Directors.

During the year, seven meetings of the Board of Directors were held on 1st May, 2018, 25th July, 2018, 31st August, 2018, 24th October, 2018, 23rd January, 2019, 27th February, 2019 and 26th March, 2019 with clearly defined agenda, circulated well in advance before each meeting. The maximum time gap between any two consecutive meetings did not exceed 120 days.

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

Details of attendance of Directors at Board Meetings held during the period under review and at the last Annual General Meeting (AGM) held on 25th July, 2018, with particulars of their Directorships and Chairmanship/Membership of Board Committees of other public limited companies and listed companies (as per the disclosures received from Directors) showing the position as on 31st March, 2019 are given below:

Name of Director	Particulars of attendance		No. of Directorships and Committee Membership/ Chairmanship held in other Public Companies (including listed entity)*			Category of Directors	Directorship in other listed entity (Category of Directorship)
	Board Meetings	Last AGM	Other Directorship	Other Committee Member	Other Committee Chairman		
Mr. Narotam Sekhsaria ** (Non-Executive Non-Independent Director)	2 of 2	NA	3	–	–	Non-Executive Director	• Ambuja Cements Limited (Non-Independent, Non-Executive Director) • ACC Limited (Non-Independent, Non-Executive Director)
Ms. Padmini Somani** (Non-Executive Non-Independent Director)	2 of 2	NA	–	–	–	Non-Executive Director	NIL
Mr. M.L. Gupta (Independent Director)	7 of 7	Yes	-	-	-	Independent Non-Executive	NIL
Mr. B.L. Taparia (Independent Director)	7 of 7	Yes	-	-	-	Independent Non-Executive	NIL
Mrs. Bhavna Doshi (Independent Director)	6 of 7	Yes	8	3	4	Independent Non-Executive	• Walchandnagar Industries Limited (Independent, Non-Executive Director) • Sun Pharma Advanced Research Company Limited (Independent, Non-Executive Director) • Gruh Finance Limited (Independent, Non-Executive Director) • Torrent Power Limited (Independent, Non-Executive Director)
Mr. Amitabh Das Mundhra *** (Independent Director)	2 of 7	No	N.A.#	N.A.#	N.A.#	Independent Non-Executive	N.A.#

Name of Director	Particulars of attendance		No. of Directorships and Committee Membership/ Chairmanship held in other Public Companies (including listed entity)*			Category of Directors	Directorship in other listed entity (Category of Directorship)
	Board Meetings	Last AGM	Other Directorship	Other Committee Member	Other Committee Chairman		
Mr. Rajendra Chitale **** (Independent Director)	2 of 2	NA	8	5	4	Independent Non-Executive	• Reliance Capital Limited (Independent, Non-Executive Director) • Hinduja Global Solutions Limited (Independent, Non-Executive Director) • Ambuja Cements Limited (Independent, Non-Executive Director) • Hinduja Ventures Limited (Independent, Non-Executive Director)
Mr. Alok Nanda **** (Independent Director)	2 of 2	NA	-	-	-	Independent Non-Executive	NIL
Mr. Manish Sanghi (Managing Director)	7 of 7	Yes	1	-	-	Executive	NIL
Mr. Y. Srinivasa Rao (Executive Director)	6 of 7	Yes	1	-	-	Executive	NIL
Mr. A.V. Somani***** (Whole Time Director)	5 of 5	Yes	N.A.#	N.A.#	N.A.#	Executive	N.A.#

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

** Mr. Narotam Sekhsaria and Ms. Padmini Somani have been appointed as Non Executive Directors of the Company w.e.f. 26.2.2019.

*** Mr Amitabh Das Mundhra ceased to be Director of the Company w.e.f. 01.04.2019

**** Mr. Rajendra Chitale and Mr. Alok Nanda have been appointed as Additional Independent Directors of the Company w.e.f. 23.1.2019.

***** Mr. A.V. Somani ceased to be Director of the Company w.e.f. 26.2.2019.

The Company has not received disclosure consequent to cessation as Director of the Company.

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

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

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

E. Code of Conduct

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

The members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended on 31st March, 2019. The Annual Report of the Company contains a declaration by the Managing Director in terms of Para D of Schedule V of the SEBI Listing Regulations based on the compliance declarations received from the Board and Senior Management.

F. Performance Evaluation

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

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

G. Familiarization Programme conducted for Independent Directors

The Company conducted Familiarization Programme for its independent directors on 27th February 2019. The details of Familiarization programme is available on the Company's website at the link: http://www.everestind.com/investors-all.aspx?mpgid=19&pgidtrail=19&catid=3&subcatid=2

3. BOARD COMMITTEES

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

3.1 AUDIT COMMITTEE

A. Qualified and Independent Audit Committee

The Company complies with Section 177 of the Act as well as requirements under SEBI Listing Regulations pertaining to the Audit Committee. The Audit Committee, as on 31st March, 2019, consists of three Non-Executive Independent Directors. All members of the Committee are financially literate and having the requisite financial management expertise. Mr. B.L. Taparia is the Chairman of the Audit Committee. The Chairman of the Audit Committee is an Independent Director. Mr. B.L. Taparia was present at the last Annual General Meeting held on 25th July, 2018.

B. Terms of Reference

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

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

C. Composition, its meetings and attendance:

The Committee, as on 31st March, 2019, comprises of Mr. B.L. Taparia (Chairman), Mr. M.L. Gupta (Member) and Mrs. Bhavna Doshi (Member).

During the year, five Audit Committee Meetings were held on 1st May, 2018, 25th July, 2018, 31st August, 2018, 24th October, 2018 and 23rd January, 2019. The number of meetings held and number of meetings attended by the Members during the year are given below:

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Mr. B.L.Taparia	Independent Director	5	5
Mr. M.L. Gupta	Independent Director	5	5
Mrs. Bhavna Doshi	Independent Director	5	4

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

3.2 STAKEHOLDERS RELATIONSHIP COMMITTEE

A. Composition

Stakeholders Relationship Committee, as on 31st March, 2019, comprises of Mr. M.L. Gupta (Chairman), Mr. Manish Sanghi (Member) and Mr. Y. Srinivasa Rao (Member).

B. Terms of Reference

i. To consider and resolve the grievances of security holders of the Company

ii. To approve applications for transfer, transmission, transposition of shares and mutation of share certificates including issue of duplicate certificates, split, sub-division or consolidation of certificates and to deal with all related matters

iii. To look into and redress the shareholders / investors grievances relating to:

a. Transfer of shares;

b. Non-receipt of dividends;

c. Non-receipt of annual reports; and

d. Any other complaint concerning the Shareholders / investors

iv. The Committee will oversee the performance of the Registrars and Share Transfer Agents of the Company.

v. Such other matters as may from time to time be required by any statutory or regulatory authority to be attended by the Committee.

vi. Consider other matters, as from time to time be referred to it by the Board.

C. Meetings and attendance during the year

During the year, four meetings of the Stakeholders Relationship Committee were held on 1st May, 2018, 25th July, 2018, 24th October, 2018 and 23rd January, 2019. The number of meetings held and number of meetings attended by the Members during the year are given below:

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Mr. M.L. Gupta	Independent Director	4	4
Mr. Manish Sanghi	Managing Director	4	4
Mr. Y. Srinivasa Rao *	Executive Director	NA	NA
Mr. A.V. Somani **	Whole Time Director	4	4

* Mr. Y. Srinivasa Rao was co-opted as Member of the Stakeholders Relationship Committee w.e.f. 28.2.2019.

** Mr. A.V. Somani ceased to be Member of the Stakeholders Relationship Committee w.e.f. 26.2.2019.

The Stakeholders Relationship Committee approved transfers, transmission, issue of duplicate shares, allotment of shares under ESOS etc. through resolution by circulation sixteen (16) times during the year. During the year, the Company has received five (5) complaints from the shareholders and the same were duly resolved. Mr. Neeraj Kohli, Company Secretary & Head Legal is the Compliance Officer of the Company.

3.3 NOMINATION AND REMUNERATION COMMITTEE

A. Composition

The Nomination and Remuneration Committee, as on 31st March, 2019, comprises of Mr. M.L. Gupta (Chairman), Mr. Amitabh Das Mundhra (Member), Mr. B.L. Taparia (Member) and Mrs. Bhavna Doshi (Member).

B. Terms of reference

The Terms of Reference of Nomination and Remuneration Committee *inter-alia* includes:

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

b) Formulation of the criteria for determining qualifications, positive attributes and independence of the Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

c) Determine/ review on behalf of Board of Directors of the Company the compensation package, service agreements and other employment conditions for Managing/Whole Time Director(s).

d) Devising a policy on diversity of Board of Directors.

e) Determine on behalf of the Board of Directors of the Company the quantum of annual increments/incentives on the basis of performance of the Key Managerial Personnel. Delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.

f) Formulate, amend and administer stock options plans and grant stock options to Managing / Whole Time Director(s) and employees of the Company.

g) Delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.

h) Consider other matters, as from time to time be referred to it by the Board.

C. Meetings and attendance during the year:

During the year, four meetings of Nomination and Remuneration Committee were held on 1st May, 2018, 31st August, 2018, 23rd January, 2019 and 27th February, 2019.

The number of meetings held and number of meetings attended by the Members during the year are given below:

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Mr. M.L. Gupta	Independent Director	4	4
Mr. B.L. Taparia	Independent Director	4	4
Mrs. Bhavna Doshi *	Independent Director	1	1
Mr. Amitabh Das Mundhra**	Independent Director	4	1

* Mrs. Bhavna Doshi was co-opted as Member of the Nomination and Remuneration Committee w.e.f. 8.2.2019.

** Mr. Amitabh Das Mundhra ceased to be Director of the Company w.e.f 01.04.2019

D. Remuneration policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the quarterly appraisal process.

The Nomination, Remuneration and Board Diversity Policy of the Company is attached to the Board's Report as Annexure-5.

E. Details of Remuneration of Executive Directors for the Financial Year 2018-19

Name and Designation	Mr. Manish Sanghi, Managing Director	Mr. Y. Srinivasa Rao, Executive Director	Mr. A.V. Somani, Whole time Director*
Tenure of Appointment	Five years ending on 30th September, 2021	Five years ending on 22nd April, 2020	Five years ending on 20th June, 2021
Salary (₹)	83,40,000	64,80,000	2,50,71,429
Perquisites/Allowances (₹)	1,04,39,208	81,00,000	-
Commission (₹)	-	-	-

Name and Designation	Mr. Manish Sanghi, Managing Director	Mr. Y. Srinivasa Rao, Executive Director	Mr. A.V. Somani, Whole time Director*
Performance Incentive (₹)	18,00,000	15,00,000	-
Contributions to Provident Fund/ Superannuation Fund (₹)	22,51,800	17,49,600	-
Others (₹)	3,47,500	1,44,000	-
Perquisites value of ESOS (₹)	-	-	-
Total (₹)	**2,31,78,508**	**1,79,73,600**	**2,50,71,429**

* Mr. A.V. Somani ceased to be Director of the Company w.e.f. 26.2.2019.

Notice period for termination of appointment of Executive Directors is three months on either side. Apart from the salary in lieu of the notice period, no other severance fees is payable.

Mr. Manish Sanghi and Mr. Y. Srinivasa Rao were granted 25,000 and 20,000 options respectively under Employees Stock Option Scheme 2018 on 23.1.2019 at the exercise price of ₹ 477/- per option. The vesting period is one year from the date of grant of options and exercise period shall be four years from the date of expiry of vesting period.

No stock options were granted to Mr. A. V. Somani during the financial year 2018-19.

F. Details of Remuneration of Non-Executive Directors for the Financial Year 2018-19

The Non-Executive Directors are entitled to sitting fee for attending the Board/ Committee Meetings. The Non-Executive Directors are paid sitting fees at the rate of ₹ 40,000/- for each Board Meeting; ₹ 20,000/- for each Audit Committee Meeting; ₹ 10,000/- for each Nomination and Remuneration Committee Meeting and ₹ 5,000/- for each Stakeholder Relationship Committee Meeting. The Non-Executive Directors are also paid commission up to 1% of the net profit of the Company as decided by the Board of Directors. The sitting fee and commission paid to the Non-Executive Directors for the year ended 31st March, 2019 are as under:

Name	Mr. Narotam Sekhsaria	Ms. Padmini Somani	Mr. M.L. Gupta	Mr. Amitabh Das Mundhra	Mr. B.L. Taparia	Mrs. Bhavna Doshi	Mr. Rajendra Chitale	Mr. Alok Nanda
Sitting fees (₹)	80,000	80,000	4,40,000	90,000	4,20,000	3,50,000	80,000	80,000
Commission (₹)	_	_	10,00,000	_	12,00,000	10,00,000	_	_
Total (₹)	**80,000**	**80,000**	**14,40,000**	**90,000**	**16,20,000**	**13,50,000**	**80,000**	**80,000**

Note:

1. Mr. M.L. Gupta holds 30,000 equity shares, Mr. B.L. Taparia holds 1,000 equity shares and Mr. Alok Nanda holds 10 equity shares of the Company as on 31st March, 2019. None of the remaining Non-executive Directors hold any shares of the Company.
2. There has been no pecuniary relationship or transactions other than above of the Non-Executive Directors vis-à-vis the Company during the year under review.

3.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

A. Composition

The Corporate Social Responsibility Committee, as on 31st March, 2019, comprises of Ms. Padmini Somani (Chairperson), Mr. M.L. Gupta (Member), Mr. Alok Nanda (Member), Mr. Manish Sanghi (Member) and Mr. Y. Srinivasa Rao (Member).

B. Terms of Reference

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

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

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

C. Meetings and attendance during the year

During the year, two meetings of Corporate Social Responsibility Committee (CSR) were held on 1st May, 2018 and 23rd January, 2019. The number of meetings held and the number of meetings attended by the Members during the year are given below:

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Ms. Padmini Somani *	Non Executive Director	NIL	NIL
Mr. M.L. Gupta	Independent Director	2	2
Mr. Manish Sanghi	Managing Director	2	2
Mr. Y. Srinivasa Rao	Whole Time Director	2	2
Mr. A.V. Somani **	Whole Time Director	2	2
Mr. Alok Nanda*	Independent Director	NIL	NIL

* Ms. Padmini Somani was co-opted as Chairperson and Mr. Alok Nanda co-opted as Member of the Corporate Social Responsibility w.e.f. 28.2.2019.

** Mr. A.V. Somani ceased to be Director of the Company w.e.f. 26.2.2019.

The Company has formulated CSR Policy which may be accessed on the Company's website at the link http://www.everestind.com/uploads/Files/194invuf_CSR-Policy_Final.pdf

4. **Independent Directors Meeting**

Independent Directors are regularly updated on the performance of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors Mr. M.L. Gupta, Mr. B.L. Taparia, Mrs. Bhavna Doshi, Mr. Rajendra Chitale and Mr. Alok Nanda met on 26th March, 2019 without the attendance of non independent directors and members of the management to:

i. Review the performance of non-independent directors and the Board as a whole;

ii. Assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. Amitabh Das Mundhra was granted leave of absence.

5. **DISCLOSURES**

5.1 SUBSIDIARY COMPANY

i. The Company has one wholly owned subsidiary company in India viz. Everest Building Solutions Limited.

ii. The Company has two foreign subsidiaries viz., Everest Building Products in Mauritius and Everestind FZE in Jebel Ali Free Zone, Dubai, UAE.

5.2 BASIS OF RELATED PARTY TRANSACTIONS

The particulars of transactions between the Company and its related parties are as per the Indian Accounting Standard 24 "Related Party Disclosures" prescribed by the Companies (Indian Accounting Standards) Rules, 2015 are disclosed in the Standalone Annual Accounts (Note No. 2.36). During the year, the Company had taken omnibus approval from Audit Committee for export of Fibre Cement Boards and Panels to its wholly owned subsidiary viz. Everestind FZE ("EFZE") in Dubai, UAE. There were no transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis. Further, no related party transaction has been taken place which is materially significant or that may have potential conflict with the interests of the Company at large.

5.3 DISCLOSURE OF WEBLINK OF POLICY FOR DETERMINING MATERIAL SUBSIDIARIES AND POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

As required by SEBI Listing Regulations, web link of the website of the Company where members can view or download Policy for determining Material Subsidiaries is *http://www.everestind.com/uploads/Files/162invuf_MaterialSubsidiaryPolicy.pdf* and for Policy on dealing with related party transactions is *http://www.everestind.com/uploads/Files/161invuf_Related-Party.pdf*

5.4 RISK MANAGEMENT

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

5.5 PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES, PREFERENTIAL ISSUES ETC.

During the financial year ended 31st March, 2019, the Company has not raised any money from public issues, right issues, preferential issues etc.

5.6 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report have been included separately in this Annual Report.

5.7 VIGIL MECHANISM POLICY

Pursuant to Section 177 of the Act and rules made thereunder and the SEBI Listing Regulations, the Company has in place a mechanism for Directors, employees, vendors and customers to report concerns about unethical behaviour, actual or suspected fraud, violation of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimization of Whistle Blower who avail the mechanism and also provides for direct access to the Whistle Blower to the Chairman of the Audit Committee. Pursuant thereto, a dedicated helpline "Ethics Helpline" has been set-up which is managed by an independent professional organization. Whistle Blower can report concern through any of the following:

E-mail	:	everest@ethicalview.com
National Toll Free Phone Number	:	1800 209 9098
Fax Number	:	+91 (22) 66459131
Address	:	PO Box No. 6, Pune - 411001

We affirm that during the financial year ended 31st March, 2019, no employee has been denied access to the Chairman of Audit Committee.

5.8 COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Business risk evaluation is an ongoing process within the Company. The Company imports certain raw materials from various sources for manufacturing of building products. The Company enters into long term contracts with some suppliers for procurement of raw materials. The Company has managed the foreign exchange risk with appropriate activities in accordance with laid down policies of the Company which are regularly reassessed. The assessment is periodically evaluated by the Board Members. The Company does not undertake any commodity hedging activities. The details of foreign currency exposure are disclosed in Note No. 2.34 of the standalone financial statements.

5.9 There is no non-compliance by the Company and no penalty, stricture imposed on the Company by Stock Exchange(s) or SEBI or any other Statutory Authority on any matter related to capital markets, during the last three years.

5.10 The Company is in compliance with the mandatory requirements in respect of Corporate Governance to the extent applicable as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5.11 The Company has adopted the following non-mandatory requirements under Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Modified opinion (s) in Audit Report
- Reporting of Internal Auditor

6. SHAREHOLDERS

i. The quarterly results and presentations made by the Company to analysts are put on the Company's website www.everestind.com.

ii. The Company sends Annual Report through email to those Shareholders who have registered their email ids with Depository Participant (DP) and with the Registrar and Share Transfer Agent (RTA) of the Company & physical copies of Annual Report to those Shareholders whose email Ids are not registered with DP/RTA.

7. MEANS OF COMMUNICATION

The Quarterly/Half Yearly/Annual Financial Results of the Company are forwarded to BSE Limited and National Stock Exchange of India Limited where the Company's shares are listed and also published in Business Standard, Mumbai & Sakal, Nashik. The Quarterly/Half Yearly/Annual Financial Results are also displayed on the Company's website www.everestind.com and Stock Exchanges websites www.nseindia.com and www.bseindia.com. Presentations to analysts and institutional investors and other general information about the Company are also available on the Company's website.

8. PREVENTION OF INSIDER TRADING

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Practices and procedures for Fair Disclosure and Code of conduct to regulate, monitor and reporting trading by insiders. The codes advise procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautioning them on consequences of non-compliances.

9. COMPLIANCE CERTIFICATE BY CEO/CFO

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI Listing Regulations. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI Listing Regulations. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

10. GENERAL BODY MEETINGS (HELD IN THE LAST 3 YEARS)

Year	AGM/ EGM	Venue of the Meeting	Date	Time
2019	EGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	26th February, 2019	11.00 A.M.
2018	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	25th July, 2018	12.30 P.M.
2017	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	26th July, 2017	12.30 P.M.
2016	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	29th June, 2016	11.00 A.M.

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

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

i. At the 83rd Annual General Meeting held on 29th June, 2016, a Special Resolution was passed, approving re-appointment and remuneration payable to Mr. A.V. Somani, Whole Time Director designated as Chairman of the Company.

ii. At the 83rd Annual General Meeting held on 29th June, 2016, a Special Resolution was passed, approving re-appointment and remuneration payable to Mr. Manish Sanghi, Managing Director of the Company.

iii. At the 83rd Annual General Meeting held on 29th June, 2016, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme -2016 to the specified employees during the financial year 2016-17.

iv. At the 84th Annual General Meeting held on 26th July, 2017, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme -2017 to the specified employees during the financial year 2017-18.

v. At the 85th Annual General Meeting held on 25th July, 2018, a Special Resolution was passed, fixing the remuneration payable to Mr. Y. Srinivasa Rao, Whole Time Director designated as Executive Director of the Company.

vi. At the 85th Annual General Meeting held on 25th July, 2018, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme -2018 to the specified employees during the financial year 2018-19.

vii. At the 85th Annual General Meeting held on 25th July, 2018, a Special Resolution was passed for continuation of directorship of Mr. M.L. Gupta as a non-executive director of the Company who has attained the age of 75 years.

Postal Ballot & E-voting:

The Company successfully completed the process of Postal Ballot for obtaining approval of its members on two special resolutions during the financial year 2018-19. The details of special resolutions along with the voting pattern are as follows:-

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Assenting Votes Cast	Votes Dissenting the Resolution	% of Dissenting Votes Cast
Special Resolution for re-appointment of Mr. B.L. Taparia as an Independent Director of the Company for a term of 5 consecutive years with effect from 1st April, 2019 upto 31st March, 2024.	8389099	8356194	99.61	32905	0.39
Special Resolution for re-appointment of Mrs. Bhavna Doshi as an Independent Director of the Company for a term of 5 consecutive years with effect from 1st April, 2019 upto 31st March, 2024.	8389099	8359502	99.65	29597	0.35

Mr. Tanuj Vohra, Partner of M/s TVA & Co. LLP, Company Secretaries, was appointed to act as the scrutinizer for conducting the postal ballot and e-voting.

Procedure for Postal Ballot:

The Postal Ballot notice dated 27th February, 2019 was sent to members of the Company whose names appeared in the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as on close of working hours on 22nd February, 2019 and the dispatch of notice of Postal Ballot along with postal ballot form and business reply envelope was completed on 28th February, 2019. Notice of Postal Ballot was sent through electronic means to the members whose e-mail addresses were registered with Depositories or with the Company/RTA and through physical mode, along with Postal Ballot Form and postage prepaid self-addressed Business Reply Envelope to other members (whose e-mail addresses were not registered).

The Company availed the services of CDSL to provide the facility to the members for voting by electronic means.

The e-voting period begun on Friday, 1st March, 2019 at 09.00 am and ended on Saturday, 30th March, 2019 at 05.00 pm. The members were requested to return the physical postal ballot form duly completed along with their assent or dissent on the proposed resolutions specified in the Notice of Postal Ballot, so as to reach the Scrutinizer on or before Saturday, 30th March, 2019 (5.00 p.m.). In case of electronic voting, members were requested to cast their votes electronically by 5.00 p.m., Saturday, 30th March, 2019.

The Board in its meeting held on 27th February, 2019 appointed Mr. Tanuj Vohra, Partner of M/s TVA & Co. LLP, Practicing Company Secretaries, as the Scrutinizer in accordance with the provisions of the Companies Act, 2013 for conducting the postal ballot (including e-voting) process in a fair and transparent manner.

The Scrutinizer carried out the scrutiny of postal ballot forms received physically and the votes casted by the members electronically upto 5 p.m. on Saturday, 30th March, 2019. The Scrutinizer submitted his report dated 1st April, 2019 to the Managing Director. of the Company and reported that all the Special Resolutions as set out in the Postal Ballot Notice dated 27th February, 2019 have been passed with requisite majority.

Based on the Scrutinizer's Report, the Company declared the results of Postal Ballot on 1st April, 2019.

11. Company is in compliance of the requirement of Corporate Governance specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.

12. GENERAL SHAREHOLDER'S INFORMATION

i.	Annual General Meeting Day, Date, Time and Venue	Wednesday, 24th July, 2019, at 12.30 p.m. at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)
ii.	Financial Year	1st April, 2018 to 31st March, 2019
iii.	Record Date	17th July, 2019
iv.	Posting of Annual Report	On or before 1st July, 2019.
v.	Dividend	₹ 7.50/- per equity share of face value of ₹ 10/- each.
vi.	Dividend Payment date	Dividend, if any, declared in the forthcoming 86th Annual General Meeting will be paid on or before 22nd August, 2019.
vii.	Unclaimed/Unpaid Dividend for the previous years.	The Company is required to transfer dividends which have remained unpaid/ unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. Unclaimed/ unpaid dividend for the year 31st March, 2011 has been transferred to the Investor Education & Protection Fund established by the Government. The Company will transfer the dividend for the year ended 31st March, 2012, which have remained unclaimed to the said fund in September, 2019. Members who have not encashed their dividend warrants for the Financial Year 2011-2012 & onwards may approach the Company for obtaining demand draft in lieu of unpaid dividend warrant.
viii.	Financial Calendar	
	a. Unaudited Financial Results for the quarter ending 30th June, 2019, Quarter and half year ending 30th September, 2019, Quarter and nine months period ending 31st December, 2019.	Within 45 days from the end of each quarter as stipulated under SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.
	b. Audited Financial Results for the quarter/ year ending March 31, 2020.	Within 60 days from the end of the last quarter/year as stipulated under SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.
ix.	Stock Exchanges on which Company's Shares are listed	BSE Limited and National Stock Exchange of India Limited Annual Listing fees for the Financial Year 2019-20 has been paid to the respective stock exchanges within the prescribed time.
x.	Corporate Identification Number (CIN) of the Company	L74999MH1934PLC002093
xi.	Registered Office	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)

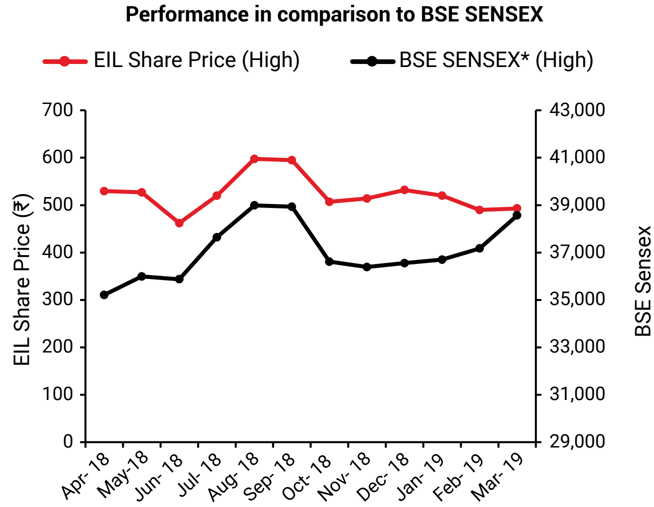
13. STOCK CODE

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001	-	508906
National Stock Exchange of India Limited Plot No. C/1, G Block Bandra – Kurla Complex Bandra (E), Mumbai - 400 051	-	EVERESTIND
ISIN of the Company	-	INE295A01018

14. MARKET PRICE INFORMATION

A. The reported high and low share prices during the year ended 31st March, 2019 on BSE, where your Company's shares are traded vis-à-vis BSE Sensex, are given below:

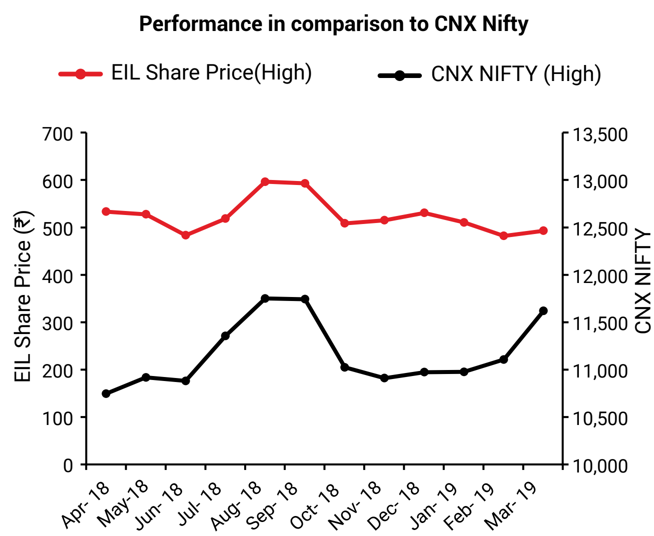
MONTH	BSE*		BSE SENSEX*	
	HIGH (₹)	LOW (₹)	HIGH	LOW
April, 2018	529.50	479.65	35213.30	32972.56
May, 2018	527.00	448.00	35993.53	34302.89
June, 2018	462.00	380.45	35877.41	34784.68
July, 2018	519.90	381.00	37644.59	35106.57
August, 2018	597.50	485.00	38989.65	37128.99
September, 2018	594.85	450.00	38934.35	35985.63
October, 2018	507.00	418.00	36616.64	33291.58
November, 2018	514.00	462.00	36389.22	34303.38
December, 2018	531.90	454.15	36554.99	34426.29
January, 2019	519.95	410.00	36701.03	35375.51
February, 2019	489.85	400.40	37172.18	35287.16
March, 2019	492.95	441.30	38748.54	35926.94



* Based on BSE website

B. The reported high and low share prices during the year ended 31st March, 2019 on the NSE, where your Company's shares are traded vis-à-vis CNX Nifty are given below:

MONTH	NSE*		CNX NIFTY*	
	HIGH (₹)	LOW (₹)	HIGH	LOW
April, 2018	534.55	482.55	10759.00	10111.30
May, 2018	529.00	448.95	10929.20	10417.80
June, 2018	485.00	375.60	10893.25	10550.90
July, 2018	520.00	386.00	11366.00	10604.65
August, 2018	597.50	486.50	11760.20	11234.95
September, 2018	594.00	434.10	11751.80	10850.30
October, 2018	510.00	410.50	11035.65	10004.55
November, 2018	516.55	456.65	10922.45	10341.90
December, 2018	532.00	452.05	10985.15	10333.85
January, 2019	512.00	413.25	10987.45	10583.65
February, 2019	483.60	400.00	11118.10	10585.65
March, 2019	494.50	437.00	11630.35	10817.00



*Based on NSE website.

15. REGISTRAR & SHARE TRANSFER AGENT (RTA)

M/s MCS Share Transfer Agent Limited
F–65, First Floor, Okhla Industrial Area, Phase - I New Delhi-110020,
Phone No. 011-41406149 41406151, 41406152, Fax No. 011-41709881
E-mail : helpdeskdelhi@mcsregistrars.com

16. SHARE TRANSFER SYSTEM

All the requests received from shareholders for transmission etc. are processed by the Share Transfer Agent of the Company within the stipulated time as prescribed in the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 or in any other applicable law.

17. PERMANENT ACCOUNT NUMBER (PAN)

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

18. SHAREHOLDING AS ON 31ST MARCH, 2019

A. Distribution of Shareholding as on 31st March, 2019

No. of Equity Shares	No. of shareholders	% of shareholders	Total No. of shares held	% of shareholding
1 to 500	20673	91.80	1940980	12.41
501 to 1000	1035	4.60	773342	4.95
1001 to 2000	416	1.85	612025	3.92
2001 to 3000	139	0.62	348790	2.23
3001 to 4000	64	0.28	233158	1.49
4001 to 5000	49	0.22	229488	1.47
5001 to 10000	74	0.33	533551	3.41
10001 to 50000	57	0.25	1159139	7.41
50001 to 100000	6	0.02	529889	3.39
100001 and above	7	0.03	9275978	59.32
Total	22520	100	15636340	100

B. Shareholding Pattern as on 31st March, 2019

Sr. No.	Category	No. of Shares held	% of shareholding
1	Promoters	7520470	48.10
2	Mutual Funds/ UTI	442493	2.83
3	Financial Institutions/ Banks	17241	0.11
4	Central Government/ State Government(s)	30295	0.20
5	Insurance Companies	187	0.00
6	Foreign Institutional Investors	425641	2.72
7	Bodies Corporate	812172	5.19
8	Individuals	6032994	38.58
9	Trusts & Foundations	600	0.01
10	NRI's	349242	2.23
11	NBFC Registered with RBI	5005	0.03
	Total	15636340	100

19. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

20. DEMATERILIZATION OF SHARES

98.70 % of the Equity Shares of the Company have been dematerialised as on 31st March, 2019. The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories. The Company's shares are regularly traded on BSE and NSE.

21. NOMINATION FACILITY FOR SHAREHOLDERS

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Those Members who hold shares in physical form may obtain nomination form from the Company Secretary at D-206, Sector-63, Noida-201301 or download the same from the Company's website www.everestind.com.

22. RECONCILIATION OF SHARE CAPITAL

As stipulated by SEBI, a qualified Practicing Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the share capital held with Depositories (i.e. NSDL & CDSL) in dematerialised form and share capital held in physical form with the total issued and listed share capital of the Company.

23. DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS

The details of total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which statutory auditors is a part, are as follows:

(₹ In Lakhs)

Particulars	For the financial year ended March 31, 2019	For the financial year ended March 31, 2018
Audit fee	37.50	35.00
Limited Review	22.50	15.00
Other services	-	15.00
Reimbursement of expenses	8.31	8.68
Total	**68.31**	**73.68**

24. CREDIT RATINGS

The Company has obtained credit ratings from CRISIL Limited and ICRA Limited. During the financial year 2018-19, ICRA Limited has upgraded the credit ratings for Commercial paper to [ICRA]A1+ from [ICRA]A1 and short-term rating to [ICRA]A1+ from [ICRA]A1. CRISIL Limited has upgraded short-term rating to CRISIL A1+ from CRISIL A1. Credit ratings of the Company as at the end of the financial year 2018-19 are given below:

Rating Agency	Credit Rating
ICRA Limited	Long term rating : [ICRA] A+ Short term rating : [ICRA] A1+
CRISIL Limited	Long term rating : CRISIL A+ / STABLE Short term rating : CRISIL A1+

25. PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE

The 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 D-206, Sector-63, Noida-201301 or download the same from the Company's website www.everestind.com.

26. There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

27. LOCATION OF PLANTS OF THE COMPANY

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

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

Lakhmapur Works
Gat 152, Lakhmapur
Taluka Dindori, Nashik – 422202
Maharashtra

Podanur Works
Podanur P.O.
Coimbatore – 641023
Tamil Nadu

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

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

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

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

28. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT - NIL

29. ADDRESS FOR CORRESPONDENCE

a. For any complaints relating to non-receipt of shares after 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 Share Transfer Agent Ltd. (Unit: Everest Industries Limited)
F–65, First Floor, Okhla Industrial Area, Phase - I, New Delhi-110020.
Tel : 011-41406149,41406151, 41406152, Fax : 011-41709881
E-mail : helpdeskdelhi@mcsregistrars.com

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

Everest Industries Limited
D-206, Sector-63, Noida – 201 301 (UP)
Tel.: 0120- 4791800 Fax No.: 0120 - 4791802

Members can also register their complaints at compofficer@everestind.com, an exclusive email ID, designated by the Company for the purpose of registering complaints by investors, in compliance of Regulation 6(2)(d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

For Everest Industries Limited

Place : Mumbai
Date : 1st May, 2019

Manish Sanghi
Managing Director

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

This is to certify that as provided under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2019.

For Everest Industries Limited

Place : Mumbai
Date : 1st May, 2019.

Manish Sanghi
Managing Director

CEO/ CFO CERTIFICATION

Pursuant to Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2019 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 : 1st May, 2019

Nikhil Dujari
Chief Financial Officer

Manish Sanghi
Managing Director

COMPLIANCE CERTIFICATE

To,

The Members of
EVEREST INDUSTRIES LIMITED
CIN: L74999MH1934PLC002093
Gat No 152, Lakhmapur, Taluka Dindori
Nashik-422202, Maharashtra

1. We have examined the compliance of the conditions of Corporate Governance by Everest Industries Limited ('the Company') for the Financial Year ended on 31st March, 2019, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For TVA & Co. LLP
Company Secretaries

Place : Delhi
Date : 1st May, 2019

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

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Everest Industries Limited having CIN L74999MH1934PLC002093 and having registered office at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202, Maharashtra (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Rajendra Prabhakar Chitale	00015986	23/01/2019
2	Bhanwarlal Jiwanmal Taparia	00016551	10/05/2013
3	Padmini Aditya Vikram Somani	00046486	26/02/2019
4	Manish Sanghi	00088527	08/07/2002
5	Murari Lal Gupta	00088685	08/07/2002
6	Narotam Satyanarayan Sekhsaria	00276351	26/02/2019
7	Bhavna Gautam Doshi	00400508	25/10/2013
8	Srinivasa Rao Yenduri	01289086	28/07/2007
9	Alok Mahinder Nanda	02149755	23/01/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For TVA & Co. LLP
Company Secretaries

Place : Delhi
Date : 1st May, 2019

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
EVEREST INDUSTRIES LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Everest Industries Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition for long term projects and recoverability of receivables (as described in note 1.4(a) of the standalone Ind AS financial statements)	
The Company's significant portion of business is undertaken through long term engineering, procurement and construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, revenue recognition involves usage of input method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, risk on collectability due to liquidation damages and other penalties imposed by the customers, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Accuracy of revenues, onerous obligations, profits and net receivables may deviate significantly on account of change in judgements and estimates, therefore, this has been considered as key audit matter in our audit of the standalone Ind AS financial statements.	• Our audit procedures included testing of Company's revenue recognition accounting policies in compliance with Ind AS 115. • We performed test of controls over management process of assessing its contractual obligation, determining the percentage completion and periodical changes in estimates of project cost and project revenue recognition with specific focus on determination of progress of completion, recording of project costs incurred and estimation of project costs to complete the remaining contract obligations and collection of overdue receivables through inspection of evidence of performance of these controls. • We examined the underlying customer contracts, costs incurred with estimated costs to identify significant variations and assess whether those variations if any, have been considered in estimating the remaining costs to complete and consequential determination of stage of completion.

Key audit matters	How our audit addressed the key audit matter
	• We performed tests of details to examine the management assessment of estimated project revenue, possible liquidation damages, estimated project cost and cost incurred till the year end. We also tested the invoices raised and computation for revenue recognized, over a period of time under the input method in Ind AS 115. • We examined the management assessment of onerous contracts due to change in estimated project cost, liquidation damages and other penalties charged by the customer. • We examined contracts and correspondences where there were significant overdue receivable with marginal or no movement to determine the level of provisioning required in the receivable. • We evaluated management's assumption and judgment by comparing to the historical collection trends. • We tested the adequacy of disclosure relating to contractual positions and revenue for the year in the standalone Ind AS financial statements.
Uncertain tax positions impacting valuation of tax provision (as described in note 1.4(b) of the standalone Ind AS financial statements)	
The Company has ongoing disputes with the Income Tax department on income tax computation for certain assessment years. These disputes are pending with different Appellate authorities and at the Courts. The management has assessed the future outcome of these ongoing proceedings and exposures which directly affects the valuation of tax provision in the financial statements As the future outcome of these matters, and the accounting effects thereof, are based on assessment of complex matters which may take time to finally resolve, the valuation of tax provision related to uncertain tax positions has been considered as key audit matter in our audit of the standalone Ind AS financial statements.	• We obtained details of completed tax assessments and demands for the assessment years under dispute as of March 31, 2019. • We performed test of control over management process of assessment and estimates with regard to the existing tax disputes and uncertain tax positions. • We inspected written communication between the company and the tax authorities and involved tax specialist to assess the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. • We also considered the effect of any new information in the current financial year 2018-19 in respect of carried forward uncertain tax positions to evaluate if there is any change in the management's position on these uncertainties. • We tested the adequacy of provisioning and disclosure relating to uncertain tax positions in accordance with "Probable, Possible and Remote" (PPR) analysis and compliance with Ind AS 12.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2018-19 of the Company but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

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

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

c. The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

g. In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 2.31 to the standalone Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/E300005

per Sanjay Vij
Partner
Membership Number : 95169

Place : Mumbai
Date : 1st May, 2019

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: EVEREST INDUSTRIES LIMITED ('the Company')

(i) **In respect of Fixed Assets**

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, plant and equipment.

b. All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c. According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Further, in our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and services tax and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income tax, sales tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

(₹ In Lakhs)

Name of the applicable Act	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved	Amount Paid	Amount unpaid
Income Tax Act, 1961	Demand on account of disallowance of certain claims	High Court	2007-08, 2009-10	79.39	79.39	-
		CIT(Appeals)	AY 2004-05 to 2016-17	3,284.88	3,026.38	258.50
	Total			**3,364.27**	**3,105.77**	**258.50**
The Central Excise Act, 1944	Demand on account of wrong availament of cenvat credit	Assistant Commissioner	2005 to 2007, 2008-12	5.75	0.08	5.67
		Deputy Commissioner	2009-10	0.56	-	0.56
		Joint Commissioner	2009-10	14.29	-	14.29
		Commissioner (Appeals)	2006-07 to 2011-12	12.65	4.90	7.75
		Commissioner	2007-08 to 2013-14	424.32	-	424.32
		Appelate Tribunal	2009-10, 2014-15, 2015-16	322.52	29.34	293.18
	Demand on duty under section 11D of Central Excise Act,1944	Appelate Tribunal	1991 to 1996	2,462.40	-	2,462.40
	Total			**3,242.49**	**34.32**	**3,208.17**

Name of the applicable Act	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved	Amount Paid	Amount unpaid
Sales Tax Laws	Demand on account of non-collection of statutory forms etc.	Assistant Commissioner	1994-95	0.47	-	0.47
		Joint Commissioner	1999-2000, 2000-01, 2007-08, 2008-09, 2010-11 to 2014-15	493.29	92.97	400.32
		Additional Commissioner	2012-13 to 2015-16	91.10	78.79	12.31
		Commissioner (Appeal)	1997-98, 2000-01 to 2002-03 & 2006-07	26.07	1.59	24.48
		Joint Commissioner (Appeals)	2009-10 to 2011-12 & 2013-14	126.73	117.16	9.57
		Deputy Commissioner (Assessment)	2012-13 & 2014-15	207.97	20.56	187.41
		Appellate Tribunal	1997-98 to 1998-99 and 2009-10 to 2013-14	61.38	40.49	20.89
	Demand on account of purchase tax on fly ash	Madras High Court	1990-91, 1992-93 & 1995-1996	13.18	12.89	0.29
		Assessing Officer	1996-97	5.83	5.83	-
	Demand on account of reversal of input tax credit	Assessing Officer	2013-14	10.76	3.79	6.97
		Additional Joint Commissioner	2009-10	2.33	2.33	-
	Demand on account of understatement of sales/ purchase	Appellate Tribunal	2011-12	7.59	7.59	-
	Demand on account of stock transfers considered as Interstate sales	Central Sales Tax Appellate Authority	1994-1995 & 1995-1996	676.34	0.26	676.08
	Demand on account of differential rate	Joint Commissioner	2013-14	427.17	33.00	394.17
	Penalty for late payment of Entry tax	High Court, Orissa	2012-13	4.39	4.39	-
	Total			**2,154.61**	**421.64**	**1,732.97**

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans/ borrowings to banks. The Company has not taken any loans/ borrowings from financial institution or government and has not issued any debentures during the year.

(ix) In our opinion and according to information and explanations given by the management, the term loans have been applied for the purpose for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/E300005

Per Sanjay Vij
Partner
Membership Number : 95169

Place : Mumbai
Date : 1st May, 2019

ANNEXURE 2 REFERRED IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF EVEREST INDUSTRIES LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Everest Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibilitOur responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/E300005

Per Sanjay Vij
Partner
Membership Number : 95169

Place : Mumbai
Date : 1st May, 2019

BALANCE SHEET
AS AT 31st MARCH, 2019

(₹ In Lakhs)

		Particulars	Notes Reference	As at 31 March 2019	As at 31 March 2018
A	ASSETS				
	1.	**Non-current assets**			
		Property, plant and equipment	2.01	33,548.89	33,846.12
		Capital work in progress	2.02	2,597.71	2,054.31
		Intangible assets	2.03	125.95	210.31
		Financial assets			
		(i) Investment	2.04	41.67	41.67
		(ii) Other financial assets	2.05	1,408.35	1,335.38
		Other non current assets	2.06	477.91	280.39
		Income tax assets (net)	2.07	2,156.74	3,648.45
		Total - non-current assets		**40,357.22**	**41,416.63**
	2.	**Current assets**			
		Inventories	2.08	32,891.59	24,754.00
		Financial assets			
		(i) Trade receivables	2.09	9,825.09	6,605.10
		(ii) Cash and cash equivalent	2.10	1,785.12	1,927.81
		(iii) Bank balances other than (ii) above	2.11	42.85	40.86
		(iv) Other financial assets	2.05	1,153.16	893.83
		Other current assets	2.06	3,819.15	3,427.22
		Total - current assets		**49,516.96**	**37,648.82**
		TOTAL ASSETS		**89,874.18**	**79,065.45**
B	EQUITY AND LIABILITIES				
	1.	**Equity**			
		Share capital	2.12	1,563.63	1,562.62
		Other equity	2.13	43,707.01	38,133.91
		Total equity		**45,270.64**	**39,696.53**
	2	**Non-current liabilities**			
		Financial liabilities			
		(i) Borrowings	2.14	4,669.50	5,114.17
		Deferred tax liabilities (net)	2.38	2,904.77	2,873.95
		Total - non-current liabilities		**7,574.27**	**7,988.12**
	3	**Current liabilities**			
		Financial liabilities			
		(i) Borrowings	2.14	3,637.09	2,578.06
		(ii) Trade payables	2.15		
		(a) total outstanding dues of micro enterprises and small enterprises		-	-
		(b) total outstanding dues of creditors other than micro enterprises and small enterprises		18,129.09	15,023.01
		(iii) Deposits from dealers	2.16	2,629.51	3,026.05
		(iv) Other financial liabilities	2.17	1,335.67	1,567.92
		Provisions for retirement benefits	2.18	545.93	521.92
		Other current liabilities	2.19	8,228.99	7,354.71
		Provision for income tax (net)	2.20	2,522.99	1,309.13
		Total - current liabilities		**37,029.27**	**31,380.80**
		TOTAL EQUITY AND LIABILITIES		**89,874.18**	**79,065.45**

See accompanying notes forming part of the financial statements
As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Mumbai
1st May, 2019

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Mumbai
1st May, 2019

M. L. Gupta
Director
DIN No.00088685

Mumbai
1st May, 2019

Nikhil Dujari
Chief Financial Officer

Mumbai
1st May, 2019

Neeraj Kohli
Company Secretary

Mumbai
1st May, 2019

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31st MARCH, 2019

(₹ In Lakhs)

		Particulars	Note Reference	Year ended 31 March 2019	Year ended 31 March 2018
A	**Income**				
	Revenue from operations (net of excise duty)			1,40,414.36	1,24,485.16
	Add : Excise duty			-	2,638.56
	Revenue from operations (gross of excise duty)		2.21	**1,40,414.36**	**1,27,123.72**
	Other income		2.22	645.24	736.16
	Total income			**1,41,059.60**	**1,27,859.88**
B	**Expenses**				
	a.	Cost of raw material consumed	2.23	81,980.24	71,060.87
	b.	Purchase of traded goods	2.24	667.71	1,779.53
	c.	(Increase)/ decrease in inventories of finished goods, work-in progress and traded goods	2.25	(4,326.35)	(1,764.05)
	d.	Excise duty on sale of goods		-	2,638.56
	e.	Employee benefits expense	2.26	11,526.12	10,726.17
	f.	Finance costs	2.27	761.57	1,259.18
	g.	Depreciation and amortization expense	2.28	2,055.50	2,354.61
	h.	Other expenses	2.29	39,904.56	33,528.65
		Total expenses		**1,32,569.35**	**1,21,583.52**
C	**Profit before tax**			8,490.25	6,276.36
D	**Exceptional items**				
	Provision for impairment in the value of investment in a subsidiary Company (refer note 2.56)			-	165.00
E	**Profit before tax**			**8,490.25**	**6,111.36**
	Tax expenses				
	a.	Current tax	2.30	2,019.75	1,377.98
	b.	Deferred tax (Net of MAT credit entitlement)	2.38	50.12	(334.93)
	Total tax expenses			**2,069.87**	**1,043.05**
F	**Profit for the year**			**6,420.38**	**5,068.31**
G	**Other comprehensive income**				
	i.	Items that will not be reclassified subsequently to the statement of profit or loss			
		(a) Re-measurement gains/(losses) on defined benefit plans		(55.26)	197.88
		(b) Income tax effect		19.31	(68.48)
	Other comprehensive income for the year, net of tax			**(35.95)**	129.40
H	**Total comprehensive income for the year, net of tax**			**6,384.43**	**5,197.71**
	Earnings per equity share (refer note 2.40)				
	[Face value - ₹ 10 per share]				
	Basic earnings per share (Rupees)			41.08	33.54
	Diluted earnings per share (Rupees)			41.08	33.54

See accompanying notes forming part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Mumbai
1st May, 2019

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Mumbai
1st May, 2019

M. L. Gupta
Director
DIN No.00088685

Mumbai
1st May, 2019

Nikhil Dujari
Chief Financial Officer

Mumbai
1st May, 2019

Neeraj Kohli
Company Secretary

Mumbai
1st May, 2019

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2019

(₹ In Lakhs)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A.	**Cash flow from operating activities**		
	Profit before tax	**8,490.25**	**6,111.36**
	Adjustments for:		
	Depreciation and amortisation expenses	2,055.50	2,354.61
	Finance costs	761.57	1,259.18
	Interest income	(383.93)	(99.01)
	Loss/ (profit) on sale of fixed assets (net)	60.72	(3.61)
	Liabilities / provisions no longer required written back	(178.47)	(256.96)
	Impairment of investment	-	165.00
	Share based payment expense	382.26	76.98
	Impairment of doubtful trade receivables	1,163.55	944.26
	Impact of fair valuation of financial instruments	(12.54)	(46.86)
	Re-measurement (loss)/gain of defined benefit plan	(55.26)	197.88
	Net unrealised (gain)/loss on exchange rate fluctuation	226.17	22.21
	Operating profit before working capital changes	**12,509.82**	**10,725.04**
	Working capital adjustments:		
	(Increase)/decrease in inventories	(8,137.59)	(1,296.88)
	(Increase)/decrease in trade receivables	(4,383.54)	2,345.33
	(Increase)/decrease in other non current financial assets	(63.29)	225.82
	(Increase)/decrease in other non current assets	2.26	215.70
	(Increase)/decrease in other current financial assets	(348.87)	2,187.79
	(Increase)/decrease other current Asset	(391.93)	882.19
	Increase/(decrease) in trade payables	3,306.01	(783.22)
	Increase/(decrease) in deposits from dealers	(396.54)	167.54
	Increase/(decrease) in other financial liabilities	0.53	(67.22)
	Increase/(decrease) in other current/ non current liabilities	874.28	511.82
	Increase/(decrease) in provisions	24.01	(17.58)
	Cash generated from operations	**2,995.15**	**15,096.33**
	Income tax paid	685.82	(43.11)
	Net cash flows from operating activities	**3,680.97**	**15,053.22**
B.	**Cash flow from/(used in) investing activities**		
	Capital expenditure on fixed assets, including capital advances	(2,741.01)	(3,590.18)
	Proceeds from sale of fixed assets	47.17	48.59
	Proceeds from reduction in share capital of subsidiary	-	1,522.06
	Bank balances not considered as cash and cash equivalents		
	- Deposits and unclaimed dividend accounts	(1.99)	4.46
	- Balances held as margin money	103.94	(22.42)
	Interest received	**365.26**	**158.92**
	Net cash flow from / (used in) investing activities	**(2,226.63)**	**(1,878.57)**

(₹ In Lakhs)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
C.	**Cash flow from / (used in) financing activities**		
	Proceeds from issue of equity shares	1.01	20.33
	Securities premium received	30.89	559.21
	Proceeds from long-term borrowings	-	2,250.00
	Repayment of long-term borrowings	(692.30)	(7,410.01)
	Proceeds/(repayment) of short-term borrowings	1,059.03	(6,257.19)
	Finance costs	(773.18)	(1,272.65)
	Dividends paid	(1,013.71)	(159.01)
	Tax on dividend	(208.78)	(31.46)
	Net cash flows from/(used in) financing activities	**(1,597.04)**	**(12,300.79)**
	Net change in cash and cash equivalents (A)+(B)+(C)	(142.69)	873.86
	Cash and cash equivalents at the beginning of the year	1,927.81	1,053.95
	Cash and cash equivalents at year end	**1,785.12**	**1,927.81**

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Mumbai
1st May, 2019

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Mumbai
1st May, 2019

M. L. Gupta
Director
DIN No.00088685

Mumbai
1st May, 2019

Nikhil Dujari
Chief Financial Officer

Mumbai
1st May, 2019

Neeraj Kohli
Company Secretary

Mumbai
1st May, 2019

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31st MARCH, 2019

(₹ In Lakhs)

A. Equity share capital

Particulars	Numbers of share	Amount
Balance as at 31 March 2017	**154,22,910**	**1,542.29**
Changes in equity share capital during the period		
Issue of equity shares under employee share option plan (refer note 2.49)	2,03,250	20.33
Balance as at 31 March 2018	**156,26,160**	**1,562.62**
Changes in equity share capital during the period		
Issue of equity shares under employee share option plan (refer note 2.49)	10,180	1.01
Balance as at 31 March 2019	**156,36,340**	**1,563.63**

B. Other equity

	Attributable to equity shareholders of the Company				
	Reserves and surplus				
Particulars	Securities premium	General reserve	Share based payment reserve	Retained earnings	Total other equity
As at 31 March 2017	671.35	9,848.91	137.25	21,828.51	32,486.02
Profit for the period	-	-	-	5,068.31	5,068.31
Other comprehensive income	-	-	-	129.40	129.40
Total comprehensive income for the year	**671.35**	**9,848.91**	**137.25**	**27,026.22**	**37,683.73**
Dividend paid during the year	-	-	-	(154.55)	(154.55)
Dividend distribution tax on dividend paid	-	-	-	(31.46)	(31.46)
Compensation options granted during the year/ Changes during the year (net)	-	-	76.98	-	76.98
Securities premium on shares issued during the year	559.21	-	-	-	559.21
Transferred from share based payement reserve on exercise and lapse of options	72.53	-	(72.53)	-	-
Balance as at 31 March 2018	**1,303.09**	**9,848.91**	**141.70**	**26,840.21**	**38,133.91**
Balance as at 31 March 2018	**1,303.09**	**9,848.91**	**141.70**	**26,840.21**	**38,133.91**
Profit for the year	-	-	-	6,420.38	6,420.38
Other comprehensive income	-	-	-	(35.95)	(35.95)
Total comprehensive income for the year	**1,303.09**	**9,848.91**	**141.70**	**33,224.64**	**44,518.34**
Dividend paid during the year	-	-	-	(1,015.70)	(1,015.70)
Dividend distribution tax on dividend paid	-	-	-	(208.78)	(208.78)
Compensation options granted during the year/ Changes during the year (net)	-	-	382.26	-	382.26
Securities premium on shares issued during the year	30.89	-	-	-	30.89

	Attributable to equity shareholders of the Company				
	Reserves and surplus				
Particulars	Securities premium	General reserve	Share based payment reserve	Retained earnings	Total other equity
Transferred from share based payement reserve on exercise and lapse of options	3.10	-	(3.10)	-	-
Balance as at 31 March 2019	**1,337.08**	**9,848.91**	**520.86**	**32,000.16**	**43,707.01**

See accompanying notes forming part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

For and on behalf of the Board of Directors

per Sanjay Vij
Partner
Membership No : 95169

Mumbai
1st May, 2019

Manish Sanghi
Managing Director
DIN No.00088527

Mumbai
1st May, 2019

M. L. Gupta
Director
DIN No.00088685

Mumbai
1st May, 2019

Nikhil Dujari
Chief Financial Officer

Mumbai
1st May, 2019

Neeraj Kohli
Company Secretary

Mumbai
1st May, 2019

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

NOTE 1.1

Corporate information

Everest Industries Limited ('the Company') is engaged in manufacturing and trading of building products like roofing products, boards and panels, other building products and accessories and manufacturing of components of pre-engineered steel buildings and related accessories.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 1, 2019.

Note 1.2

Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared on the historical cost or at amortised cost, except for the following assets and liabilities:

- derivative financial instruments are measured at fair value;
- employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;

NOTE 1.3

Summary of significant accounting policies

(i) Current Vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

(ii) Cash Dividend

The Company recognises a liability to make cash distributions to the shareholders of the Company when the distribution is approved by the shareholder in the Annual General Meeting of the Company.

(iii) Fair values measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Other techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(iv) Property, Plant and Equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

Property, plant & equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Such cost includes the cost of replacing part of the plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the Statement of Profit and Loss as incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted, if appropriate.

(v) Depreciation on Property, plant & equipment

- Lease hold improvements (LHI) & leasehold lands are amortised on straight line basis over the period of lease or useful life whichever is lower.

- Depreciation on other Property, plant & equipment is provided on straight line basis at the rates based on the estimated useful life of the assets. The Company, based on management estimates, depreciates the assets over estimated useful lives which coincides with the useful life prescribed in Schedule II to the Companies Act, 2013.

  The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives of 15 years which are different from the useful life of 8 years, prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Depreciation on Property, plant & equipment added/ disposed off during the year is provided on pro-rata basis with respect to date of acquisition/ disposal.

(vi) Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Technical know-how is amortised over the term of the agreement. Computer software is amortised over the estimated useful life of 3 years.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised. The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

(vii) Research and development costs

Research and development costs of revenue nature are charged to the Statement of Profit and Loss when incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the rates set out in Note 1.3 (iv) above.

(viii) Revenue Recognition

- **Revenue from contract with customers**

  Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

  In respect of pre-engineered building contracts, revenue is recognised over a period of time using the input method (equivalent to percentage-of-completion method; POCM) of accounting with contract costs incurred determining the degree of completion of the performance obligation.

  Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers on behalf of the government.

  Effective April 1, 2018, the Company has applied Ind AS 115 "Revenue from contracts with customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The Company has adopted Ind AS 115 using the modified retrospective approach. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements.

- **Interest**

  For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR).

  EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the Statement of Profit and Loss.

(ix) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Financial assets**

  Initial recognition and measurement

  On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the Statement of Profit and Loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security deposits & other receivables.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivable.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for estimated losses on the current portfolio. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

- **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method.

Other financial liabilities (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments such as foreign exchange forward contracts, option contracts and swap contracts to hedge its foreign currency risk.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

(x) Inventories

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

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(xi) Retirement and other Employee Benefits

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

Short-term employee benefits

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

Post-employment benefit plans

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

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

The Company's superannuation scheme is considered as defined contribution scheme. The Company has no obligation, other than the contribution payable to the super-annuation fund. The Company recognizes contribution payable to the super-annuation fund scheme as an expense, when an employee renders the related service.

The Provident Fund (administered by a Trust) is a defined benefit scheme where by the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to confirm to the interest rate declared by the government for the Employees Provident Fund. The Company has adopted actuary valuation based on project unit credit method to arrive at provident fund liability as at year end. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall as at the Balance Sheet date, if any, is provided for.

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, and the return on plan assets (excluding net interest), are recognised to OCI in the period in which they occur and are not reclassified to profit or loss.

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

(xii) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xiii) Foreign Exchange Transactions and balances

The functional currency of the company is India Rupees.

Initial recognition

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(xiv) Taxation

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years. Subject to exceptions below, deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss; deferred income tax is not recognised on the initial recognition (including MAT) of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(xv) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvi) Impairment of Non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, are recognised in the Statement of Profit and Loss

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate and when circumstances indicate that the carrying value may be impaired.

(xvii) Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The expense relating to any provision is presented in the Statement of Profit or Loss, net of any reimbursement.

(xviii) Contingent liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(xix) Share based payment transaction

Selected employees of the Company receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

(xx) Leases

Assets taken under 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 over the lease term.

(xxi) Segment reporting

Operating segment are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM). The managing director is considered to be the 'Chief Operating Decision Maker' (CODM).

Refer Note 2.37 for segment information presented.

(xxii) Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them, and the grant/ subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income when on a systematic basis when related conditions or obligations are met by the Company.

(xxiii) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the company's cash management.

(xxiv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded of the nearest two decimal lakhs as per the requirement of schedule III, unless otherwise stated.

NOTE 1.4

Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) **Uncertainty on the Estimation of the Total Construction Revenue and Total Construction Cost:** The Company recognises revenue from the construction contracts over the period of contract as per the input method of IND AS 115 "Revenue from contracts with the customers". The contract revenue is determined based on proportion of contract cost incurred to date compared to estimated total contract cost which involves significant judgement, identification of contractual obligations, and the company's right to receive payments for performance completed till date, risk on collectability due to liquidation damages and other penalties imposed by the customers, change in scope and consequential revised contact price and recognition of the liability for loss making contracts/ onerous obligations etc. The Company has efficient, coordinated system for calculation and forecasting its revenue and expense reporting. However actual project outcome may deviate positively or negatively from the company's calculation and forecasting which could impact the revenue recognition up to the stage of project completion and is recognised prospectively in the financial statements.

(b) **Tax Uncertainties:** The Company has open tax issues, ongoing proceedings and exposures at various levels of authorities. Where management makes a judgement that an outflow of funds is probable and a reliable estimate of the outcome of the dispute can be made, provision is made for the best estimate of the liability. In estimating any such liability, the Company applies a risk-based approach. These estimates take into account the specific circumstances of each dispute and relevant external advice, are inherently judgemental and could change substantially over time as each dispute progresses and new facts emerge.

The Company continues to believe that it has made adequate provision for the liabilities likely to arise from open assessments. Where open issues exist the ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of assessments with the relevant tax authorities or the litigation proceedings.

(c) **Useful Lives of Property, Plant and Equipment:** The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(d) **Measurement of Defined Benefit Obligation:** The cost of the defined benefit gratuity plan and other Long term employee benefits (Compensated Absences) and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions.

(e) **Share-based Payments:** The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

(f) **Impairment in subsidiaries:** Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future commodity prices, capacity utilisation of plant, operating margins, discount rates and other factors of the underlying businesses/operations of the subsidiaries.

(g) **Expected Credit Loss:** The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and Company makes appropriate provision wherever outstanding is for longer period and involves higher risk.

Recent accounting pronouncements

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The Company intends to adopt these standards from 1 April 2019. As the company does not have any material long term leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statement.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE 2

2.01 Property, plant and equipment

(₹ In Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings on Freehold Land	Building on Leasehold Land	Lease Hold Improvements	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Others (Roads)	Total
Cost											
At 31 March 2017	**1,408.13**	**2,611.13**	**3,967.79**	**8,215.32**	**47.83**	**18,646.76**	**832.59**	**90.66**	**501.98**	**355.64**	**36,677.83**
Additions	-	-	49.10	18.22	-	1,516.70	4.25	145.75	97.49	4.54	1,836.05
Disposals	-	-	-	(39.16)	-	(70.31)	(0.45)	-	(1.71)	-	(111.63)
At 31 March 2018	**1,408.13**	**2,611.13**	**4,016.89**	**8,194.38**	**47.83**	**20,093.15**	**836.39**	**236.41**	**597.76**	**360.18**	**38,402.25**
Additions	-	-	118.43	-	-	1,517.41	2.75	96.44	40.29	-	1,775.32
Disposals	-	-	-	-	-	(223.76)	-	(90.45)	(0.88)	-	(315.09)
At 31 March 2019	**1,408.13**	**2,611.13**	**4,135.32**	**8,194.38**	**47.83**	**21,386.80**	**839.14**	**242.40**	**637.17**	**360.18**	**39,862.48**
Accumulated depreciation											
At 31 March 2017	**-**	**20.97**	**163.25**	**220.55**	**1.06**	**1,627.40**	**102.95**	**11.22**	**103.68**	**66.37**	**2,317.45**
Depreciation charge for the year	-	33.56	161.21	219.40	1.00	1,600.54	90.01	25.40	126.57	47.64	2,305.33
Disposals	-	-	-	-	-	(65.03)	(0.40)	-	(1.22)	-	(66.65)
At 31 March 2018	**-**	**54.53**	**324.46**	**439.95**	**2.06**	**3,162.91**	**192.56**	**36.62**	**229.03**	**114.01**	**4,556.13**
Depreciation charge for the year	-	33.55	160.77	222.49	1.21	1,296.17	84.06	39.00	114.74	12.67	1,964.66
Disposals	-	-	-	-	-	(149.98)	-	(56.42)	(0.80)	-	(207.20)
At 31 March 2019	**-**	**88.08**	**485.23**	**662.44**	**3.27**	**4,309.10**	**276.62**	**19.20**	**342.97**	**126.68**	**6,313.59**
Net Book Value											
At 31 March 2018	**1,408.13**	**2,556.60**	**3,692.43**	**7,754.43**	**45.77**	**16,930.24**	**643.83**	**199.79**	**368.73**	**246.17**	**33,846.12**
At 31 March 2019	**1,408.13**	**2,523.05**	**3,650.09**	**7,531.94**	**44.56**	**17,077.70**	**562.52**	**223.20**	**294.20**	**233.50**	**33,548.89**

Note: (a) Refer note 2.14 for details of assets hypothecation against borrowings

	31 March 2019	31 March 2018
2.02 Capital work in progress		
Capital work in progress	2,597.71	2,054.31
	2,597.71	**2,054.31**

Particulars	Computer Software	Total
2.03 Intangible assets		
Cost		
At 31 March 2017	306.97	**306.97**
Addition	180.62	180.62
Disposals	-	-
At 31 March 2018	**487.59**	**487.59**
Addition	**6.48**	**6.48**
Disposals		**-**
At 31 March 2019	**494.07**	**494.07**
Accumulated amortisation		
At 31 March 2017	**228.00**	**228.00**
Amortisation for the year	49.28	49.28

(₹ In Lakhs)

Particulars	Computer Software	Total
At 31 March 2018	**277.28**	**277.28**
Amortisation for the year	90.84	90.84
At 31 March 2019	**368.12**	**368.12**
Net book Value		-
At 31 March 2018	210.31	210.31
At 31 March 2019	125.95	125.95

Particulars	As at 31 March 2019	As at 31 March 2018
2.04 Investments in subsidiaries - at cost		
Non Current		
Investment in unquoted equity instruments of subsidiaries 16,87,453 shares (previous year 16,87,453 shares) equity shares of USD. 1. each fully paid up of Everest Building Products, Mauritius*	201.67	201.67
Less: Provision for impairment	(165.00)	(165.00)
	36.67	**36.67**
50,000 shares (previous year 50,000 shares) equity shares of Rs. 10 each fully paid up of Everest Building Solutions Limited	5.00	5.00
	41.67	**41.67**

* The subsidiary Company, under which the proposed fibre Cement Board project in UAE, was being set up, had decided not to pursue the project in the earlier year. Accordingly, the investment has been carried at the value less provision for diminution.

2.05 Other Financial assets		
Non Current		
Unsecured, consider good (at amortised cost)		
a. Security deposits	637.79	626.04
b. Interest accrued but not due	-	5.39
c. Government subsidy receivable	412.51	355.55
d. Balances held as margin money (deposit accounts)	358.05	348.40
	1,408.35	**1,335.38**
Current		
Unsecured, consider good		
a. Security deposits	68.71	30.69
b. Interest accrued but not due	36.80	12.74
c. Government subsidy receivables	220.78	529.19
d. Insurance claim	77.95	11.47
e. Balances held as margin money (deposit accounts)	56.62	170.21
f. Derivative assets	55.69	-
g. Other receivables	636.61	139.53
	1,153.16	**893.83**

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
2.06 Other assets		
Non Current		
Unsecured, consider good		
a. Prepaid lease rental	11.56	13.82
b. Capital advances	466.35	266.57
	477.91	**280.39**
Current		
Unsecured, consider good		
a. Prepaid lease rental	2.25	4.51
b. Advances to employees	56.68	81.01
c. Prepaid expenses	322.16	399.45
d. Prepaid gratuity	274.04	233.13
e. Advance to supplier	1,662.03	1,430.78
f. Input credit receivables	1,501.99	1,275.89
g. Others	-	2.45
	3,819.15	**3,427.22**
2.07 Income tax assets (net)		
Advance income tax (net of provision) [Net of provision for current tax - ₹ 12,944.46 lakhs (previous year ₹ 12,823.65 lakhs)]	2,156.74	3,648.45
	2,156.74	**3,648.45**
2.08 Inventories		
a. Raw materials		
i. On hand	12,570.53	9,398.16
ii. In transit	2,309.33	1,770.66
	14,879.86	**11,168.82**
b. Work-in-progress	3,964.39	3,166.31
c. Finished goods	11,428.84	7,293.72
d. Stock-in-trade	868.91	1,475.76
e. Stores and spares	1,637.83	1,535.47
f. Packing materials	111.76	113.92
	32,891.59	**24,754.00**

Note : (a) Refer note 2.14 for details of inventories hypothecation against borrowings
(b) The mode of valuation of inventories has been stated in note 1.3 (ix)

Particulars	As at 31 March 2019	As at 31 March 2018
2.09 Trade receivables		
a. Trade receivables		
i. Secured, considered good *	3,415.68	4,388.85
ii. Unsecured, considered good	6,409.41	2,216.25
iii. Doubtful	2,383.20	1,410.46
	12,208.29	**8,015.56**

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Less: Impairment of doubtful trade receivables	2,383.20	1,410.46
	9,825.09	**6,605.10**

* Includes dues from subsidiaries (refer note 2.36 (c) (vi))

Note:

(a) The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on historical credit loss experience and adjustments for forward looking information. (refer note 2.53)

(b) Refer note 2.14 for details of receivables hypothecation against borrowings

2.10 Cash and Cash Equivalent

a. Cash on hand	8.32	5.80
b. Cheques on hand	69.36	65.11
c. Remittance in transit	-	463.14
d. Balances with banks		
i. Current accounts	1,657.44	1,343.76
ii. Deposit accounts	50.00	50.00
	1,785.12	**1,927.81**

2.11 Bank balances other than cash and cash equivalent

Earmarked accounts		
i. Unpaid dividend	42.85	40.86
	42.85	**40.86**

2.12 Share capital

1. Authorised Share capital	**1,700.00**	**1,700.00**
1,70,00,000 equity shares of ₹ 10 each (as at March 31, 2018 -1,70,00,000 equity shares of ₹ 10 each)		
2. Issued Share capital	**1,563.63**	**1,562.62**
1,56,36,340 equity shares of ₹ 10 each (as at March 31, 2018 -1,56,26,160 equity shares of ₹ 10 each)		
3. Subscribed and fully paid up (refer note 2.47, 2.48 and 2.49)	**1,563.63**	**1,562.62**
1,56,36,340 equity shares of ₹ 10 each (as at March 31, 2018 - 1,56,26,160 equity shares of ₹ 10 each)		

2.13 Other Equity

Share premium account	1,337.08	1,303.09
General reserve	9,848.91	9,848.91
Share based payment reserve	520.86	141.70
Retained earning	32,000.16	26,840.21
	43,707.01	**38,133.91**

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
1. Securities premium account	1,303.09	671.35
Add: Premium on shares issued during the year (Including transfer from Share based payment reserve)	33.99	631.74
Closing balance	**1,337.08**	**1,303.09**
2. General reserve		
Opening balance	9,848.91	9,848.91
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing balance	**9,848.91**	**9,848.91**
3. Share based payment Reserve		
Opening balance	141.70	137.25
Add: Share based payment expense to employees	382.26	76.98
Less: Transferred from share based payment reserve on exercise and lapse of options	3.10	72.53
Closing balance	**520.86**	**141.70**
4. Retained Earning		
Opening balance	26,840.21	21,828.51
Add: Profit for the year	6,420.38	5,068.31
Remeasurement of defined benefit plan	(35.95)	129.40
Less: Final dividend for 2017-18 @ ₹. 6.50 per share (Previous year final dividend year 2016-17 @ ₹1.00 per share)	1,015.70	154.55
Tax on dividend	208.78	31.46
Closing balance	**32,000.16**	**26,840.21**
	43,707.01	**38,133.91**

In respect of the year ended March 31, 2019, the directors propose that a final dividend of ₹ 7.50 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 1,413.79 Lakhs (including dividend distribution tax thereon of ₹ 241.06 Lakhs). (refer note 2.46)

2.14 Borrowing at amortised cost

Secured		
Non Current		
i. Term loans	5,361.82	5,806.49
Less: Current maturities of long-term debt (secured)	692.32	692.32
(refer note 2.17 (a))		
	4,669.50	**5,114.17**

Note:

External Commercial Borrowing (ECB) from Axis Bank Limited of ₹ 4,150.28 lakhs (USD 60 lakhs) [previous year ₹ 3,902.65 lakhs (USD 60 lakhs)] is secured by first pari-passu charges on all the movable fixed assets situated at , Kymore, Lakhmpaur and Bhagwanpur and immoveable fixed assets located at Kymore, Bhagwanpur and Lakhmapur. The ECB is repayable in single instalment; the instalment is due in September 2022. The rate of interest is 3 months Libor + 2.70% per annum(previous year 3 months Libor + 2.70% per annum).

Working Capital Term Loan from Kotak Mahindra Bank Limited of ₹ 1,211.54 lakhs (including ₹ 692.32 lakhs in current maturity) (previous year ₹ 1,903.84 lakhs) is secured by exclusive charge over the immovable and movable property situated at Dahej. The loan is repayable in 13 quarterly instalments of ₹ 173.08 lakhs; the last instalment is due in December 2020. The rate of interest is banks MCLR +0.20% per annum. For current maturities of long term borrowings refer note 2.17 (a).

The Company has financial covenants relating to the borrowing facilities that it has taken from the lenders which is maintained by the Company.

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Secured		
Current		
i. Cash credit	637.09	827.75
ii. Buyers credit	-	1,750.31
iii Working capital demand loan	3,000.00	-
	3,637.09	**2,578.06**

Note:

Loans from banks are secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables, first pari-passu charge on land and building situated at Podanur, second pari-passu charges on all movable fixed assets situated at Kymore, Podanur, Kolkata, Lakhmapur and Bhagwanpur and second pari-pasu charges on land and building situated at Kymore, Lakhmapur and Bhagwanpur.

2.15 Trade Payables

a. total outstanding dues of micro enterprises and small enterprises	-	-
b. total outstanding dues of creditors other than micro enterprises and small enterprises	18,129.09	15,023.01
	18,129.09	**15,023.01**

* Includes dues from subsidiaries (refer note 2.36 (c) (vii))

2.16 Deposits from dealers

a. Stockists' and other deposits	2,629.51	3,026.05
	2,629.51	**3,026.05**

2.17 Other financial liabilities

a. Current maturities of long-term debt (secured)		
i. Term loans from banks	692.32	692.32
b. Interest accrued but not due on borrowings	31.44	43.05
c. Unpaid dividends	42.85	40.86
d. Payables for purchase of fixed assets	83.37	299.38
e. Retention monies	485.69	485.16
f. Derivatives liabilities	-	7.15
	1,335.67	**1,567.92**

2.18 Provisions for retirement benefits

a. Provision for employee benefits:		
i Provision for compensated absences	545.93	521.92
	545.93	**521.92**

2.19 Other current liabilities

a. Advances from customers	6,176.56	5,482.86
b. Payables in respect of statutory dues	1,292.80	795.41
c. Other Payables	759.63	1,076.44
	8,228.99	**7,354.71**

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
2.20 Income tax assets/ liability (net)		
Provision for income tax (net of advance)	2,522.99	1,309.13
	2,522.99	**1,309.13**
[Net of advance tax - ₹ 1,182.64 lakhs (previous year ₹ 146.28 lakhs)]		

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.21 Revenue from operation		
a. Revenue from sale of products		
i. Revenue from building products	89,212.18	79,894.92
ii. Revenue from traded products	919.56	1,476.55
b. Revenue from steel building contracts	48,956.05	44,226.45
Sub total *	**1,39,087.79**	**1,25,597.92**
c. Other operating revenues		
i. Sale of scrap	834.84	666.52
ii. Export incentives	213.91	256.34
iii. Others (including other incentives)	277.82	602.94
	1,326.57	**1,525.80**
	1,40,414.36	**1,27,123.72**

*As per Ind AS 115 , the revenue is reported net of GST . However, excise duty on sale of goods is included in revenue for previous year amounting to ₹ 2,638.56 lakhs.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.22 Other income		
a. Interest income on financial assets carried at amortised cost		
i. Interest from banks on deposits	198.28	71.67
ii Other interest	37.24	27.34
	235.52	**99.01**
b. Interest on Income tax refund	148.41	250.11
c. Other non-operating income		
i. Net gain on sale of property, plant and equipment	-	3.61
ii Interest Income on Deposit	5.39	5.45
iii Liabilities / provisions no longer required written back	178.47	256.96
iv Miscellaneous income	77.45	121.02
	261.31	**387.04**
	645.24	**736.16**

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.23 Cost of raw material consumed (refer note 2.41)		
Cost of material consumed	81,980.24	71,060.87
	81,980.24	**71,060.87**

(₹ In Lakhs)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.24	**Purchase of traded goods**		
	Roofing accessories	146.84	1,036.69
	Other items	520.87	742.84
		667.71	**1,779.53**

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.25	**(Increase)/decrease in Inventories of finished goods, work-in-progress and stock-in-trade**		
	Inventories at the end of the year :		
	i Finished goods	11,428.84	7,293.72
	ii Work-in-progress	3,964.39	3,166.31
	iii Stock-in -trade	868.91	1,475.76
		16,262.14	**11,935.79**
	Inventories at the beginning of the year :		
	i Finished goods	7,293.72	5,260.18
	ii Work-in-progress	3,166.31	3,922.76
	iii Stock-in -trade	1,475.76	988.80
		11,935.79	**10,171.74**
		(4,326.35)	**(1,764.05)**

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.26	**Employee benefits expense**		
	a. Salaries and wages	9,794.72	9,376.90
	b. Contributions to provident and other funds	524.25	488.10
	c. Gratuity expense	113.50	149.77
	d. Share based payment to employees	382.26	76.98
	e. Staff welfare expenses	711.39	634.42
		11,526.12	**10,726.17**

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.27	**Finance costs**		
	a. Interest expense on borrowings	618.22	1,072.04
	b. Exchange differences regarded as an adjustment to borrowing cost	124.85	12.33
	c. Other borrowing cost	18.50	174.81
		761.57	**1,259.18**

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.28	**Depreciation and amortisation expenses**		
	a. Depreciation on property, plant and equipment	1,964.66	2,305.33
	b. Amortisation on intangible assets	90.84	49.28
		2,055.50	**2,354.61**

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.29 Other expenses		
a. Consumption of stores and spare parts	5,015.00	3,840.37
b. Consumption of packing materials	1,168.80	999.61
c. Power and fuel	3,998.07	3,506.26
d. Repairs and maintenance		
- Building	297.51	266.71
- Machinery	791.64	651.20
- Others	189.34	359.12
e. Rent (refer note 2.39)	449.94	465.46
f. Rates and taxes	281.46	622.72
g. Insurance	269.43	281.76
h Travelling	1,747.24	1,579.63
i. Advertisement and sales promotion expenses	1,763.69	2,026.91
j. Cost for erection of buildings	3,069.07	1,342.34
k. Loss on sale of fixed assets (net)	60.72	-
l. Net loss on foreign currency transactions and translation	151.62	283.22
m. Outward freight charges on finished goods	12,038.86	9,469.82
n. Professional and consultancy expenses (refer note 2.32)	1,055.14	1,168.56
o. Contract labour	3,752.08	3,197.36
p. Research and development expenses (refer note 2.44)	93.42	85.17
q. Impairment of doubtful trade receivables	1,163.55	944.26
r. Expenditure on corporate social responsibility (refer note 2.45)	84.00	67.94
s. Miscellaneous expenses	2,463.98	2,370.23
	39,904.56	**33,528.65**
2.30 Income Tax expenses		
A. Tax Expenses recognized in Profit or Loss		
Current Tax	2,019.75	1,377.98
Deferred tax (Net of MAT credit entitlement)	50.12	(334.93)
Total tax expenses	**2,069.87**	**1,043.05**
B. Tax on Other Comprehensive Income		
Remeasurement of defined benefit plans	19.31	(68.48)
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before income tax expense	8,490.25	6,111.36
Enacted statutory income tax rate in India applicable to the Company	34.944%	34.608%
Computed expected income tax expense	2,966.83	2,115.02
Adjustments:		
Adjustment effect of deduction under section 80IC of Income tax Act	-	(334.99)
Effect of MAT credit entitlement of earlier years recognised in the current year	(1,016.42)	(758.96)
Additional deduction on research cost under section 35(2AB) of Income Tax Act	(16.17)	(14.26)

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Effect of deduction under Section 80G of Income Tax Act, 1961	15.01	11.77
Others	120.62	24.47
Current tax expenses recognised in Statement of Profit and Loss	**2,069.87**	**1,043.05**

2.31 Contingent liabilities and commitments

Particulars	As at 31 March 2019	As at 31 March 2018
a. Contingent liabilities		
Claims against the Company not acknowledged as liabilities in respect of:		
Sales tax matters	2,154.61	2,131.96
Excise and service tax matters	3,242.49	3,242.49
Income tax matters	3,532.01	642.24
Total	**8,929.11**	**6,016.69**
Advance paid/adjusted by authorities against above	3,729.47	868.67

The Company had received show cause notice from VAT authorities in previous year which was then responded. As per management assessment the Company has a good case in these matters.

b. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

c. Commitments

a. Estimated amount of contracts to be executed on capital account – ₹ 790.85 lakhs (net of advances – ₹ 286.64 lakhs), [previous year – ₹ 250.86 lakhs (net of advances ₹ 97.36 lakhs)].

b. The Company has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, in normal course of business.

c. The Company did not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.

2.32 Professional and consultancy expenses include auditors remuneration (excluding taxes) as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a. To statutory auditors		
i. Audit fee	37.50	35.00
ii. Limited Review	22.50	15.00
iii. For other services	-	15.00
iv. Reimbursement of expenses	8.31	8.68
	68.31	**73.68**

2.33 Disclosure in respect of revenue from contracts with customers

a. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue by Geography		
Domestic	1,36,288.28	1,22,297.71
Overseas	2,799.51	3,300.21
Total revenue from contract with customers	**1,39,087.79**	**1,25,597.92**

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Timing of revenue recognition		
At a point in time	90,131.74	81,371.47
Over time	48,956.05	44,226.45
Total revenue from contract with customers	**1,39,087.79**	**1,25,597.92**

b. Contract Balances

The following table provides information about receivables, contracts assets, and contract liabilities from contracts with customers.

Particulars	As at 31 March 2019	As at 31 March 2018
Receivables	6,786.73	3,642.08
Contract assets	-	-
Contract liabilities	-	-

c. Disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.

Particulars	As at 31 March 2019	As at 31 March 2018
Revenue from steel building contracts	48,956.05	44,226.45
Amounts included in contract liabilities at the beginning of the year	-	-
Performance obligations satisfied in previous years	-	-

d. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Within one year	13,636.80	16,576.45
More than one year	-	-

2.34 Foreign Exchange Disclosure

Particulars		As at 31 March 2019	As at 31 March 2018
Outstanding forward exchange contracts as on 31 March, 2019:			
Receivables	USD	18.86	29.58
	INR	1,407.17	1,975.81
Payables	USD	11.93	26.91
	INR	839.82	1,758.14
Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows:			
Payables	AED	2.77	-
	INR	52.37	-
Payables	EUR	0.07	-
	INR	5.47	-
Payables	USD	11.83	20.90
	INR	818.03	1,359.40

(₹ In Lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
ECB Loan	USD	60.00	60.00
	INR	4,150.28	3,902.64
refer note 2.53 for sensitivity analysis			

2.35 Employee Benefit

a. Defined contribution plan

The Company makes superannuation fund contribution to defined contribution retirement plans for covered employees. The Company's contribution towards superannuation fund is deposited in trust. The Company recognised ₹ 78.05 lakhs (previous year ₹ 76.14 lakhs) for superannuation fund contributions in the Statement of Profit and Loss.

b. Defined benefit plan

I. Gratuity Fund

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

The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2019:

i. Reconciliation of fair value of plan assets and defined benefit obligation:

(₹ In Lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
Defined Benefit Obligation		1,860.32	1,767.61
Fair Value of Plan Assets		2,134.36	2,000.74
Funded Status (Surplus/(Deficit)	**Total**	**274.04**	**233.13**

ii. Amount recognised in Statement of Profit and Loss:

(₹ In Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost		137.83	168.29
Net Interest expenses		(24.33)	(18.52)
Amount recognised in Statement of Profit and Loss	**Total**	**113.50**	**149.77**

iii. Amount recognised in Other Comprehensive Income

(₹ In Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (gain)/loss due to DBO experience		29.51	(76.58)
Actuarial (gain)/loss due to DBO assumption changes		24.77	(100.48)
Return on plan assets (greater)/less than discount rate		0.98	(20.82)
Actuarial (gains)/ losses recognized in OCI	**Total**	**55.26**	**(197.88)**

iv. Changes in the present value of the defined benefit obligation are as follows :

(₹ In Lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
Present value of defined benefit obligations as on 01 April 2018		1,767.61	1,833.85
Current service cost		137.83	168.29
Interest cost		119.39	124.16
Benefits paid		(218.79)	(170.18)
Actuarial (gain)/loss on obligations		54.28	(188.51)
Present value of defined benefit obligations as on 31 March 2019	**Total**	**1,860.32**	**1,767.61**

v. Changes in the fair value of plan assets are as follows:

Particulars		As at 31 March 2019	As at 31 March 2018
Fair value of plan assets at the beginning of the year		2,000.74	1,848.35
Interest Income on plan assets		143.72	131.24
Employer contribution		3.18	3.02
Return on plan assets greater/(lesser) than discount rate		(0.98)	20.82
Benefits paid		(12.30)	(2.69)
Fair value of plan assets at the end of the year	**Total**	**2,134.36**	**2,000.74**

vi. The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details		As at 31 March 2018	As at 31 March 2017
		Funded	Funded
With Government of India securities		68.08%	64.58%
With Debt instruments		22.26%	25.47%
With Equity shares		6.44%	6.88%
Other deposits		3.22%	3.07%
	Total	**100.00%**	**100.00%**

The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets as at 31 March, 2019 has not been provided by the Life Insurance Corporation of India.

vii. Principal actuarial assumptions used in determining gratuity obligations:

Assumptions	As at 31 March 2019	As at 31 March 2018
Discount rate	6.90%	7.20%
Salary escalation	8.00%	8.00%
Mortality rate	Indian Assured Lives Mortality (2006 -08) (Ult)	
Withdrawal rate	15.00%	15.00%

viii. A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount Rate		
Effect on DBO due to 0.5% increase in Discount Rate	(36.54)	(33.28)
Effect on DBO due to 0.5% decrease in Discount Rate	38.11	34.66
Salary Escalation Rate		
Effect on DBO due to 0.5% increase in Salary Escalation Rate	37.64	34.34
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(36.44)	(33.29)

ix. The following payments are expected contributions to the defined benefit plan in future years:

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
31-Mar-19	357.64	330.85
31-Mar-20	332.94	332.81
31-Mar-21	322.38	307.74
31-Mar-22	376.05	294.47
March 31, 2023 to March 31, 2028	1,490.03	1,457.04

II. Provident Fund

The Company's contribution towards provident fund is a defined benefit retirement plan. The Company makes contributions to the trust from time to time which in turn makes contributions in approved securities. The Company is liable for contribution paid/payable under provident fund scheme and any deficiency in interest cost compared to interest computed based on the interest declared by the Central Government under Employee Provident Fund Scheme, 1952 is recognised as defined benefit obligation.

The following tables set out the funded status of provident fund in the Company's financial statements as at 31 March, 2019:

i. Reconciliation of fair value of plan assets and defined benefit obligation:

(₹ In Lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
Defined Benefit Obligation		8,380.73	7,710.05
Fair Value of Plan Assets		8,668.53	7,958.98
Funded Status (Surplus/(Deficit)	**Total**	**287.80**	**248.93**

ii. Amount recognised in Statement of Profit and Loss:

(₹ In Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost		6.21	11.72
Net Interest expenses		4.11	7.86
Immediate recognition of (gain)/losses- other long term employee benefit plan		(49.19)	(101.01)
Other adjustments		38.87	81.43
Amount recognised in Statement of Profit and Loss*	**Total**	-	-

* An employer expense of ₹ NIL has been shown as there is no net liability on account of the interest guarantee. Therefore no expense needs to be recognised.

iii. Amount recognised in Other Comprehensive Income

(₹ In Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (gain)/loss due to DBO experience		16.04	(12.60)
Actuarial (gain)/loss due to DBO assumption changes		1.68	(60.61)
Actuarial (gain)/loss arising during period		17.62	(73.21)
Return on plan assets (greater)/less than discount rate		(66.91)	(27.80)
Actuarial (gains)/ losses recognized in OCI*	**Total**	-	-

* An employer expense of ₹ NIL has been shown as there is no net liability on account of the interest guarantee. Therefore no expense needs to be recognised.

iv. Changes in the present value of the defined benefit obligation are as follows

Particulars		As at 31 March 2019	As at 31 March 2018
Present value of defined benefit obligations as on 01 April 2018		7,710.05	7,243.84
Current service cost		231.94	251.70
Interest cost		653.46	615.00
Employee contribution		497.99	515.35
Tranfer in/(out)- other providend fund		(17.48)	-
Other adjustments		22.79	-
Benefits paid		(735.74)	(841.63)
Actuarial (gain)/loss on obligations		17.72	(73.21)
Present value of defined benefit obligations as on 31 March 2019	**Total**	**8,380.73**	**7,711.05**

v. Changes in the fair value of plan assets are as follows:

Particulars		As at 31 March 2019	As at 31 March 2018
Fair value of plan assets at the beginning of the year		7,958.98	7,411.34
Interest Income on plan assets		649.35	607.14
Employer contribution		723.72	755.33
Tranfer in/(out)- other providend fund		(17.48)	-
Return on plan assets greater/(lesser) than discount rate		89.70	27.80
Benefits paid		(735.74)	(842.63)
Fair value of plan assets at the end of the year	**Total**	**8,668.53**	**7,958.98**

vi. The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details		As at 31 March 2019	As at 31 March 2018
		Funded	Funded
Government of India securities		43.48%	37.91%
PSU		18.60%	19.13%
Private sector bond		19.14%	20.01%
Special deposit scheme		16.27%	17.97%
Mutual Fund		2.51%	4.98%
	Total	**100.00%**	**100.00%**

vii. Principal actuarial assumptions used in determining provident fund obligations:

Assumptions	As at 31 March 2019	As at 31 March 2018
Discount rate	6.90%	7.20%
Rate of return on EPFO	8.65% p.a for first year starting 1 April 2019 and 8.60% p.a thereafter	8.55%
Mortality rate	Indian Assured Lives Mortality (2006 -08) (modified)	
Withdrawl rate	15.00%	15.00%

2.36 Related Party Disclosures

a. List of related parties

i. Enterprise exercising significant influence

Falak Investment Private Limited

ii. Subsidiary companies

Everest Building Products, Mauritius

Everest Building Solutions Limited

Everestind FZE, United Arab Emirates(UAE) – subsidiary of Everest Building Products, Mauritius

Everest Building Products LLC , United Arab Emirates (UAE)* – subsidiary of Everest Building Products, Mauritius

* Had not commenced commercial operations and deregistered w.e.f 27 November 2017

iii. Key management personnel/Whole time director

Mr. Aditya Vikram Somani, Chairman (till 26 February, 2019)

Mr. Manish Sanghi, Managing Director

Mr. Y. Srinivasa Rao, Executive Director

Mr. Neeraj Kohli, Company Secretary

Mr. Nikhil Dujari, Chief Financial Officer (till 31 July, 2018 and from 3 September, 2018)

iv. Entities on which key management personnel have control/significant influence

Trapucans Pvt. Ltd

b. Transactions with related parties during the year:

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
i. Dividend paid to enterprise exercising significant influence		
Falak Investment Private Limited	479.93	73.83
ii. Proceeds from reduction in share capital in subsidiary		
Everest Building Products, Mauritius	-	(1,522.06)
iii Remuneration to key management personnel/ whole time director		
Mr. Aditya Vikram Somani	250.71	243.00
Mr. Manish Sanghi	231.78	218.03
Mr. Y. Srinivasa Rao	179.73	167.51
Mr. Neeraj Kohli	24.07	20.50
Mr. Nikhil Dujari	81.02	65.12

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
iv. Dividend paid to key management personnel		
Mr. Aditya Vikram Somani	-	0.01
Mr. Manish Sanghi	5.28	0.76
Mr. Y. Srinivasa Rao	1.05	0.11
v. Dividend paid to Entities on which key management personnel have control/significant influence		
Trapucans Pvt. Ltd	8.91	1.37
vi. Revenue from sale of products to		
Everestind FZE	1,983.03	1,538.93
vii. Purchase of traded goods		
Everestind FZE	39.06	-
viii. Paid for purchase of assets		
Everest Building Products LLC	-	1,578.43
ix. Paid to Trapucans Pvt. Ltd		
Rent and reimbursement of power	35.21	15.89
Security deposit	(9.00)	9.00

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

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
i. Share capital from enterprise exercising significant influence		
Falak Investment Private Limited	738.35	738.35
ii. Share capital from Entities on which key management personnel have control/significant influence		
Trapucans Pvt. Ltd	13.70	13.70
iii. Investment in equity of subsidiary Company (net of provision for impairment)		
Everest Building Products	36.67	36.67
Everest Building Solutions Limited	5.00	5.00
iv. Commission due to key management personnel		
Mr. Aditya Vikram Somani	-	45.00
v. Performance incentive due to key management personnel		
Mr. Manish Sanghi	18.00	12.00
Mr. Y. Srinivasa Rao	15.00	10.00
vi. Trade receivables		
Everestind FZE	711.95	230.38

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
vii. Trade payable		
Everest Building Solutions Limited	32.91	-
Everestind FZE	49.87	-

2.37 Segment Information

a. Business segments:

The Company has determined following reporting segments based on the information reviewed by the Chief Operating Decision Maker (CODM). Building products includes manufacturing and trading of roofing products, boards and panels, other building products and accessories. Steel buildings consist of manufacture and erection of pre – engineered and smart steel buildings and its accessories.

b. Geographical segments:

Since the Company's activities/operations are primarily within the country and as such there is only one geographical segment.

c. Segment accounting policies:

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

i. Segment revenue and expenses:

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

ii. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include fixed deposits, advance income tax, borrowings and deferred income tax etc.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Company's financial statements.

Information about business segments:

(₹ In Lakhs)

Particulars	Building products		Steel buildings		Total	
	Year Ended 31 March 2019	Year Ended 31 March 2018	Year Ended 31 March 2019	Year Ended 31 March 2018	Year Ended 31 March 2019	Year Ended 31 March 2018
1. Segment Revenue						
External revenue	90,131.74	81,371.47	48,956.05	44,226.45	1,39,087.79	1,25,597.92
Other operating income	669.96	753.58	656.61	772.22	1,326.57	1,525.80
Total Revenue	**90,801.70**	**82,125.05**	**49,612.66**	**44,998.67**	**1,40,414.36**	**1,27,123.72**
2. Segment Results	12,172.71	10,333.57	1,093.14	723.99	13,265.85	11,057.56
Unallocated expenses (net of income)					4,014.04	3,687.02
Operating Profit	12,172.71	10,333.57	1,093.14	723.99	9,251.81	7,370.54
Finance costs					761.57	1,259.18
Profit before tax					8,490.24	6,111.36
Tax expense					2,069.87	1,043.05
Net Profit					6,420.37	5,068.31

(₹ In Lakhs)

Particulars	Building products		Steel buildings		Total	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
3. Other Information						
a. Assets						
Segment assets	58,522.50	49,522.29	24,498.03	19,369.21	83,020.53	68,891.50
Unallocated assets					6,853.64	10,173.95
Total Assets	**58,522.50**	**49,522.29**	**24,498.03**	**19,369.21**	**89,874.17**	**79,065.45**
b. Liabilities						
Segment liabilities	9,043.31	12,696.63	10,755.95	10,254.46	19,799.27	22,951.10
Unallocated liabilities					14,052.30	16,417.82
Total Liabilities	**9,043.31**	**12,696.63**	**10,755.95**	**10,254.46**	**33,851.57**	**39,368.92**

Particulars	Building products		Steel buildings		Total	
	Year Ended 31 March 2019	Year Ended 31 March 2018	Year Ended 31 March 2019	Year Ended 31 March 2018	Year Ended 31 March 2019	Year Ended 31 March 2018
c. Others*						
Capital expenditure	1,655.71	3,112.77	471.75	155.83	2,127.46	3,268.60
Depreciation	1,048.74	1,298.35	616.79	762.30	1,665.53	2,060.65
Non – cash expenses other than depreciation (includes impairment of trade receivables and other receivables)	-	94.69	1,032.80	262.56	1,032.80	357.25
* Excluding unallocated items						

2.38 Deferred Taxation

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
a. Deferred tax assets		
Tax impact of:		
i. Expenditure covered by Section 43B of the Income-tax Act, 1961	236.17	225.22
ii. Impairment of trade receivables	903.59	571.71
iii. MAT credit entitlement	360.00	420.00
iv. Others	57.42	-
Total deferred tax assets	**1,557.18**	**1,216.93**
b. Deferred tax liabilities		
Tax impact of:		
i. Excess of depreciation allowable under the Income-tax Act, 1961 over depreciation provided in financial statements	4,153.53	3,785.45
ii. Others	308.42	305.43
Total deferred tax liability	**4,461.95**	**4,090.88**
Net deferred tax liability	**2,904.77**	**2,873.95**

2.39 Lease Commitments

Operating lease as lessee

The Company has taken properties on cancellable operating leases and has recognised rent of ₹ 449.94 lakhs (previous year ₹ 465.46 lakhs). There are no non-cancellable lease arrangements as at the end of the year.

2.40 Earnings per Share

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a. Number of equity shares of ₹ 10 each fully paid up at the beginning of the year	156,26,160	154,22,910
b. Number of equity shares of ₹ 10 each fully paid up at the year end	156,36,340	156,26,160
c. Weighted average number of equity shares used in computing earnings per share	156,29,367	154,96,289
d. Weighted average number of options granted	2,35,045	1,06,475
e. Weighted average number of options post adjustment for number of options granted	2,35,045	1,06,475
f. Net profit for the year – (₹ / lakhs)	6,420.38	5,068.31
g. Basic earnings per share (Rupees)	41.08	33.54
h. Diluted earnings per share (Rupees)	41.08	33.54
i. Nominal value of equity shares (Rupees)	10.00	10.00

2.41 Cost of material consumed

(₹ In Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock		11,168.82	11,727.39
Add: Purchases		85,691.28	70,502.30
		96,860.10	82,229.69
Less: Closing stock		14,879.86	11,168.82
Cost of materials consumed*	**Total**	**81,980.24**	**71,060.87**
Materials consumed comprises:*			
i. Raw fibre		20,012.12	19,547.39
ii. Cement		14,197.33	12,174.36
iii. Steel		32,378.19	26,738.10
iv. Other items		15,392.60	12,601.02
	Total	**81,980.24**	**71,060.87**

* excludes research and development expenses of ₹ 29.84 lakhs (previous year ₹ 23.63 lakhs).

2.42 Details of closing finished goods, work in progress and stock-in-trade

(₹ In Lakhs)

	Particulars	As at 31 March 2019	As at 31 March 2018
a.	Finished goods		
i.	Building products	10,376.65	6,474.50
ii.	Steel buildings	1,052.19	819.22
	Total	**11,428.84**	**7,293.72**
b.	Work in progress		
i.	Building products	3,665.31	2,940.19
ii.	Steel buildings	299.08	226.12
	Total	**3,964.39**	**3,166.31**
c.	Stock-in-Trade		
i.	Roofing accessories	538.17	802.98
ii.	Other items	330.74	672.78
	Total	**868.91**	**1,475.76**

2.43 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2019	As at 31 March 2018
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

According to the records available with the Company, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year is ₹ Nil (previous year `₹ Nil). Further no interest has been paid or was payable to such parties under the said Act during the year.

2.44 Expenditure on Research and development

(₹ In Lakhs)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a.	**Capital nature***		
	Gross block	110.01	110.01
	Accumulated depreciation	84.04	79.42
	Net block	**25.97**	**30.59**
	Additions during the year	-	0.21
b.	**Revenue nature**		
i.	Cost of materials consumed	29.84	23.63
ii.	Consumption of stores and spare parts	4.29	7.91

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
iii. Employee benefits expense		
-Salaries and wages	30.09	37.51
-Contributions to provident and other funds	1.64	2.10
Miscellaneous expenses	27.56	14.02
	93.42	**85.17**
Depreciation	4.62	4.84
Total	**98.04**	**90.01**
*** fixed assets utilised for research and development.**		

2.45 The details relating to corporate social responsibility (CSR) expenditure are as follows :

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Gross amount required to be spent by the Company during the year	84.00	71.40
Amount spent during the year (refer Note below)	84.00	67.94
i. Construction/ acquisition of assets	-	-
ii. On purposes other than (i) above	84.00	67.94

2.46 Distribution made and proposed:

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash dividend on Equity shares declared and paid:		
Final dividend for the year ended on 31 March 2018: ₹ 6.50 Per share	1,015.70	154.55
(31 March 2017: ₹ 1.00 Per share)		
Dividend distribution tax on final dividend	208.78	31.46
Proposed dividends on Equity shares not recognised as liability:		
Final cash dividend for the year ended on 31 March 2019: ₹ 7.50 per share (31 March 2018: ₹ 6.50 per share)	1,172.73	1,015.70
Dividend Distribution Tax on proposed dividend	241.06	206.75

2.47 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.48 Number of shares held by each shareholder holding more than 5% shares

(₹ In Lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	(No. of shares)	%	(No. of shares)	%
a. Falak Investment Private Limited	73,83,470	47.22	73,83,470	47.25
b. ICICI Lombard General Insurance Company Limited	-	-	7,90,981	5.06
c. Vijay Kishanlal Kedia	9,50,000	6.08	-	-

2.49 Employee Stock Option Scheme

The Company has granted 1,70,000 stock options (previous year 1,60,000 stock options) to the employees during the year ended 31 March, 2019.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 2012	ESOS 2014	ESOS 2015	ESOS 2017	ESOS 2018
Year in which scheme was established	2012-13	2014-15	2015-16	2017-18	2018-19
Number of options authorised and granted	1,60,945	1,40,000	1,70,000	1,60,000	1,70,000
Exercise price	₹ 268	₹ 336	₹ 262	₹ 571	₹ 477
Fair value	₹ 95.59	₹ 151.01	₹ 100.11	₹ 288.37	₹ 182.63
Vesting date	After one year from the date of grant of option				
Vesting requirement	One year service from the date of grant of option				
Exercise period	During four year after vesting date				
Option activity during the year under the plans is set out below:					
i. Opening balance	-	49,520	56,955	1,60,000	-
	95,980	*1,16,310*	*1,37,100*	*1,60,000*	-
ii. Granted during the year	-	-	-	-	1,70,000
	-	-	-	*1,60,000*	-
iii. Vested during the year	-	-	-	-	-
	-	-	-	-	-
iv. Exercised during the year	-	(7,080)	(3,100)	-	-
	(73,205)	*(57,610)*	*(72,435)*	-	-
v. Forfeited during the year	-	(910)	(2,210)	(23,380)	-
	(8,735)	*(9,180)*	*(7,710)*	-	-
vi. Expired during the year	-	-	-	-	-
	(14,040)	-	-	-	-
vii. Outstanding at the year end	-	41,530	51,645	1,36,620	1,70,000
	-	*49,520*	*56,955*	*1,60,000*	-
viii. Options exercisable at the year end	-	41,530	51,645	1,36,620	-
	-	*49,520*	*56,955*	-	-
ix. Remaining contractual life (years) at the year end	-	0.81	1.80	3.82	4.82
	-	*1.81*	*2.80*	*4.82*	-

Previous year figures are in italics.

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 1.41% (previous year 18.00%) on the underlying equity shares, volatility in the share price of 38.82% (previous year 47.51%) and a risk free rate of interest of 7.35% (previous year 7.26%). 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.

2.50 Financial instruments - fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ In Lakhs)

Particulars	Carrying value	
	As at 31 March 2019	As at 31 March 2018
Financial Assets		
Measured at fair value		
- Derivative assets	55.69	-
Measured at cost		
- Investment in Subsidiaries	41.67	41.67
Financial Assets		
Measured at amortised cost		
- Security Deposits	706.50	656.73
- Government subsidy receivables	633.29	884.74
- Balances held as margin money (deposit accounts)	414.67	518.61
- Interest accrued on deposits	36.80	18.13
- Insurance claim receivable	77.95	11.47
- Other recoverable	636.61	139.53
Trade receivable*	9,825.09	6,605.10
Cash & cash equivalents*	1,785.12	1,927.81
Other bank balances*	42.85	40.86
Total	**14,256.24**	**10,844.65**
Financial Liabilities		
Measured at fair value		
- Derivative liabilities	-	7.15
Measured at amortised cost		
Term Loan	8,998.91	8,384.55
Trade Payable*	18,129.09	15,023.01
Other Financial Liabilities*		
- Interest accrued on borrowings	31.44	43.05
- Unpaid dividend	42.85	40.86
- Payable for capital goods	83.37	299.38
- Retention monies	485.69	485.16
- Stockists' and other deposits	2,629.51	3,026.05
Total	**30,400.86**	**27,309.21**

* The management assessed that carrying values approximates their fair value largely due to the short-term maturities of these instruments.

2.51 Financial instruments - fair value hierarchy

The fair value of financial instruments as referred to in note 2.50 above have been classified into three categories depending upon the input used in the valuation technique.

The categories used are as follows :

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

(₹ In Lakhs)

Particulars	Level 1	Level 2	Level 3
Derivative assets	-	(55.69)	-

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2018:

Derivative liabilities	-	7.15	-

2.52 Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages it's capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company take appropriate steps in order to maintain its capital structure. The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

The capital gearing ratio as on 31 March 2019 and 31 March 2018 was 13.74% and 13.99% respectively.

(₹ In Lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
Non Current Borrowing		4,669.50	5,114.17
Current Borrowing		3,637.09	2,578.06
Other Financial Liabilities (Long term debt)		692.32	692.32
Cash & Cash Equivalent		(1,785.12)	(1,927.81)
Net Debt	**Total**	**7,213.79**	**6,456.74**
Total Capital		45,270.64	39,696.53
Capital & Net Debt	**Total**	**52,484.43**	**46,153.27**
Gearing Ratio		**13.74%**	**13.99%**

2.53 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include advances, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises risk of: currency risk and interest rate risk.

The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

Foreign exchange risk

The Company regularly evaluates exchange rate exposure arising from the foreign currency transaction.

The Company uses forward contracts and derivative instruments to mitigate foreign exchange related risk exposures. When a forward contract is entered into for the purpose of being a hedge, the Company negotiates the terms of those contracts to match the terms of the hedged exposure. The Company's exposure to unhedged foreign currency risk as at March 31, 2019 and March 31, 2018 has been disclosed in note 2.34.

For the year ended March 31, 2019, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Company's profit before tax by ₹ 251.31 Lakhs/ ₹ (251.31) Lakhs respectively.

For the year ended March 31, 2018, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Company's profit before tax by ₹ 263.10 Lakhs/ ₹ (263.10) Lakhs respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Companies long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company has ₹ 4,150.28 lakhs (previous year ₹ 3,902.65 lakhs) of term loan carrying a floating interest rate of LIBOR plus 270 bps to LIBOR plus 400 bps and Rs 1,211.54 lakhs (previous year ₹ 1,904.84 lakhs) of term loans carrying a floating interest rate of MCLR plus 20bps to MCLR minus 20 bps, respectively. These loans expose the Company to risk of changes in interest rates. The remaining loans carry a fixed rate of Interest.

For details of the Company's short-term and long-term loans and borrowings, including interest rate profiles, refer to note 2.14 of these financial statements.

For the years ended 31 March 2019 and 31 March 2018, every 1% increase or decrease in the floating interest rate component (i.e., LIBOR and MCLR) applicable to its loans and borrowings would affect the Company's net profit by approximately ₹ 5.21 lakhs and ₹ 3.43 lakhs, respectively.

The Company's investments in term deposits with banks are for short durations, and therefore do not expose the Company to significant interest rates risk. To optimise the interest cost the Company balances the borrowings from commercial paper, working capital loan and non-fund facilities from banks.

Interest rate sensitivity have been calculated assuming the borrowing outstanding at the reporting date have been outstanding for the entire reporting period.

Credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits) and from foreign exchange transactions.

Trade receivables

To manage the credit risk the Company periodically assesses the financial reliability of customers taking into account the financial condition and ageing of accounts receivable.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note.

Reconciliation of the allowances for credit losses :

The details of changes in allowances for credit losses for the year ended 31 March 2019 and 31 March 2018 are as follows:

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at 31 March (adjusted to opening balance of other equity)	589.00	594.31
Provision/ (reversal) made during the year	35.00	(5.31)
Closing provision as on 31st March'19 (not routed through Statement of Profit and Loss)	**624.00**	**589.00**

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

As at 31 March 2019 and 31 March 2018, the Company had unutilised limits from banks of ₹ 14,352.56 lakhs and ₹ 16,172.25 lakhs respectively.

2.54 As per Orissa Industrial Policy 2007, the Company is eligible for State Government incentives in the form of reimbursement of 75% of Value added tax (VAT) paid after adjusting input tax rebate on VAT/ CST.

Post GST implementation effective July 1, 2017, the VAT / CST Acts have been repealed but as the aforesaid Scheme has not been withdrawn by the Orissa Government, the benefits therein continue. Further, the State Government has assured the Company that a notification on revised criteria for the calculation of incentive under GST regime shall be announced soon and the incentive under GST regime should be more or less at par with incentives under VAT regime. Accordingly, the Company has accrued the incentives amounting to ₹ 412.56 lakhs (previous year ₹ 134.74 lakhs) in these financial statements post GST implementation.

2.55 The Board of Directors of the Company at its meeting held on May 1, 2019 has approved a Scheme of merger of its 100% subsidiary company i.e. Everest Building Solutions Limited into Everest Industries Limited under section 230-232 and other applicable provision of the Companies Act, 2013 w.e.f April 1, 2019 or a date as may be approved by National Co. Law Tribunal. The parties to the Scheme are in process of obtaining regulatory and other approvals and the accounting will be done after Scheme becomes effective.

2.56 The subsidiary Company under which the proposed fibre cement board project in UAE was being set up, has since decided not to pursue the project. Accordingly, the investment has been carried at the estimated realisable value and an impairment provision of ₹ 165 Lakhs has been recorded as an exceptional item. The subsidiary Company has also reduced its share capital and repatriated investments of ₹ 1522.06 Lakhs to the Company. Consequent to above, the board manufacturing machinery purchased by the UAE subsidiary Company has been sold to the Company in the previous year. The Company is in advanced stage for the finalization of the location for the installation of this machinery and expects the completion of installation and start of commercial production from the said machinery in the near future.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

per Sanjay Vij
Partner
Membership No : 95169

Mumbai
1st May, 2019

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Mumbai
1st May, 2019

M. L. Gupta
Director
DIN No.00088685

Mumbai
1st May, 2019

Nikhil Dujari
Chief Financial Officer

Mumbai
1st May, 2019

Neeraj Kohli
Company Secretary

Mumbai
1st May, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
EVEREST INDUSTRIES LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Everest Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition for long term projects and recoverability of receivables (as described in note 1.4(a) of the consolidated Ind AS financial statements)	
• The Holding Company's significant portion of business is undertaken through long term engineering, procurement and construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, revenue recognition involves usage of input method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, identification of contractual obligations and the Holding Company's rights to receive payments for performance completed till date, risk on collectability due to liquidation damages and other penalties imposed by the customers, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations.	• Our audit procedures included testing of Holding Company's revenue recognition accounting policies in compliance with Ind AS 115. • We performed test of controls over management process of assessing its contractual obligation, determining the percentage completion and periodical changes in estimates of project cost and project revenue recognition with specific focus on determination of progress of completion, recording of project costs incurred and estimation of project costs to complete the remaining contract obligations and collection of overdue receivables through inspection of evidence of performance of these controls. • We examined the underlying customer contracts, costs incurred with estimated costs to identify significant variations and assess whether those variations if any, have been considered in estimating the remaining costs to complete and consequential determination of stage of completion.

Key audit matters	How our audit addressed the key audit matter
Accuracy of revenues, onerous obligations, profits and net receivables may deviate significantly on account of change in judgements and estimates, therefore, this has been considered as key audit matter in our audit of the consolidated Ind AS financial statements.	• We performed tests of details to examine the management assessment of estimated project revenue, possible liquidation damages, estimated project cost and cost incurred till the year end. We also tested the invoices raised and computation for revenue recognized, over a period of time under the input method in Ind AS 115. • We examined the management assessment of onerous contracts due to change in estimated project cost, liquidation damages and other penalties charged by the customer. • We examined contracts and correspondences where there were significant overdue receivable with marginal or no movement to determine the level of provisioning required in the receivable. • We evaluated management's assumption and judgment by comparing to the historical collection trends; • We tested the adequacy of disclosure relating to contractual positions and revenue for the year in the consolidated Ind AS financial statements.
Uncertain tax positions impacting valuation of tax provision (as described in note 1.4(b) of the consolidated Ind AS financial statements)	
• The Holding Company has ongoing disputes with the Income Tax department on income tax computation for certain assessment years. These disputes are pending with different Appellate authorities and at the Courts. The management has assessed the future outcome of these ongoing proceedings and exposures which directly affects the valuation of tax provision in the financial statements.	• We obtained details of completed tax assessments and demands for the assessment years under dispute as of March 31, 2019. • We performed test of control over management process of assessment and estimates with regard to the existing tax disputes and uncertain tax positions.
• As the future outcome of these matters, and the accounting effects thereof, are based on assessment of complex matters which may take time to finally resolve, the valuation of tax provision related to uncertain tax positions has been considered as key audit matter in our audit of the consolidated Ind AS financial statements.	• We inspected written communication between the company and the tax authorities and involved tax specialist to assess the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. • We also considered the effect of any new information in the current financial year 2018-19 in respect of carried forward uncertain tax positions to evaluate if there is any change in the management's position on these uncertainties. • We tested the adequacy of provisioning and disclosure relating to uncertain tax positions in accordance with "Probable, Possible and Remote" (PPR) analysis and compliance with Ind AS 12.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of subsidiaries viz., Everest Building Products, Mauritius, Everest Ind FZE, UAE and Everest Building Solution Limited, India whose Ind AS financial statements include total assets of Rs. 1080 lacs as at March 31, 2019, and total revenues of Rs. 2,401 lacs and net cash outflows of Rs. 222 lacs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company, none of the directors of the Group's company incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiary incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 2.30 to the consolidated Ind AS financial statements;

   ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2019.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/E300005

per Sanjay Vij
Partner
Membership Number : 95169

Place : Mumbai
Date : 1st May, 2019

ANNEXURE 1 REFERRED IN PARAGRAPH 2 (f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EVEREST INDUSTRIES LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Everest Industries Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Everest Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which is a company incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to a subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number : 301003E/E300005

Sanjay Vij
Partner
Membership Number : 95169

CONSOLIDATED BALANCE SHEET
AS AT 31st MARCH, 2019

(₹ In Lakhs)

Particulars			Notes Reference	As at 31 March 2019	As at 31 March 2018
A	**ASSETS**				
	1	**Non-current assets**			
		Property, plant and equipment	2.01	33,548.89	33,846.12
		Capital work in progress	2.02	2,597.71	2,054.31
		Intangible assets	2.03	125.95	210.31
		Financial assets			
		(i) Other financial assets	2.04	1,408.35	1,335.38
		Other Non current assets	2.05	477.91	280.39
		Income tax assets (net)	2.06	2,156.74	3,651.46
		Total - non-current assets		**40,315.55**	**41,377.97**
	2	**Current assets**			
		Inventories	2.07	32,929.66	24,754.00
		Financial assets			
		(i) Trade receivables	2.08	9,926.88	7,061.67
		(ii) Cash and cash equivalent	2.09	1,892.64	2,257.14
		(iii) Bank balances other than (ii) above	2.10	42.85	40.86
		(iv) Other financial assets	2.04	1,153.61	893.83
		Other current assets	2.05	3,949.40	3,828.54
		Total - current assets		**49,895.04**	**38,836.04**
		TOTAL ASSETS		**90,210.59**	**80,214.01**
B	**EQUITY AND LIABILITIES**				
	1	**Equity**			
		Share capital	2.11	1,563.63	1,562.62
		Other Equity	2.12	43,573.62	38,244.46
		Total equity		**45,137.25**	**39,807.08**
	2	**Non-current liabilities**			
		Financial Liabilities			
		(i) Borrowings	2.13	4,669.50	5,114.17
		Deferred tax liabilities (net)		2,904.77	2,873.96
		Total - non-current liabilities		**7,574.27**	**7,988.13**
	3	**Current liabilities**			
		Financial Liabilities			
		(i) Borrowings	2.13	3,637.09	2,578.06
		(ii) Trade payables	2.14		
		(a) total outstanding dues of micro enterprises and small enterprises		-	-
		(b) total outstanding dues of creditors other than micro enterprises and small enterprises		18,376.10	15,780.66
		(iii) Deposits from dealers	2.15	2,629.51	3,026.05
		(iv) Other financial liabilities	2.16	1,499.99	1,736.20
		Provisions for retirement benefits	2.17	545.93	521.92
		Other current liabilities	2.18	8,279.50	7,466.78
		Provision for income tax (net)	2.19	2,530.95	1,309.13
		Total - current liabilities		**37,499.07**	**32,418.80**
		TOTAL EQUITY AND LIABILITIES		**90,210.59**	**80,214.01**

See accompanying notes forming part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

Per Sanjay Vij
Partner
Membership No : 95169

Mumbai
1st May, 2019

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Mumbai
1st May, 2019

M. L. Gupta
Director
DIN No.00088685

Mumbai
1st May, 2019

Nikhil Dujari
Chief Financial Officer

Mumbai
1st May, 2019

Neeraj Kohli
Company Secretary

Mumbai
1st May, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31st MARCH, 2019

(₹ In Lakhs)

	Particulars	Notes Reference	Year ended 31 March 2019	Year ended 31 March 2018
A.	**Income**			
	Revenue from operations (net of excise duty)		1,40,831.90	1,27,051.66
	Add : Excise duty		-	2,638.56
	Revenue from operations (gross of excise duty)	2.20	**1,40,831.90**	**1,29,690.22**
	Other income	2.21	647.47	1,004.21
	Total income		**1,41,479.37**	**1,30,694.43**
B.	**Expenses**			
	a. Cost of raw material consumed	2.22	81,980.24	71,060.87
	b. Purchase of traded goods	2.23	703.76	1,803.03
	c. (Increase)/ decrease in inventories of finished goods, work-in progress and traded goods	2.24	(4,326.35)	(1,748.79)
	d. Excise duty on sale of goods		-	2,638.56
	e. Employee benefits expense	2.25	11,584.29	10,817.00
	f. Finance costs	2.26	763.20	1,259.18
	g. Depreciation and amortization expense	2.27	2,055.50	2,354.61
	h. Other expenses	2.28	40,432.29	36,129.23
	Total expenses		**1,33,192.93**	**1,24,313.68**
C.	**Profit/(loss) before tax**		**8,286.44**	**6,380.75**
	Tax expenses			
	a. Current tax	2.29	2,050.57	1,409.60
	b. Deferred tax	2.29	50.12	(334.93)
	Total tax expenses		**2,100.69**	**1,074.67**
D.	**Profit for the year**		**6,185.75**	**5,306.08**
E	**Other comprehensive income**			
	i. Items that will not be reclassified subsequently to the statement profit or loss			
	(a) Re-measurement gains/(losses) on defined benefit plans		(55.26)	197.88
	(b) Income tax effect		19.31	(68.48)
	(c) Foreign currency translation reserve		(9.31)	-
	Other comprehensive income for the year, net of tax		**(45.26)**	**129.40**
F	**Total comprehensive income for the year, net of tax**		**6,140.49**	**5,435.48**
	Earnings per equity share (refer note 2.39)			
	[Face value - ₹ 10 per share]			
	Basic earnings per share (Rupees)		39.29	35.08
	Diluted earnings per share (Rupees)		39.29	35.08

See accompanying notes forming part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

Per Sanjay Vij
Partner
Membership No : 95169

Mumbai
1st May, 2019

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Mumbai
1st May, 2019

M. L. Gupta
Director
DIN No.00088685

Mumbai
1st May, 2019

Nikhil Dujari
Chief Financial Officer

Mumbai
1st May, 2019

Neeraj Kohli
Company Secretary

Mumbai
1st May, 2019

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2019

(₹ In Lakhs)

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
A.	**Cash flow from operating activities**		
	Profit before tax	8,286.44	6,380.75
	Adjustments for:		
	Depreciation and amortisation expenses	2,055.50	2,354.61
	Finance costs	763.20	1,259.18
	Interest income	(386.15)	(354.67)
	Loss/ (profit) on sale of fixed assets (net)	60.72	(230.75)
	Liabilities / provisions no longer required written back	(178.47)	(260.74)
	Share based payment expense	382.26	76.98
	Provision for doubtful trade and other receivables (net)	288.44	-
	Impairment of trade receivables	1,163.55	976.66
	Impact of fair valuation of financial instruments	(12.54)	(46.86)
	Re-measurement (loss)/gain of defined benefit plan	(55.26)	197.88
	Net unrealised (gain)/loss on exchange rate fluctuation	216.86	10.72
	Operating profit before working capital changes	**12,584.56**	**10,363.76**
	Working capital adjustments:		
	(Increase)/decrease in inventories	(8,175.66)	(1,281.62)
	(Increase)/decrease in trade receivables	(4,317.20)	2,153.07
	(Increase)/decrease in other non current financial assets	(57.90)	225.82
	(Increase)/decrease in other non current assets	2.26	215.70
	(Increase)/decrease in other current financial assets	(349.31)	2,188.95
	(Increase)/decrease other current Asset	(120.86)	852.23
	Increase/(decrease) in trade payables	2,795.37	(501.26)
	Increase/(decrease) in deposits from business partners	(396.54)	167.54
	Increase/(decrease) in other financial liabilities	(3.43)	40.77
	Increase/(decrease) in other current/ non current liabilities	812.72	489.49
	Increase/(decrease) in provisions	24.01	(17.58)
	Cash generated from operations	2,798.02	14,896.87
	Income tax paid	665.97	(82.53)
	Net cash flows from operating activities	**3,463.99**	**14,814.34**
B.	**Cash flow from/(used in) investing activities**		
	Capital expenditure on fixed assets, including capital advances	(2,741.02)	(2,264.68)
	Proceeds from sale of fixed assets	47.17	297.99
	Bank balances not considered as cash and cash equivalents		
	- Placed (deposits and unclaimed dividend accounts)	(1.99)	4.46
	- Matured (deposits)		-
	Balances held as margin money	103.94	(22.42)
	Interest received	362.09	413.43
	Net cash flow from / (used in) investing activities	**(2,229.81)**	**(1,571.22)**

(₹ In Lakhs)

Particulars		Year ended 31 March 2019	Year ended 31 March 2018
C.	**Cash flow from / (used in) financing activities**		
	Proceeds from issue of equity shares	1.01	20.33
	Securities premium received	30.89	559.21
	Proceeds from long-term borrowings	-	2,250.00
	Repayment of long-term borrowings	(692.30)	(7,410.01)
	Proceeds/(repayment) of short-term borrowings	1,059.03	(6,257.19)
	Finance costs	(774.80)	(1,272.65)
	Dividends paid	(1,013.71)	(159.01)
	Tax on dividend	(208.78)	(31.46)
	Net cash flows from/(used in) financing activities	**(1,598.66)**	**(12,300.78)**
	Net change in cash and cash equivalents (A)+(B)+(C)	(364.49)	942.34
	Cash and cash equivalents at the beginning of the year	2,257.14	1,314.80
	Cash and cash equivalents at year end	**1,892.65**	**2,257.14**

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

Per Sanjay Vij
Partner
Membership No : 95169

Mumbai
1st May, 2019

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Mumbai
1st May, 2019

M. L. Gupta
Director
DIN No.00088685

Mumbai
1st May, 2019

Nikhil Dujari
Chief Financial Officer

Mumbai
1st May, 2019

Neeraj Kohli
Company Secretary

Mumbai
1st May, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31st MARCH, 2019

(₹ In Lakhs)

A. Equity share capital

Particulars	Numbers of share	Amount
Balance as at 31 March 2017	**15,24,22,910**	**1,542.29**
Changes in equity share capital during the period		
Issue of equity shares under employee share option plan (refer note 2.50)	2,03,250	20.33
Balance as at March 31, 2018	**15,26,26,160**	**1,562.62**
Changes in equity share capital during the period		
Issue of equity shares under employee share option plan (refer note 2.50)	10,180	1.01
Balance as at March 31, 2019	**15,26,36,340**	**1,563.63**

B. Other equity

	Attributable to equity shareholders of the Company					
	Reserves and surplus					
Particulars	Securities premium	General reserve	Share based payment reserve	Retained earnings	Foreign currency translation Reserve	Total other equity
As at 31 March 2017	671.35	9,848.91	137.25	21,740.72	(70.99)	32,327.24
Profit for the year	-	-	-	5,306.08		5,306.08
Other comprehensive income	-	-	-	129.40	10.71	140.11
Total comprehensive income for the year	**671.35**	**9,848.91**	**137.25**	**27,176.20**	**(60.28)**	**37,773.43**
Dividend paid during the year	-		-	(154.55)	-	(154.55)
Dividend distribution tax on dividend paid	-	-	-	(31.46)	-	(31.46)
Compensation options granted during the year/Changes during the period	-	-	76.98	-	-	76.98
Securities premium on shares issued during the year	559.21	-	-	-	-	559.21
Transferred from share based payement reserve on exercise and lapse of options	72.53		(72.53)			-
Non- controlling interest	-	-	-	20.85	-	20.85
Balance as at 31 March 2018	**1,303.09**	**9,848.91**	**141.70**	**27,011.04**	**(60.28)**	**38,244.46**
Balance as at 31 March 2018	**1,303.09**	**9,848.91**	**141.70**	**27,011.04**	**(60.28)**	**38,244.46**
Profit for the year	-	-	-	6,185.75		6,185.75
Other comprehensive income	-	-	-	(35.95)	(9.31)	(45.26)
Total comprehensive income for the year	**1,303.09**	**9,848.91**	**141.70**	**33,160.84**	**(69.59)**	**44,384.95**
Dividend paid during the year	-	-	-	(1,015.70)	-	(1,015.70)
Dividend distribution tax on dividend paid	-	-	-	(208.78)	-	(208.78)
Compensation options granted during the year/Changes during the period	-	-	382.26	-	-	382.26

	Attributable to equity shareholders of the Company					
	Reserves and surplus					
Particulars	**Securities premium**	**General reserve**	**Share based payment reserve**	**Retained earnings**	**Foreign currency translation Reserve**	**Total other equity**
Securities premium on shares issued during the year	30.89	-	-	-	-	30.89
Transferred from share based payement reserve on exercise and lapse of options	3.10	-	(3.10)	-	-	-
Balance as at 31 March 2019	**1,337.08**	**9,848.91**	**520.86**	**31,936.36**	**(69.59)**	**43,573.62**

See accompanying notes forming part of the financial statements

As per our report of even date
For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

Per Sanjay Vij
Partner
Membership No : 95169

Mumbai
1st May, 2019

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Mumbai
1st May, 2019

M. L. Gupta
Director
DIN No.00088685

Mumbai
1st May, 2019

Nikhil Dujari
Chief Financial Officer

Mumbai
1st May, 2019

Neeraj Kohli
Company Secretary

Mumbai
1st May, 2019

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1.1

The consolidated financial statements comprise financial statements of Everest Industries Limited (the company) and its subsidiaries (collectively, "the Group") for the year ended 31 March 2019. Group is primarily engaged in manufacturing and trading of building products like roofing products, boards and panels, other building products and accessories and manufacturing of components of pre-engineered steel buildings and related accessories.

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 1, 2019.

NOTE 1.2

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

These consolidated financial statements have been prepared on the historical cost or at amortised cost, except for the following assets and liabilities:

- derivative financial instruments are measured at fair value;
- employee defined benefit assets/(liability) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation;

Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary	
				31 March, 2019	31 March, 2018
Everest Building Products (w.e.f., 9 September, 2013)	Subsidiary	Mauritius	Company	100	100
Everestind FZE (w.e.f., 18 December, 2013)	Subsidiary	United Arab Emirates (UAE)	Everest Building Products	100	100
Everest Building Products LLC (w.e.f., 7 December 2014)	Subsidiary	United Arab Emirates (UAE)	Everest Building Products	-	-
Everest Building Solutions Limited (w.e.f., 1 August 2015)	Subsidiary	India	Company	100	100

Everest Building Products was incorporated on 9 September, 2013 with limited liability as a wholly owned subsidiary of the Company to promote business of the Company in the overseas market and to carry out the business of international trading of building products and accessories thereof.

Everestind FZE was incorporated on 18 December, 2013 as a free zone establishment with limited liability as a wholly owned subsidiary of Everest Building Products to carry out the business of international trading of building products and accessories thereof.

Everest Building Solutions Limited is a wholly owned subsidiary of the Company with effect from 1 August, 2015.

Everest Building Products LLC was incorporated on 7 December, 2014 with limited liability as a subsidiary of Everest Building Products, to set up a plant for manufacturing building products. The Company has been de-registered with effect from 27th November 2017.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. Subsidiaries are all entities that are controlled by the Company. Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date control ceases.

The shareholders/partners of Everest Building Products LLC in its meeting held on 2 August, 2017 had made an assessment of the affairs of the Company and based on un viability of the project arising out of unfavourable market conditions had decided to wind up the Company. Accordingly, the Company had applied for de registration of the Company to Ras Al Khaimah Economic Zone Authority, United Arab Emirates. Pursuant to application filed by the Company Ras Al Khaimah Economic Zone Authority, United Arab Emirates had officially de-registered on 27 November, 2017.

NOTE 1.3

Summary of significant accounting policies

(i) Basis of consolidation

The consolidated financial statements relate to Everest Industries Limited (the Company), and its subsidiaries. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the entities that are consolidated are drawn upto the same reporting date as that of the Company i.e., 31 March, 2019.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

- Non Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- The consolidated financial statements have been prepared using uniform accounting policies in the same manner as the Company's separate financial statements.

(ii) Current Vs Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalent. The Group has identified twelve months as its operating cycle.

(iii) Fair values measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Other techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(iv) Property, Plant and Equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

Property, plant & equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Such cost includes the cost of replacing part of the plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the Statement of Profit and Loss as incurred.

The Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted, if appropriate.

(v) Depreciation on Property, Plant & Equipment

- Lease hold improvements (LHI) & leasehold lands are amortised on straight line basis over the period of lease or useful life whichever is lower.
- Depreciation on other Property, plant & equipment is

provided on straight line basis at the rates based on the estimated useful life of the assets. The Group, based on management estimates, depreciates the assets over estimated useful lives which coincides with the useful life prescribed in Schedule II to the Companies Act, 2013.

- The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives of 15 years which are different from the useful life of 8 years, prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Depreciation on Property, plant & equipment added/ disposed off during the year is provided on pro-rata basis with respect to date of acquisition/ disposal.

(vi) Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Technical know-how is amortised over the term of the agreement. Computer software is amortised over the estimated useful life of 3 years.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised. The residual values, useful lives and methods of amortisation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

(vii) Research and development costs

Research and development costs of revenue nature are charged to the Statement of Profit and Loss when incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the rates set out in Note 1.3(v) above.

(viii) Revenue Recognition

- **Revenue from contract with customers**

  Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

  In respect of pre-engineered building contracts, revenue is recognised over a period of time using the input method (equivalent to percentage-of-completion method; POCM) of accounting with contract costs incurred determining the degree of completion of the performance obligation.

  Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers on behalf of the government.

  Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The Group has adopted Ind AS 115 using the modified retrospective approach. Under the modified retrospective approach, there were no significant adjustments required to the retained earnings at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements.

- **Interest**

  For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR).

  EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the Statement of Profit and Loss.

(ix) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- **Financial assets**

  Initial recognition and measurement

  On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), their transaction costs are recognised in the Statement of Profit and Loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

  Subsequent measurement

  Debt instruments at amortised cost

  A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade receivables, security deposits & other receivables.

Investments in subsidiaries
Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Derecognition
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Impairment of financial assets
The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivable.

Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for estimated losses on the current portfolio. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

- **Financial liabilities**

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement
Financial liabilities are subsequently measured at amortised cost using the EIR method.

Other financial liabilities (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments and hedge accounting
The Group uses derivative financial instruments such as foreign exchange forward contracts, option contracts and swap contracts to hedge its foreign currency risk.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

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

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(xi) Retirement and other Employee Benefits
Employee benefits include provident fund, superannuation, performance incentives, gratuity and compensated absences.

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

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

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

The Group's superannuation scheme is considered as defined contribution scheme. The Group has no obligation, other than the contribution payable to the super-annuation fund. The Group recognizes contribution payable to the super-annuation fund scheme as an expense, when an employee renders the related service.

The Provident Fund (administered by a Trust) is a defined benefit scheme where by the Group deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to confirm to the interest rate declared by the Government for the Employees Provident Fund. The Group has adopted actuary valuation based on project unit credit method to arrive at provident fund liability as at year end. The Provident Fund scheme additionally requires the Group to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall as at the Balance Sheet date, if any, is provided for.

The Group operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, and the return on plan assets (excluding net interest), are recognised to OCI in the period in which they occur and are not reclassified to profit or loss.

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

(xii) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xiii) Foreign Exchange Transactions and balances

The functional currency of the Group is India Rupees.

Initial recognition

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(xiv) Taxation

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years. Subject to exceptions below, deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, on carry forward of unused tax credits and unused tax loss; deferred income tax is not recognised on the initial recognition (including MAT) of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(xv) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvi) Impairment of Non-financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or

CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, are recognised in the Statement of Profit and Loss

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate and when circumstances indicate that the carrying value may be impaired.

(xvii) Provisions and contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The expense relating to any provision is presented in the Statement of Profit and Loss, net of any reimbursement.

(xviii) Contingent liability

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(xix) Share based payment transaction

Selected employees of the Group receive remuneration in the form of equity settled instruments, for rendering services over a defined vesting period. Equity instruments granted are measured by reference to the fair value of the instrument at the date of grant.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group`s estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

(xx) Leases

Assets taken under 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 over the lease term.

(xxi) Segment reporting

Operating segment are reported in a manner consistent with the internal reporting provided to chief operating decision maker (CODM). The managing director is considered to be the 'Chief Operating Decision Maker' (CODM).

refer note no. 2.36 for segment information presented.

(xxii) Government grants and subsidies

Grants and subsidies from the Government are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them, and the grant/ subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income when on a systematic basis when related conditions or obligations are met by the Company.

(xxiii) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the Group's cash management.

(xxiv) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded of to nearest two decimal lakhs as per the requirement of Schedule III, unless otherwise stated.

NOTE 1.4

Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Uncertainty on the Estimation of the Total Construction Revenue and Total Construction Cost: The holding company recognises revenue from the construction contracts over the period of contract as per the input method of IND AS 115 "Revenue from contracts with the customers". The contract revenue is determined based on proportion of contract cost incurred to date compared to estimated total contract cost which involves significant judgement, identification of contractual obligations, and the company's right to receive payments for performance completed till date, risk on collectability due to liquidation damages and other penalties imposed by the customers, change in scope and consequential revised contact price and recognition of the liability for loss making contracts/ onerous obligations etc. The Group has efficient, coordinated system for calculation and forecasting its revenue and expense reporting. However actual project outcome may deviate positively or negatively from the company's calculation and forecasting which could impact the revenue recognition up to the stage of project completion and is recognised prospectively in the financial statements.

(b) Tax Uncertainties: The holding company has open tax issues at various levels of authorities. Where management makes a judgement that an outflow of funds is probable and a reliable estimate of the outcome of the dispute can be made, provision is made for the best estimate of the liability. In estimating any such liability, the Group applies a risk-based approach. These estimates take into account the specific circumstances of each dispute and relevant external advice, are inherently judgemental and could change substantially over time as each dispute progresses and new facts emerge.

The holding company continues to believe that it has made adequate provision for the liabilities likely to arise from open assessments. Where open issues exist the ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of assessments with the relevant tax authorities or the litigation proceedings.

(c) **Useful Lives of Property, Plant and Equipment:** The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(d) **Measurement of Defined Benefit Obligation:** The cost of the defined benefit gratuity plan and other long term employee benefits (Compensated Absences) and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

(e) **Share-based Payments:** The Group measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

(f) **Impairment in subsidiaries:** Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future commodity prices, capacity utilisation of plant, operating margins, discount rates and other factors of the underlying businesses/operations of the subsidiaries.

(g) **Expected Credit Loss:** The Company makes provision of expected credit losses on trade receivables using a provision matrix. The provision matrix is based on its historical observed default rates, adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and Company makes appropriate provision wherever outstanding is for longer period and involves higher risk.

Recent accounting pronouncements:

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The Group intends to adopt these standards from 1 April 2019. As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statement.

2.01 Property, plant and equipment

(₹ In Lakhs)

Particulars	Freehold Land	Leasehold Land	Buildings on Freehold Land	Building on Leasehold Land	Lease Hold Improve-ments	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Others (Roads)	Total
Cost											
At 31 March 2017	**1,408.13**	**2,611.13**	**3,967.79**	**8,215.32**	**47.83**	**18,646.76**	**832.59**	**90.66**	**501.98**	**355.64**	**36,677.83**
Additions	-	-	49.10	18.22	-	1,516.70	4.25	145.75	97.49	4.54	1,836.05
Disposals	-	-	-	(39.16)	-	(70.31)	(0.45)	-	(1.71)	-	(111.63)
At 31 March 2018	**1,408.13**	**2,611.13**	**4,016.89**	**8,194.38**	**47.83**	**20,093.15**	**836.39**	**236.41**	**597.76**	**360.18**	**38,402.25**
Additions	-	-	118.43	-	-	1,517.41	2.75	96.44	40.29	-	1,775.32
Disposals	-	-	-	-	-	(223.76)	-	(90.45)	(0.88)	-	(315.09)
At 31 March 2019	**1,408.13**	**2,611.13**	**4,135.32**	**8,194.38**	**47.83**	**21,386.80**	**839.14**	**242.40**	**637.17**	**360.18**	**39,862.48**
Accumulated depreciation											
At 31 March 2017	**-**	**20.97**	**163.25**	**220.55**	**1.06**	**1,627.40**	**102.95**	**11.22**	**103.68**	**66.37**	**2,317.45**
Depreciation charge for the year	-	33.56	161.21	219.40	1.00	1,600.54	90.01	25.40	126.57	47.64	2,305.33
Disposals	-	-	-	-	-	(65.03)	(0.40)	-	(1.22)	-	(66.65)
At 31 March 2018	**-**	**54.53**	**324.46**	**439.95**	**2.06**	**3,162.91**	**192.56**	**36.62**	**229.03**	**114.01**	**4,556.13**
Depreciation charge for the year	-	33.55	160.77	222.49	1.21	1,296.17	84.06	39.00	114.74	12.67	1,964.66
Disposals	-	-	-	-	-	(149.98)	-	(56.42)	(0.80)	-	(207.20)
At 31 March 2019	**-**	**88.08**	**485.23**	**662.44**	**3.27**	**4,309.10**	**276.62**	**19.20**	**342.97**	**126.68**	**6,313.59**
Net Book Value											
At 31 March 2018	1,408.13	2,556.60	3,692.43	7,754.43	45.77	16,930.24	643.83	199.79	368.73	246.17	33,846.12
At 31 March 2019	**1,408.13**	**2,523.05**	**3,650.09**	**7,531.94**	**44.56**	**17,077.70**	**562.52**	**223.20**	**294.20**	**233.50**	**33,548.89**

Note: (a) Refer note 2.13 for details of assets hypothecation against borrowings

2.02 Capital work in progress

Particulars	31 March 2019	31 March 2018
Capital work in progress	2,597.71	2,054.31
Total	**2,597.71**	**2,054.31**

2.03 Intangible assets

Particulars	Computer Software	Total
Cost		
At 31 March 2017	**306.97**	**306.97**
Addition	180.62	180.62
Disposals	-	-
At 31 March 2018	**487.59**	**487.59**
Addition	6.48	6.48
Disposals	-	-
At 31 March 2019	**494.07**	**494.07**
Accumulated amortisation		
At 31 March 2017	228.00	228.00
Amortisation for the year	49.28	49.28
At 31 March 2018	**277.28**	**277.28**
Amortisation for the year	90.84	90.84
At 31 March 2019	**368.12**	**368.12**
Net book Value		**-**
At 31 March 2018	210.31	210.31
At 31 March 2019	**125.95**	**125.95**

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
2.04 Other Financial assets		
Non Current (at amortised cost)		
Unsecured, consider good		
a. Security deposits	637.79	626.04
b. Interest accrued but not due	-	5.39
c. Government subsidy recoverable	412.51	355.55
d. Balances held as margin money (deposit accounts)	358.05	348.40
	1,408.35	**1,335.38**
Current		
Unsecured, consider good		
a. Security deposits	69.15	30.69
b. Interest accrued but not due	36.80	12.74
c. Government subsidy recoverable	220.79	529.19
d. Insurance claim	77.95	11.47
e. Balances held as margin money (deposit accounts)	56.62	170.21
f. Derivative assets	55.69	-
g. Other receivables	636.61	139.53
	1,153.61	**893.83**
2.05 Other assets		
Non Current		
Unsecured, consider good		
a. Prepaid lease rental	11.56	13.82
b. Capital advances	466.35	266.57
	477.91	**280.39**
Current		
Unsecured, consider good		
a. Prepaid lease rental	2.25	4.51
b. Advances to employees	58.30	83.67
c. Prepaid expenses	353.91	524.61
d. Prepaid gratuity	274.04	233.13
e. Advance to supplier	1,715.38	1,677.21
f. Input credit receivables	1,545.52	1,302.96
g. Others	-	2.45
	3,949.40	**3,828.54**
2.06 Income tax assets (net)		
Advance income tax (net of provision)	2,156.74	3,651.46
	2,156.74	**3,651.46**

[Net of provision for current tax - ₹ 12,944.46 lakhs (previous year ₹ 12,823.65 lakhs)]

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
2.07 Inventories		
a. Raw materials		
i. On hand	12,570.53	9,398.16
ii. In transit	2,347.40	1,770.66
	14,917.93	**11,168.82**
b. Work-in-progress	3,964.39	3,166.31
c. Finished goods	11,428.84	7,293.72
d. Stock-in-trade	868.91	1,475.76
e. Stores and spares	1,637.83	1,535.47
f. Packing materials	111.76	113.92
	32,929.66	**24,754.00**

Note: (a) Refer note 2.13 for details of inventories hypothecation against borrowings

(b) The mode of valuation of inventories has been stated in note 1.3 (ix)

Particulars	As at 31 March 2019	As at 31 March 2018
2.08 Trade receivables		
a. Trade receivables		
i. Secured, considered good	3,328.76	4,338.27
ii. Unsecured, considered good	6,598.12	2,723.40
iii. Doubtful	2,671.64	1,410.46
	12,598.52	**8,472.13**
Less: Impairment doubtful of trade receivables	2,671.64	1,410.46
	9,926.88	**7,061.67**

Note: (a) The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on historical credit loss experience and adjustments for forward looking information. (Refer note 2.52)

(b) Refer note 2.13 for details of receivables hypothecation against borrowings.

Particulars	As at 31 March 2019	As at 31 March 2018
2.09 Cash and Cash Equivalent		
a. Cash on hand	8.32	5.80
b. Cheques on hand	69.36	65.11
c. Remittence in transit	-	463.14
d. Balances with banks		
i. Current accounts	1,764.96	1,554.21
ii. Deposit accounts	50.00	168.88
	1,892.64	**2,257.14**

Particulars	As at 31 March 2019	As at 31 March 2018
2.10 Bank balances other than cash and cash equivalent		
Earmarked accounts		
i. Unpaid dividend	42.85	40.86
	42.85	**40.86**

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
2.11 Share capital		
1. Authorised Share capital	**1,700.00**	**1,700.00**
1,70,00,000 equity shares of ₹ 10 each		
(as at March 31, 2018 -1,70,00,000 equity shares of ₹ 10 each)		
2. Issued Share capital	**1,563.63**	**1,562.62**
1,56,36,340 equity shares of ₹ 10 each		
(as at March 31, 2018 -1,56,26,160 equity shares of ₹ 10 each)		
3. Subscribed and fully paid up (refer note 2.49, 2.50 and 2.51)	**1,563.63**	**1,562.62**
1,56,36,340 equity shares of ₹ 10 each		
(as at March 31, 2018 -1,56,26,160 equity shares of ₹ 10 each)		

2.12 Other Equity

Share premium account	1,337.08	1,303.09
General reserve	9,848.91	9,848.91
Share based payment Reserve	520.86	141.70
Retained Earning	31,936.36	27,011.04
Foreign currency translation reserve	(69.59)	(60.28)
	43,573.62	**38,244.46**

1. Securities premium account	1,303.09	671.35
Add: Premium on shares issued during the year (including transfer from Share based payment reserve)	33.99	631.74
Closing balance	**1,337.08**	**1,303.09**
2. General reserve		
Opening balance	9,848.91	9,848.91
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing balance	**9,848.91**	**9,848.91**
3. Share based payment reserve		
Opening balance	141.70	137.25
Add: Share based payment expense to employees	382.26	76.98
Less: Transferred from share based payement reserve on exercise and lapse of options	3.10	72.53
Closing balance	**520.86**	**141.70**
4. Retained Earning		
Opening balance	27,011.04	21,740.72
Add: Profit for the year	6,185.75	5,306.08
Minority Share of Profit	-	20.85
Remeasurement of defined benefit plan	(35.95)	129.40
Less: Final dividend for 2017-18 @ ₹ 6.50 per share (Previous year final dividend year 2016-17 @ ₹1.00 per share)	1,015.70	154.55
Tax on dividend	208.78	31.46
Closing balance	**31,936.36**	**27,011.04**

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
5. Foreign currency translation reserve		
Opening balance	(60.28)	(70.99)
Add: Addition during the year	(9.31)	10.71
Closing balance	**(69.59)**	**(60.28)**
	43,573.62	**38,244.46**

In respect of the year ended March 31, 2019, the directors propose that a final dividend of ₹ 7.50 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 1,413.79 Lakhs (including dividend distribution tax thereon of ₹ 241.06 Lakhs). (refer note 2.45)

2.13 Borrowing at amortised cost

Secured		
Non Current		
i. Term loan	5,361.82	5,806.49
Less: Current maturities of long-term debt (secured) (refer note 2.16 (a))	692.32	692.32
	4,669.50	**5,114.17**

Note:

External Commercial Borrowing (ECB) from Axis Bank Limited of ₹ 4,150.28 lakhs (USD 60 lakhs) [previous year ₹ 3,902.65 lakhs (USD 60 lakhs)] is secured by first pari-passu charges on all the movable fixed assets situated at , Kymore, Lakhmpaur and Bhagwanpur and immoveable fixed assets located at Kymore, Bhagwanpur and Lakhmapur. The ECB is repayable in single instalment ;the instalment is due in September 2022. The rate of interest is 3 months Libor + 2.70% per annum(previous year 3 months Libor + 2.70% per annum

Working Capital Term Loan from Kotak Mahindra Bank Limited of ₹ 1,211.54 lakhs (including ₹ 692.32 lakhs in current maturity) (previous year ₹ 1,903.84 lakhs) is secured by exclusive charge over the immovable and movable property situated at Dahej. The loan is repayable in 13 quarterly instalments of ₹ 173.08 lakhs; the last instalment is due in December 2020. The rate of interest is banks MCLR +0.20% per annum. For current maturities of long term borrowings refer note 2.16.

The Company has financial covenants relating to the borrowing facilities that it has taken from the lenders which is maintained by the Company.

Secured		
Current		
i. Cash credit	637.09	827.75
ii. Buyers credit	-	1,750.31
iii Working capital loan	3,000.00	-
	3,637.09	**2,578.06**

Note:

Loans from banks are secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables, first pari-passu charge on land and building situated at Podanur, second pari-passu charges on all movable fixed assets situated at Kymore, Podanur, Kolkata, Lakhmapur and Bhagwanpur and second pari-pasu charges on land and building situated at Kymore, Lakhmapur and Bhagwanpur.

2.14 Trade Payables

a. total outstanding dues of micro enterprises and small enterprises	-	-
b. total outstanding dues of creditors other than micro enterprises and small enterprises	18,376.10	15,780.66
	18,376.10	**15,780.66**

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
2.15 Deposits from dealers		
a. Stockists' and other deposits	2,629.51	3,026.05
	2,629.51	**3,026.05**
2.16 Other Financial Liabilities		
a. Current maturities of long-term debt (secured)		
i. Term loans from banks	692.32	692.32
b. Interest accrued but not due on borrowings	31.44	43.05
c. Unpaid dividends	42.85	40.86
d. Payables for purchase of fixed assets	83.37	299.38
e. Retention monies	650.01	653.44
f. Derivatives liabilities	-	7.15
	1,499.99	**1,736.20**
2.17 Provisions for retirement benefits		
a. Provision for employee benefits:		
i. Provision for compensated absences	545.93	521.92
	545.93	**521.92**
2.18 Other current liabilities		
a. Advances from customers	6,226.99	5,584.16
b. Payables in respect of statutory dues	1,292.88	806.18
c. Other Payables	759.63	1,076.44
	8,279.50	**7,466.78**
2.19 Provision for income tax (net)		
Provision for income tax net of advance	2,530.95	1,309.13
[Net of advance tax - ₹ 1,182.64 lakhs (previous year ₹ 146.28 lakhs)	**2,530.95**	**1,309.13**

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.20 Revenue from operation		
a. Revenue from sale of products		
i. Revenue from building products	89,212.18	79,894.92
ii. Revenue from traded products	1,069.48	1,625.55
b. Revenue from steel building contracts	49,223.67	46,643.95
Sub total *	**1,39,505.33**	**1,28,164.42**
c. Other operating revenues		
i. Sale of scrap	834.84	666.52
ii. Export incentives	213.91	256.34
iii. Others (including other incentives)	277.82	602.94
	1,326.57	**1,525.80**
	1,40,831.90	**1,29,690.22**

*As per Ind AS 115 , the revenue is reported net of GST . However, excise duty on sale of goods is included in revenue for previous year amounting to ₹ 2,638.56 lakhs.

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.21 Other income		
a. Interest income on financial assets carried at amortised cost		
i. Interest from banks on deposits	200.47	77.09
ii Other interest	37.27	27.47
	237.74	**104.56**
b. Interest on Income tax refund	148.41	250.11
c. Other non-operating income		
i. Net gain on sale of property, plant and equipment	-	230.75
ii Interest Income on Deposit	5.39	5.45
iii Liabilities / provisions no longer required written back	178.47	260.74
iv Miscellaneous income	77.46	152.60
	261.32	**649.54**
	647.47	**1,004.21**
2.22 Cost of raw materials consumed (refer note 2.40)		
Cost of materials consumed	81,980.24	71,060.87
	81,980.24	**71,060.87**
2.23 Purchase of traded goods		
Roofing accessories	146.84	1,036.69
Other items	556.92	766.34
	703.76	**1,803.03**
2.24 Increase/(decrease) in Inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the end of the year:		
i. Finished goods	11,428.84	7,293.72
ii. Work-in-progress	3,964.39	3,166.31
iii. Stock-in -trade	868.91	1,475.76
	16,262.14	**11,935.79**
Inventories at the beginning of the year:		
i. Finished goods	7,293.72	5,260.18
ii. Work-in-progress	3,166.31	3,922.76
iii. Stock-in -trade	1,475.76	1,004.06
	11,935.79	**10,187.00**
	(4,326.35)	**(1,748.79)**
2.25 Employee benefits expense		
a. Salaries and wages	9,851.52	9,456.32
b. Contributions to provident and other funds	525.62	499.46
c. Gratuity expense	113.50	149.77
d. Share based payment expense to employees	382.26	76.98
e. Staff welfare expenses	711.39	634.47
	11,584.29	**10,817.00**

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.26 Finance costs		
a. Interest expense on borrowings	619.66	1,072.04
b. Exchange differences regarded as an adjustment to borrowing cost	124.85	12.33
c. Other borrowing costs	18.69	174.81
	763.20	**1,259.18**
2.27 Depreciation and amortisation expenses		
a. Depreciation on property, plant and equipment	1,964.66	2,305.33
b. Amortisation on intangible assets	90.84	49.28
	2,055.50	**2,354.61**
2.28 Other expenses		
a. Consumption of stores and spare parts	5,015.00	3,840.37
b. Consumption of packing materials	1,168.80	999.61
c. Power and fuel	3,998.07	3,506.26
d. Repairs and maintenance		
- Building	297.51	267.60
- Machinery	791.64	651.20
- Others	189.34	359.12
e. Rent (refer note 2.37)	454.39	504.83
f. Rates and taxes	284.07	624.62
g. Insurance	269.43	281.76
h Travelling	1,770.36	1,619.34
i. Advertisement and sales promotion expenses	1,769.91	2,027.54
j. Cost for erection of buildings	3,230.65	3,640.89
k. Loss on sale of fixed assets (net)	60.72	-
l. Net loss on foreign currency transactions and translation	156.01	293.42
m. Outward freight charges on finished goods	12,038.86	9,469.82
n. Professional and consultancy expenses (refer note 2.31)	1,072.60	1,194.93
o. Contract labour	3,752.08	3,197.36
p. Research and development expenses (refer note 2.43)	93.42	85.17
q. Provision for doubtful trade and other receivables (net)	288.44	-
r. Impairment of trade receivables	1,163.55	976.66
s. Expenditure on corporate social responsibility (refer note 2.44)	84.00	67.94
t. Miscellaneous expenses	2,483.44	2,520.78
	40,432.29	**36,129.23**
2.29 Income Tax expenses		
A. Tax Expenses recognized in Profit or Loss		
Current Tax	2,050.57	1,409.60
Deferred Tax	50.12	(334.93)
Total Tax Expenses	**2,100.69**	**1,074.67**

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
B. Tax on Other Comprehensive Income		
Current Tax		
Remeasurement of defined benefit plans	(19.31)	68.48
Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Profit before Income Tax Expense	8,286.44	6,380.75
Enacted Statutory Income Tax Rate in India applicable to the Company	34.944%	34.608%
Computed Expected Income Tax Expense	2,895.61	2,208.25
Adjustments:		
Adjustment effect of deduction under section 80IC of Income tax Act	-	(334.99)
Effect of MAT credit entitlement of earlier years recognised in the current year	(1,016.42)	(758.96)
Additional deduction on reserarch cost under section 35(2AB) of Income Tax Act	(16.17)	(14.26)
Effect of deduction under Section 80G of Income Tax Act, 1961	15.01	11.77
Others	222.66	(37.14)
Current tax expenses recognised in Statement of Profit and Loss	**2,100.69**	**1,074.67**

2.30 Contingent liabilities and commitments

Particulars	As at 31 March 2019	As at 31 March 2018
a. Contingent liabilities		
Claims against the Company not acknowledged as liabilities in respect of:		
Sales tax matters	2,154.61	2,131.96
Excise and service tax matters	3,242.49	3,242.49
Income tax matters	1,822.88	642.24
Total	**7,219.98**	**6,016.69**
Advance paid/adjusted by authorities against above	2,041.42	868.67

The Company had received show cause notice from VAT authorities in previous year which was then responded. As per management assessment the Company has a good case in these matters.

b. There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. As a matter of caution, the company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

c. Commitments

a) Estimated amount of contracts to be executed on capital account – ₹ 790.85 lakhs (net of advances – ₹ 286.64 lakhs), [previous year –₹ 250.86 lakhs (net of advances ₹ 97.36 lakhs)]

b) The Company has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, in normal course of business.

c) The Company did not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.

2.31 Professional and consultancy expenses include auditors remuneration (excluding taxes) as follows:

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
To statutory auditors		
i. Audit fee	37.50	35.00
ii. Limited Review	22.50	15.00
iii. For other services	-	15.00
iv. Reimbursement of expenses	8.31	8.68
	68.31	**73.68**

2.32 Disclosure in respect of revenue from contracts with customers

a. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue by Geography		
Domestic	1,36,705.82	1,24,864.21
Overseas	2,799.51	3,300.21
Total revenue from contract with customers	**1,39,505.33**	**1,28,164.42**
Timing of revenue recognition		
At a point in time	90,281.66	81,520.47
Over time	49,223.67	46,643.95
Total revenue from contract with customers	**1,39,505.33**	**1,28,164.42**

b. Contract Balances

The following table provides information about receivables, contracts assets, and contract liabilities from contracts with customers.

Particulars	As at 31 March 2019	As at 31 March 2018
Receivables	7,004.37	4,147.23
Contract assets	-	-
Contract liabilities	-	-

c. Disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Revenue from steel building contracts	49,223.67	46,643.95
Amounts included in contract liabilities at the beginning of the year	-	-
Performance obligations satisfied in previous years	-	-

d. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Within one year	13,636.80	16,576.45
More than one year	-	-

2.33 Foreign Exchange Disclosure

Particulars		As at 31 March 2019	As at 31 March 2018
Outstanding forward exchange contracts as on 31 March, 2019:			
Receivables	USD	18.86	29.58
	INR	1,407.17	1,975.81
Payables	USD	11.93	26.91
	INR	839.82	1,758.14
Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows:			
Payables	AED	2.77	-
	INR	52.37	-
Payables	EUR	0.07	-
	INR	5.47	-
Payables	USD	11.83	20.90
	INR	818.03	1,359.40
ECB Loan	USD	60.00	60.00
	INR	4,150.27	3,902.64
refer note 2.54 for sensitivity analysis			

2.34 Employee Benefit

a. Defined contribution plan

The Company makes superannuation fund contribution to defined contribution retirement plans for covered employees. The Company's contribution towards superannuation fund is deposited in trust. The Company recognised ₹ 78.05 lakhs (previous year ₹ 76.14 lakhs) for superannuation fund contributions in the Statement of Profit and Loss.

b. Defined benefit plan

I. Gratuity Fund

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

The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2019:

(i) Reconciliation of fair value of plan assets and defined benefit obligation:

(₹ In Lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
Defined Benefit Obligation		1,860.32	1,767.61
Fair Value of Plan Assets		2,134.36	2,000.72
Funded Status (Surplus/(Deficit)	**Total**	**274.04**	**233.11**

(ii) Amount recognised in Statement of Profit and Loss:

(₹ In Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost		137.83	168.29
Net Interest expenses		(24.33)	(18.52)
Amount recognised in Statement of Profit and Loss	**Total**	**113.50**	**149.77**

(iii) Amount recognised in Other Comprehensive Income:

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (gain)/loss due to DBO experience		29.51	(76.58)
Actuarial (gain)/loss due to DBO assumption changes		24.77	(100.49)
Return on plan assets (greater)/less than discount rate		0.98	(20.81)
Actuarial (gains)/ losses recognized in OCI	**Total**	**55.26**	**(197.88)**

(iv) Changes in the present value of the defined benefit obligation are, as follows:

Particulars		As at 31 March 2019	As at 31 March 2018
Present value of defined benefit obligations as on 01 April 2018		1,767.61	1,833.85
Current service cost		137.83	168.29
Interest cost		119.39	124.16
Benefits paid		(218.79)	(170.18)
Actuarial (gain)/loss on obligations		54.28	(188.51)
Present value of defined benefit obligations as on 31 March 2019	**Total**	**1,860.32**	**1,767.61**

(v) Changes in the fair value of plan assets are, as follows:

Particulars		As at 31 March 2019	As at 31 March 2018
Fair value of plan assets at the beginning of the year		2,000.74	1,848.35
Interest Income on plan assets		143.72	131.24
Employer contribution		3.18	3.02
Return on plan assets greater/(lesser) than discount rate		(0.98)	20.82
Benefits paid		(12.30)	(2.69)
Fair value of plan assets at the end of the year	**Total**	**2,134.36**	**2,000.74**

(vi) The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ In Lakhs)

Investment details		As at 31 March 2018	As at 31 March 2017
		Funded	Funded
With Government of India securities		68.08%	64.58%
With Debt instruments		22.26%	25.47%
With Equity shares		6.44%	6.88%
Other deposits		3.22%	3.07%
	Total	**100.00%**	**100.00%**

The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets as at 31 March, 2019 has not been provided by the Life Insurance Corporation of India.

(vii) Principal actuarial assumptions used in determining gratuity obligations:

Assumptions	As at 31 March 2019	As at 31 March 2018
Discount rate	6.90%	7.20%
Salary escalation	8.00%	8.00%
Mortality rate	Indian Assured Lives Mortality (2006-08) (modified)	
Withdrawal rate	15.00%	15.00%

(viii) A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount Rate		
Effect on DBO due to 0.5% increase in Discount Rate	(36.54)	(33.28)
Effect on DBO due to 0.5% decrease in Discount Rate	38.11	34.66
Salary Escalation Rate		
Effect on DBO due to 0.5% increase in Salary Escalation Rate	37.64	34.34
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(36.44)	(33.29)

(ix) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
31-Mar-19	357.64	330.85
31-Mar-20	332.94	332.81
31-Mar-21	322.38	307.74
31-Mar-22	376.05	294.47
March 31, 2023 to March 31, 2028	1,490.03	1,457.04

II. Provident Fund

The Company's contribution towards provident fund is a defined benefit retirement plan. The Company makes contributions to the trust from time to time which in turn makes contributions in approved securities. The Company is liable for contribution paid/payable under provident fund scheme and any deficiency in interest cost compared to interest computed based on the interest declared by the Central Government under Employee Provident Fund Scheme, 1952 is recognised as defined benefit obligation.

The following tables set out the funded status of provident fund in the Company's financial statements as at 31 March, 2019:

(i) Reconciliation of fair value of plan assets and defined benefit obligation:

(₹ In Lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
Defined Benefit Obligation		8,380.73	7,710.05
Fair Value of Plan Assets		8,668.53	7,958.98
Funded Status (Surplus/(Deficit)	**Total**	**287.80**	**248.93**

(ii) Amount recognised in Statement of Profit and Loss:

(₹ In Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost		6.21	11.72
Net Interest expenses		4.11	7.86
Immediate recognition of (gain)/losses- other long term employee benefit plan		(49.19)	(101.01)
Other adjustments		38.87	81.43
Amount recognised in Statement of Profit and Loss*	**Total**	**-**	**-**

* An employer expense of ₹ NIL has been shown as there is no net liability on account of the interest guarantee. Therefore no expense needs to be recognised.

(iii) Amount recognised in Other Comprehensive Income

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (gain)/loss due to DBO experience		16.04	(12.60)
Actuarial (gain)/loss due to DBO assumption changes		1.68	(60.61)
Actuarial (gain)/loss arising during period		17.62	(73.21)
Return on plan assets (greater)/less than discount rate		(66.91)	(27.80)
Actuarial (gains)/ losses recognized in OCI *	**Total**	**-**	**-**

* An employer expense of ₹ NIL has been shown as there is no net liability on account of the interest guarantee. Therefore no expense needs to be recognised.

(iv) Changes in the present value of the defined benefit obligation are as follows:

Particulars		As at 31 March 2019	As at 31 March 2018
Present value of defined benefit obligations as on 01 April 2018		7,710.05	7,243.84
Current service cost		231.94	251.70
Interest cost		653.46	615.00
Employee contribution		497.99	515.35
Tranfer in/(out)- other providend fund		(17.48)	-
Other adjustments		22.79	-
Benefits paid		(735.74)	(841.63)
Actuarial (gain)/loss on obligations		17.72	(73.21)
Present value of defined benefit obligations as on 31 March 2019	**Total**	**8,380.73**	**7,711.05**

(v) Changes in the fair value of plan assets are as follows:

Particulars		As at 31 March 2019	As at 31 March 2018
Fair value of plan assets at the beginning of the year		7,958.98	7,411.34
Interest Income on plan assets		649.35	607.14
Employer contribution		723.72	755.33
Tranfer in/(out)- other providend fund		(17.48)	-
Return on plan assets greater/(lesser) than discount rate		89.70	27.80
Benefits paid		(735.74)	(842.63)
Fair value of plan assets at the end of the year	**Total**	**8,668.53**	**7,958.98**

(vi) The major categories of plan assets of the fair value of the total plan assets are as follows:

(₹ In Lakhs)

Investment details	As at 31 March 2019	As at 31 March 2018
	Funded	Funded
Government of India securities	43.48%	37.91%
PSU	18.60%	19.13%
Private sector bond	19.14%	20.01%
Special deposit scheme	16.27%	17.97%
Mutual Fund	2.51%	4.98%
Total	**100.00%**	**100.00%**

(vii) Principal actuarial assumptions used in determining provident fund obligations:

Assumptions	As at 31 March 2019	As at 31 March 2018
Discount rate	6.90%	7.20%
Rate of return on EOFO	8.65% p.a for first year starting 1 April 2019 and 8.60% p.a thereafter	8.55%
Mortality rate	Indian Assured Lives Mortality (2006 -08) (modified)	
Withdrawal rate	15.00%	15.00%

2.35 Related Party Disclosures

a. List of related parties

i. Enterprise exercising significant influence

Falak Investment Private Limited

ii. Key management personnel/Whole time director

Mr. Aditya Vikram Somani, Chairman (till 26 Februery, 2019)

Mr. Manish Sanghi, Managing Director

Mr. Y. Srinivasa Rao, Executive Director

Mr. Neeraj Kohli, Company Secretary

Mr. Nikhil Dujari, Chief Financial Officer (till 31 July, 2018 and from 3 September, 2018)

iii. Entities on which key management personnel have control/significant influence

Trapucans Pvt. Ltd.

b. Transactions with related parties during the year.

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
i. Dividend paid to enterprise exercising significant influence		
Falak Investment Private Limited	479.93	73.83
ii. Dividend paid to Entities on which key management personnel have control/significant influence		
Trapucans Pvt. Ltd.	8.91	1.37

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
iii. Remuneration to key management personnel/whole time director		
Mr. Aditya Vikram Somani	250.71	243.00
Mr. Manish Sanghi	231.78	218.03
Mr. Y. Srinivasa Rao	179.73	167.51
Mr. Neeraj Kohli	24.07	20.50
Mr. Nikhil Dujari	81.02	65.12
iv. Dividend paid to key management personnel		
Mr. Aditya Vikram Somani	-	0.01
Mr. Manish Sanghi	5.28	0.76
Mr. Y. Srinivasa Rao	1.05	0.11
Mr. Rakesh Kumar Gupta	-	-
v. Paid to Trapucans Pvt. Ltd		
Rent and reimbursement of power	35.21	15.89
Security deposit	(9.00)	9.00
c. Balances outstanding with related parties at the year end:		
i. Share capital from enterprise exercising significant influence		
Falak Investment Private Limited	738.35	738.35
ii. Share capital from Entities on which key management personnel have control/ significant influence		
Trapucans Pvt. Ltd.	13.70	13.70
iii. Commission due to Key management personnel		
Mr. Aditya Vikram Somani	-	45.00
iv. Performance incentive due to key management personnel		
Mr. Manish Sanghi	18.00	12.00
Mr. Y. Srinivasa Rao	15.00	10.00

2.36 Segment Information

a. Business segments:

The Company has determined following reporting segments based on the information reviewed by the Chief Operating Decision Maker (CODM).Building products includes manufacturing and trading of roofing products, boards and panels, other building products and accessories. Steel buildings consist of manufacture and erection of pre – engineered and smart steel buildings and its accessories.

b. Geographical segments:

Since the Company's activities/operations are primarily within the country and as such there is only one geographical segment.

c. Segment accounting policies:

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

i. Segment revenue and expenses:

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

ii. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include fixed deposits, advance income tax, borrowings and deferred income tax etc.

The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Company's financial statements.

Information about business segments:

(₹ In Lakhs)

Particulars	Building products		Steel buildings		Total	
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
1. Segment Revenue						
External revenue	90,281.66	81,520.47	49,223.67	46,643.95	1,39,505.33	1,28,164.42
Other operating income	669.96	753.58	656.61	772.22	1,326.57	1,525.80
Total Revenue	**90,951.62**	**82,274.05**	**49,880.28**	**47,416.17**	**1,40,831.90**	**1,29,690.22**
2. Segment Results	12,158.57	10,328.80	905.11	833.17	13,063.68	11,161.97
Unallocated expenses (net of income)					4,014.04	3,522.04
Operating Profit	12,158.57	10,328.80	905.11	833.17	9,049.64	7,639.93
Finance costs					763.20	1,259.18
Profit before tax					8,286.45	6,380.75
Tax expense					2,100.69	1,074.67
Net Profit					6,185.76	5,306.08

3. Other Information

Particulars	Building products		Steel buildings		Total	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
A. Assets						
Segment assets	56,895.54	49,587.82	24,824.23	20,487.91	81,719.78	70,075.73
Unallocated assets					8,490.80	10,138.28
Total Assets	**56,895.54**	**49,587.82**	**24,824.23**	**20,487.91**	**90,210.58**	**80,214.01**
B. Liabilities						
Segment liabilities	18,625.48	12,704.31	11,208.25	11,278.78	29,833.74	23,983.09
Unallocated liabilities					15,239.61	16,423.84
Total Liabilities	**18,625.48**	**12,704.31**	**11,208.25**	**11,278.78**	**45,073.35**	**40,406.93**

(₹ In Lakhs)

Particulars	Building products		Steel buildings		Total	
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
C. Others*						
Capital expenditure	1,534.34	1,534.34	155.83	155.83	1,690.17	1,690.17
Depreciation	1,298.35	1,298.35	762.30	762.30	2,060.65	2,060.65
Non – cash expenses other than depreciation (includes impairment of trade receivables and other receivables)	94.69	94.69	262.56	262.56	357.25	357.25

* Excluding unallocated items

2.37 Deferred Taxation

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
a. Deferred tax assets		
Tax impact of:		
i. Expenditure covered by Section 43B of the Income-tax Act, 1961	236.17	225.22
ii. Impairment of trade receivables	903.59	571.71
iii. MAT credit entitlement	360.00	420.00
iv. Others	57.42	-
Total deferred tax assets	**1,557.18**	**1,216.93**
b. Deferred tax liabilities		
Tax impact of:		
i. Excess of depreciation allowable under the Income-tax Act, 1961 over depreciation provided in financial statements	4,153.53	3,785.45
iii. Others	308.42	305.44
Total deferred tax liability	**4,461.95**	**4,090.89**
Net deferred tax liability	**2,904.77**	**2,873.96**

2.38 Lease Commitments

Operating lease as lessee

The Company has taken properties on cancellable operating leases and has recognised rent of ₹ 454.39 lakhs (previous year ₹ 504.83 lakhs). There are no non-cancellable lease arrangements as at the end of the year.

2.39 Earnings per Share

(₹ In Lakhs)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a.	Number of equity shares of ₹ 10 each fully paid up at the beginning of the year	1,56,26,160	1,54,22,910
b.	Number of equity shares of ₹ 10 each fully paid up at the year end	1,56,36,340	1,56,26,160
c.	Weighted average number of equity shares used in computing earnings per share	1,56,29,367	1,54,96,289
d.	Weighted average number of options granted	2,35,045	1,06,475
e.	Weighted average number of options post adjustment for number of options granted	2,35,045	1,06,475
f.	Net profit for the year – (₹ / lakhs)	6,185.75	5,306.08
g.	Basic earnings per share (Rupees)	39.29	35.08
h.	Diluted earnings per share (Rupees)	39.29	35.08
i.	Nominal value of equity shares (Rupees)	10.00	10.00

2.40 Cost of Materials Consumed

(₹ In Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock		11,168.82	11,727.39
Add: Purchases		85,729.35	70,502.30
		96,898.17	**82,229.69**
Less: Closing stock		14,917.93	11,168.82
Cost of materials consumed*	**Total**	**81,980.24**	71,060.87
Materials consumed comprises:*			
Raw fibre		20,012.12	19,547.39
Cement		14,197.33	12,174.36
Steel		32,378.19	26,738.10
Other items		15,392.60	12,601.02
	Total	**81,980.24**	**71,060.87**

* excludes research and development expenses of ₹ 29.84 lakhs (previous year ₹ 23.63 lakhs).

2.41 Details of finished goods, work in progress and stock-in-trade

Particulars		As at 31 March 2019	As at 31 March 2018
a. Finished goods			
i. Building products		10,376.65	6,474.50
ii. Steel buildings		1,052.19	819.22
	Total	**11,428.84**	**7,293.72**
b. Work in progress			
i. Building products		10,376.65	2,940.19
ii. Steel buildings		299.08	226.12
	Total	**10,675.73**	**3,166.31**

(₹ In Lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
c.	Stock-in-Trade		
i.	Roofing accessories	538.17	802.98
ii.	Other items	330.74	672.78
	Total	**868.91**	**1,475.76**

2.42 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2019	As at 31 March 2018
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

According to the records available with the Company, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 during the year is ₹ Nil (previous year ₹ Nil). Further no interest has been paid or was payable to such parties under the said Act during the year.

2.43 Expenditure on Research and development

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
	Capital nature*		
	Gross block	110.01	110.01
	Accumulated depreciation	84.04	79.42
	Net block	**25.97**	**30.59**
	Additions during the year	-	0.21
	Capital work in progress	-	-
	Revenue nature		
i.	Cost of materials consumed	29.84	23.63
ii.	Consumption of stores and spare parts	4.29	7.91
iii.	Employee benefits expense		
	-Salaries and wages	30.09	37.51
	-Contributions to provident and other funds	1.64	2.10
iv	Miscellaneous expenses	27.56	14.02
		93.42	**85.17**
v	Depreciation	4.62	4.84
	Total	**98.04**	**90.01**

***Fixed assets utilised for research and development.**

2.44 The details relating to Corporate Social Responsibility (CSR) expenditure are as follows :

(₹ In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Gross amount required to be spent by the Company during the year	84.00	71.40
Amount spent during the year (refer Note below)	84.00	67.94
i. Construction/ acquisition of assets	-	-
ii. On purposes other than (i) above	84.00	67.94

2.45 Distribution made and proposed:

(₹ In Lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash dividend on Equity shares declared and paid:		
Final dividend for the year ended on 31 March 2018 ₹ 6.50 Per share (31 March 2017: ₹ 1.00 Per share)	1,015.70	154.55
Dividend distribution tax on final dividend	208.78	31.46
Proposed dividends on Equity shares not recognised as liability:		
Final cash dividend for the year ended on 31 March 2019 ₹ 7.50 per share (31 March 2018: ₹ 6.50 per share)	1172.73	1015.70
Dividend Distribution Tax on proposed dividend	241.06	206.75

2.46 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.47 Number of shares held by each shareholder holding more than 5% shares

Particulars	Year Ended 31 March 2019		Year Ended 31 March 2018	
	(No. of shares)	%	(No. of shares)	%
a. Falak Investment Private Limited	73,83,470	47.22	73,83,470	47.25
b. ICICI Lombard General Insurance Company Limited	-	-	7,90,981	5.06
c. Vijay Kishanlal Kedia	9,50,000	6.07	-	-

2.48 Employee Stock Option Scheme

The Company has granted 1,70,000 stock options (previous year 1,60,000 stock options) to the employees during the year ended 31 March, 2019.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 2012	ESOS 2014	ESOS 2015	ESOS 2017	ESOS 2018
Year in which scheme was established	2012-13	2014-15	2015-16	2017-18	2018-19
Number of options authorised and granted	1,60,945	1,40,000	1,70,000	1,60,000	1,70,000
Exercise price	₹ 268	₹ 336	₹ 262	₹ 571	₹ 477
Fair Value	₹ 95.59	₹ 151.01	₹ 100.11	₹ 288.37	₹ 182.63
Vesting date	After one year from the date of grant of option				
Vesting requirement	One year service from the date of grant of option				
Exercise period	During four year after vesting date				

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

(₹ In Lakhs)

	Particulars	ESOS 2012	ESOS 2014	ESOS 2015	ESOS 2017	ESOS 2018
i.	Opening balance	-	49,520	56,955	1,60,000	-
		95,980	*1,16,310*	*1,37,100*	*1,60,000*	-
ii.	Granted during the year	-	-	-	-	1,70,000
		-	-	-	*1,60,000*	-
iii.	Vested during the year	-	-	-	-	-
		-	-	-	-	-
iv.	Exercised during the year	-	(7,080)	(3,100)	-	-
		(73,205)	*(57,610)*	*(72,435)*	-	-
v.	Forfeited during the year	-	(910)	(2,210)	(23,380)	-
		(8,735)	*(9,180)*	*(7,710)*	-	-
vi.	Expired during the year	-	-	-	-	-
		(14,040)	-	-	-	-
vii.	Outstanding at the year end	-	41,530	51,645	136,620	1,70,000
		-	*49,520*	*56,955*	*1,60,000*	-
viii.	Options exercisable at the year end	-	41,530	51,645	136,120	-
		-	*49,520*	*56,955*	-	-
ix.	Remaining contractual life (years) at the year end	-	0.81	1.80	3.82	4.82
		-	*1.81*	*2.80*	*4.82*	-

Previous year figures are in italics.

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 1.41% (previous year 18.00%) on the underlying equity shares, volatility in the share price of 38.82% (previous year 47.51%) and a risk free rate of interest of 7.35% (previous year 7.26%). 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.

2.49 Financial instruments - fair values

(₹ In Lakhs)

Particulars	Carrying value	
	As at 31 March 2019	As at 31 March 2018
Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:		
Measured at fair value		
- Derivative assets	55.69	-
Financial Assets		
Measured at amortised cost		
- Security Deposits	706.95	656.73
- Government subsidy receivables	633.29	884.74
- Balances held as margin money (deposit accounts)	414.67	518.61
- Interest accrued on deposits	36.80	18.13
- Insurance claim receivable	77.95	11.47
- Other recoverable in cash or kind	636.61	139.53
Trade receivable*	9,926.88	7,061.67
Cash & cash equivalents*	1,892.64	2,257.14
Other bank balances*	42.85	40.86
Total	**14,424.33**	**11,588.88**
Financial Liabilities		
Measured at fair value		
- Derivative liabilities	-	7.15
Measured at amortised cost		
Term Loan	8,998.91	8,384.55
Trade Payable*	18,376.10	15,780.66
Other Financial Liabilities*		
- Interest accrued on borrowings	31.44	43.05
- Unpaid dividend	42.85	40.86
- Payable for capital goods	83.37	299.38
- Retention monies	650.01	653.44
- Stockists' and other deposits	2,629.51	3,026.05
Total	**30,812.18**	**28,235.14**

* The management assessed that carrying values approximates their fair value largely due to the short-term maturities of these instruments, hence the same has not been disclosed.

2.50 Financial instruments - fair value hierarchy

The fair value of financial instruments as refered to in note 2.49 above have been classified into three categories depending upon the input used in the valuation technique.

The categories used are as follows :

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

(₹ In Lakhs)

Particulars	Level 1	Level 2	Level 3
Derivative assets		(55.69)	-

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2018:

(₹ In Lakhs)

Particulars	Level 1	Level 2	Level 3
Derivative liabilities		7.15	

2.51 Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages it's capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company take appropriate steps in order to maintain its capital structure. The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

The capital gearing ratio as on 31 March 2019 and 31 March 2018 was 13.60% and 13.34% respectively.

(₹ In Lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
Non Current Borrowing		4,669.50	5,114.17
Current Borrowing		3,637.09	2,578.06
Other Financial Liabilities (Long term debt)		692.32	692.32
Cash & Cash Equivalent		(1,892.64)	(2,257.14)
Net Debt	**Total**	**7,106.27**	**6,127.41**
Total Capital		45,137.25	39,807.08
Capital & Net Debt	**Total**	**52,243.52**	**45,934.49**
Gearing Ratio		**13.60%**	**13.34%**

2.52 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include advances, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises risk of: currency risk and interest rate risk.

The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, the Company's exposure to market risk is a function of borrowing activities, revenue generating and operating activities in foreign currencies.

Foreign exchange risk

The Company regularly evaluates exchange rate exposure arising from the foreign currency transaction.

The Company uses forward contracts and derivative instruments to mitigate foreign exchange related risk exposures. When a forward contract is entered into for the purpose of being a hedge, the Company negotiates the terms of those contracts to match the terms of the hedged exposure. The Company's exposure to unhedged foreign currency risk as at March 31, 2019 and March 31, 2018 has been disclosed in note 2.33.

For the year ended March 31, 2019, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Company's profit before tax by ₹ 251.31 Lakhs/ ₹ (251.31) Lakhs respectively.

For the year ended March 31, 2018, every 5 percentage point depreciation/appreciation in the exchange rate between the Indian rupee and U.S. dollar, would have affected the Company's profit before tax by ₹ 263.10 Lakhs/ ₹ (263.10) Lakhs respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Companies long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company has ₹ 4,150.28 lakhs (previous year ₹ 3,902.65 lakhs) of term loan carrying a floating interest rate of LIBOR plus 270 bps to LIBOR plus 400 bps and ₹ 1,211.54 lakhs (previous year ₹ 1,904.84 lakhs) of term loans carrying a floating interest rate of MCLR plus 20bps to MCLR minus 20 bps, respectively. These loans expose the Company to risk of changes in interest rates. The remaining loans carry a fixed rate of Interest.

For details of the Company's short-term and long-term loans and borrowings, including interest rate profiles, refer to note 2.13 of these financial statements.

For the years ended 31 March 2019 and 31 March 2018, every 1% increase or decrease in the floating interest rate component (i.e., LIBOR and MCLR) applicable to its loans and borrowings would affect the Company's net profit by approximately ₹ 5.21 lakhs and ₹ 3.43 lakhs, respectively.

The Company's investments in term deposits with banks are for short durations, and therefore do not expose the Company to significant interest rates risk. To optimise the interest cost the Company balances the borrowings from commercial paper, working capital loan and non-fund facilities from banks.

Interest rate sensitivity have been calculated assuming the borrowing outstanding at the reporting date have been outstanding for the entire reporting period.

Credit risk

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits) and from foreign exchange transactions.

Trade receivables

To manage the credit risk the Company periodically assesses the financial reliability of customers taking into account the financial condition and ageing of accounts receivable.

An impairment analysis is performed for all major customers at each reporting date on an individual basis. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note.

Reconciliation of the allowances for credit losses :

The details of changes in allowances for credit losses for the year ended 31 March 2019 and 31 March 2018 are as follows:

(₹ In Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance as at 1 April (adjusted to opening balance of other equity)	589.00	594.31
Provision/(reversal) made during the year	35.00	(5.31)
Closing provision as on 31st March (not routed through Statement of Profit and Loss)	624.00	589.00

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

As at 31 March 2019 and 31 March 2018, the Company had unutilised limits from banks of ₹ 14,352.56 lakhs and ₹ 16,172.25 lakhs respectively.

2.53 As per Orissa Industrial Policy 2007, the Company is eligible for State Government incentives in the form of reimbursement of 75% of Value added tax (VAT) paid after adjusting input tax rebate on VAT/ CST.

Post GST implementation effective July 1, 2017, the VAT / CST Acts have been repealed but as the aforesaid Scheme has not been withdrawn by the Orissa Government, the benefits therein continue. Further, the State Government has assured the Company that a notification on revised criteria for the calculation of incentive under GST regime shall be announced soon and the incentive under GST regime should be more or less at par with incentives under VAT regime. Accordingly, the Company has accrued the incentives amounting to ₹ 412.56 lakhs (previous year ₹ 134.74 lakhs) in these financial statements post GST implementation.

2.54 The Board of Directors of the Company at its meeting held on May 1, 2019 has approved a Scheme of merger of its 100% subsidiary company i.e. Everest Building Solutions Limited into Everest Industries Limited under section 230-232 and other applicable provision of the Companies Act, 2013 w.e.f April 1, 2019 or a date as may be approved by National Co. Law Tribunal. The parties to the Scheme are in process of obtaining regulatory and other approvals and the accounting will be done after Scheme becomes effective.

2.55 The board manufacturing machinery purchased by the UAE subsidiary Company has been sold to the Company in the previous year. The Group is in advanced stage for the finalization of the location for the installation of this machinery and expects the completion of installation and start of commercial production from the said machinery in the near future.

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No : 301003E/E300005

Per Sanjay Vij
Partner
Membership No : 95169

Mumbai
1st May, 2019

For and on behalf of the Board of Directors

Manish Sanghi
Managing Director
DIN No.00088527

Mumbai
1st May, 2019

M. L. Gupta
Director
DIN No.00088685

Mumbai
1st May, 2019

Nikhil Dujari
Chief Financial Officer

Mumbai
1st May, 2019

Neeraj Kohli
Company Secretary

Mumbai
1st May, 2019

Conceptualised, designed and developed by
Valorem Advisors - www.valoremadvisors.com

ATTENDANCE SLIP

EVEREST INDUSTRIES LIMITED

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

I/We .... R/o .... hereby record my/our presence at the 86th Annual General Meeting of the Company held on Wednesday, the 24th July, 2019 at 12.30 p.m. at GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.

DPID * : ______________________	Folio No. : ______________________
Client Id * : ______________________	No. of Shares : ______________________

* Applicable for investors holding shares in electronic form.

Signature of member/ proxy

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

EVEREST INDUSTRIES LIMITED

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

Name of the Member(s) : Registered address :		E-mail Id : Folio No. : Client ID* : DPID* :	

* Applicable for investors holding shares in electronic form.

I/We, being the member(s) of ....shares of Everest Industries Limited, hereby appoint :

1) .... of .... having e-mail id .... or failing him

2) .... of .... having e-mail id .... or failing him

3) .... of .... having e-mail id .... or failing him

and whose signature(s) are appended below as my/ our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 86th Annual General Meeting of the Company, to be held on Wednesday, 24th July, 2019 at 12:30 p.m. at GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422202, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions		**Type of Resolution**	**Vote**	
			For	**Against**
	Ordinary Business			
1.	Adoption of Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon and Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the Report of the Auditors thereon.	Ordinary		
2.	Declaration of dividend on Equity Shares for the Financial Year 2018 -19.	Ordinary		

P.T.O.

3.	Re-appointment of Mr. Manish Sanghi, Director of the Company who retires by rotation.	Ordinary		
	Special Business			
4.	Fixation of Remuneration of Mr. Manish Sanghi, Managing Director of the Company.	Special		
5.	Re-appointment of Mr. M.L. Gupta as an Independent Director	Special		
6.	Appointment of Mr. Rajendra Chitale as a Director and as an Independent Director of the Company	Ordinary		
7.	Appointment of Mr. Alok Nanda as a Director and as an Independent Director of the Company	Ordinary		
8.	Ratification of Remuneration of Cost Auditors of the Company for the financial year ending 31st March, 2020.	Ordinary		
9.	Approval for authorizing the Board for further issue of equity shares to employees under Employees Stock Option Scheme -2019.	Special		

Signed this .... day of .... 2019.

....
Signature of member

....

Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

NOTES:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**
2. A Proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

** 4. This is optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

REGISTERED OFFICE

EVEREST INDUSTRIES LIMITED

Gat 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra (INDIA)
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