EVEREST

76TH ANNUAL REPORT 2008-09

CONTENTS

EVEREST

Pan India Presence

Board of Directors

Mr. M.L. Gupta	Managing Director
Mr. Aditya Vikram Somani	Director
Mr. Mohanlal Bhandari	Director
Mr. Sandeep Junnarkar	Director
Mr. M. L. Narula	Director
Mr. Manish Sanghi	COO and Director
Mr. Y. Srinivasa Rao	Executive Director (Operations)

Registered Office:

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

Company Secretary and Head - Legal

Mr. Neeraj Kohli

Auditors

M/s Deloitte Haskins & Sells,
Chartered Accountants, New Delhi.

Bankers

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

Head Office:

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

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

Date of Annual General Meeting: Wednesday, 29th July, 2009, at 11.30 a.m.
at Gat No. 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra
(Members are requested to kindly bring their copies of the Annual Report to the Meeting)

Managing Director's Message

It has been an eventful journey through these 75 years, complete with innovation, achievement and growth.

Each member of the Everest family across all our plants, zones and networks has contributed with dedication and sincerity to make Everest a company we are all proud of. Our shareholders, associates, banking and financial institutions have supported and guided us at all times, for which we are grateful.

The world acknowledges that the next 25 years will belong to India. We are aiming high to become a corporation that is globally respected for our building products and services. We are focused on making Everest a stronger company by being most efficient in every operation we perform and most customer oriented to provide Strength, Speed and Safety in all the markets we serve.

Best wishes on our Platinum Jubilee.

M.L. Gupta
Managing Director

Management Discussion and Analysis

Indian economy has witnessed a robust growth this decade accelerating to a 9% growth rate for the last 3 years. India is growing at 6%, despite the current global financial crisis. We are the fastest growing economy in the world, after China. Strong rural demand and a positive industrial climate have been the key contributors. This year, Everest achieved a sales turnover of Rs 529.45 crores, a growth of 85% from the last year.

Construction industry sets in motion the process of economic growth in the country. Governments all over the world are boosting infrastructure spends to stabilise their economies. Investment in this sector contributes 6.5% of the GDP growth. An expenditure of Re 1 in the construction industry yields a GDP of Rs 1.80. The Indian infrastructure sector is expected to expand with planned public and private expenditure in the coming years. There is also a defined Government focus on providing a financial and policy-led impetus for rural infrastructure and development to ensure an all-inclusive growth of the Indian economy. Your company is poised to gain from opportunities arising from the growth of the economy.

Everest has been a leader in the roofing business covering more than 1 billion sq. m. of roofing in India. Everest products have a deep penetration and a strong demand from both industrial applications and rural/agricultural sectors. Apart from roofing, Everest now offers a wide range of ready-to-install products for the building industry and custom made pre-engineered steel buildings for the industrial, commercial and logistic sectors. Our products and services provide strength and safety and can be executed speedily, which is an important requirement in modern project execution.

The fibre cement building products industry is today a 3.5 million MT industry. Since 2006-7 it has grown by 19.5%. During these two years, Everest grew by 25.8%. Industry-wide capacity has increased in anticipation of growth in the infrastructure sector and prosperity in rural and developing areas of the country. Everest's distribution network expanded from 4502 retail points in 2007-08 to 5908 in 2008-09, an increase of 31.2%.

Operations

Bhagwanpur Works in Uttarakhand was commissioned and stabilised to produce roofing, boards and solid wall panels. This also enabled us to have deeper penetration in Northern India, and further reduce freight costs by expanding our dealer network to distribute these products. We now proudly boast a stronger base in the northern states. The Unit is working aggressively to improve productivity and reduce conversion cost.

The Operations Team at all the Works undertook an intensive drive to further enhance quality of products and reduce conversion costs by boosting productivity, implementing innovative waste reduction practices and reducing unit freight costs. Kymore Works, which completed 75 years on April 3, 2009, increased productivity by 2.5% during the year and was also awarded the National Award for Excellence in Cost Management by ICWAI. Kolkata Works increased productivity by 10%. Podanur Works increased efficiency by 4%. Lakhmapur Works enhanced production of Boards by 27% and launched Everest Pearl, painted and designer ceiling tiles, a ready-to-install interior application.

In July 2008 our Steel Pre-engineered Buildings Manufacturing Unit at Bhagwanpur, Uttarakhand was successfully commissioned and stabilised. Everest Steel Buildings Division consists of an experienced Design team in New Delhi and a dedicated team of Sales and Project execution Executives all over India. In the first 9 months since commissioning, we have successfully designed, manufactured and erected factory sheds, logistic parks, warehouses and commercial buildings across the country. Our clients include Ericsson, Vodafone, Walmart, McNally Bharat, Baxter, Tristar Infrastructure, Ramkey Infrastructure, and Jain Irrigation, amongst others. Customers and consulting Architects have commended your company for timely completion and high quality standards.

The steel industry faced a huge volatility in prices during the year and the international financial crisis saw a slowdown in corporate allocation for capital expenditure. In such a turbulent environment, the new division is pleased to announce a turnover of Rs 91.22 crores. Everest has a strong order book of Rs 75 crores at the start of 2009-10.

Mr. M.L. Gupta - Managing Director, receiving the prestigious ICWAI National Award for Excellence in Cost Management, 2008 on behalf of Everest Industries Limited.

Financial Results

The shareholders' funds as on March 31, 2009 stood at Rs 151.33 crores, as compared to Rs 141.34 crores, as on March 31, 2008. The increase is mainly on account of retained profits.

There has been an increase in loan funds from Rs 131.83 crores in the previous year to Rs 169.73 crores as on March 31, 2009. The increase is due to restatement of ECB by Rs 12.21 crores on account of exchange rate fluctuations during the year and additional working capital borrowings of Rs 38.46 crores to cater to new units set up during the year. Your Company also repaid outstanding term loans of USD 1 million and Rs 8.75 crores as per schedule.

Net fixed assets (including capital work-in-progress) increased to Rs 241.52 crores as on March 31, 2009 from Rs 218.58 crores as on March 31, 2008. Over the year net current assets rose from Rs 71.16 crores to Rs 101.41 crores primarily on account of increase in inventory to cater to the needs of the new units operationalised during the year.

Your Company's operational profits before tax (excluding profit on sale of fixed assets) increased from Rs 9.61 crores in the year ended March 31 2008 to Rs 18.71 crores this year, an increase of 95%. The return on average net worth of the Company rose from 6.97% to 12.79% respectively. The operating profits of the Company increased from Rs 23.95 crores in the previous year to Rs 52.33 crores during the year.

The year saw volatility in foreign exchange rates. USD-INR parity which was Rs 40.20 at the start of the year became Rs 51.30 by March 2009. This volatility resulted in an exchange loss of Rs 3.34 crores on account of normal business activity of the Company. This also led to an exchange loss of Rs 13.68 crores on our external commercial borrowing. The Company has opted for accounting the exchange difference arising on reporting of long term foreign currency monetary items in line with the Companies (Accounting Standard) Amendment Rules 2009 on AS 11 notified by the Ministry of Corporate Affairs on March 31, 2009. Accordingly, the Company has capitalised exchange difference amounting to Rs 12.62 crores to the cost of fixed assets and transferred the balance amount of Rs 1.06 crores to Foreign Currency Monetary Item Translation Difference Account. The exchange gain amounting to Rs 0.13 crores credited to Profit & Loss account in the previous year is now reversed through General Reserve. Accordingly the results for the previous year are recast and reported to reflect the said changes.

The Company had entered into derivative transactions in the previous year. A sum of Rs 4.93 crores was accounted for as mark to market losses in the previous year. The Company booked a further sum of Rs 1.21 crores as mark to market loss during the year.

The key features of the Company's financial and operational performance are as follows:

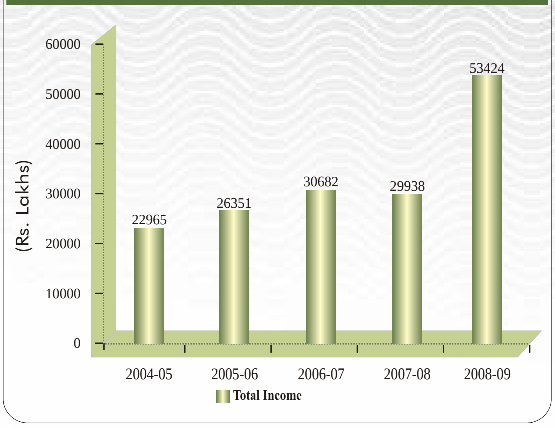
	(Rs in crores)	(Rs in crores)
	2008-09	**2007-08**
Net Sales	529.45	285.14
Other Income	4.79	14.24
Total Income	534.24	299.38
Manufacturing and Other Expenses	489.17	277.19
Profit before Depreciation, Interest & Tax*	53.73	32.38
Depreciation	17.14	9.64
Interest	16.48	4.70
Profit before Tax*	20.11	18.03
Current Tax, Deferred Tax & Fringe Benefit Tax	5.66	3.71
Profit after Tax	14.45	14.32
* includes profit on sale of fixed assets	1.40	8.42

a) Net Sales for the year 2008-09 was Rs.529.45 crores up from Rs.285.14 crores for 2007-08 recording an increase of 85%

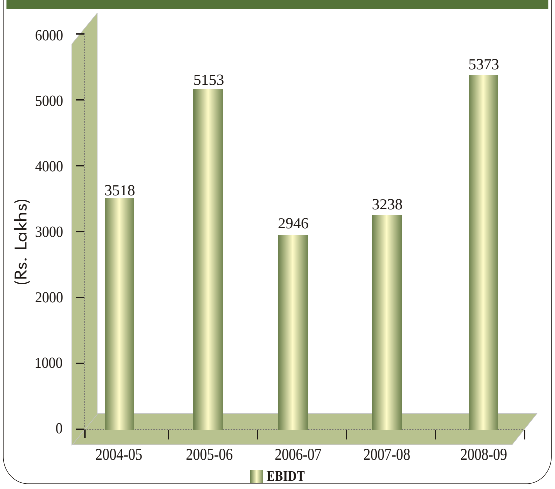
b) PBDIT (excluding profit on sale of fixed assets) for the year 2008-09 was Rs. 52.33 crores as compared to Rs. 23.95 crores for 2007-08

Performance at a glance

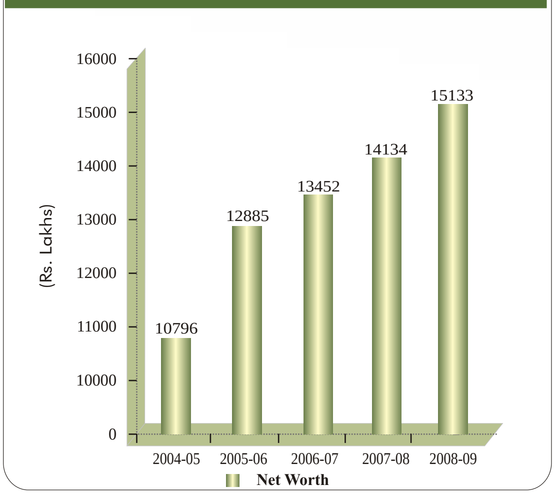
Total Income



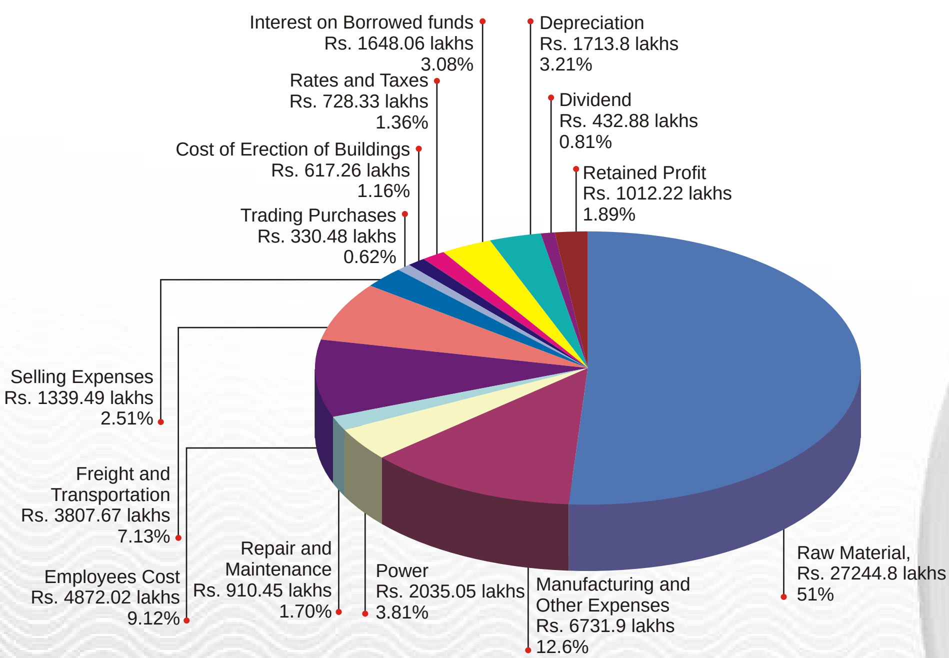
Earning Before Interest, Depreciation & Tax (EBIDT)



Net Worth



How each rupee earned has been spent during 2008-09



Discourse by Smt Jaya Row - Founder -Vedanta Vision and Founder - Managing Trustee of Vedanta Trust, on the occasion of Platinum Jubilee celebrations, of Everest Industries Ltd. on 3rd April, 2009 at New Delhi

Everest Award of Excellence being awarded at School of Architecture & Planning, Chennai

Human Resources

Last year, the Company embarked on a drive to increase training hours and innovative HR practices to create a pool of trained manpower. Specialised training programs, goal setting exercises for all officers, Leadership Initiative (ELITE) training program for mid-level technical managers, carpenter and fabricator training workshops and stockist training workshops were organised. Everest offers performance incentives and stock options to its employees to partner in its growth. With the establishment of Bhagwanpur Works and the Steel Building Division, the Company increased its team strength to 1625 (as on March 31, 2009) an increase of 26.5% from the previous year.

Expansion and Growth Plans

The last two quarters have been positive and growth oriented for our industry in an environment that has otherwise been volatile for many sectors. The global financial situation has also been uncertain and has had an impact on India. It would be prudent to observe how the international and domestic situation unfolds and to carefully monitor the pace with which Indian Economy accelerates at its expected pace. Abundant caution will continue to give strength and growth to our industry. This year, your company has decided to focus on further strengthening internal systems and initiating more productivity and efficiency enhancement programs. By undertaking small capital expenditure and establishing improved ERP systems and process controls, we plan to increase volumes and reduce costs. We believe that strong efficient operations are the foundations for future growth.

Health and Safety

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

Research and Development

Everest is continuously working towards better products, processes, applications as well as cost reduction initiatives. Our R & D initiatives have resulted in the launch of Everest Pearl Ceilings, ready-to-install ceiling solutions for interiors. There have also been savings through the alternative raw materials in our fibre cement products. Looking forward, we have interesting new product developments in the pipeline.

Corporate Social Responsibility

Nurturing the environment, uplifting the social standards of the region in which our people operate is an important concern. Our plants undertake various projects through the course of the year. These include tree plantation drives, medical check-ups for the underprivileged, blood donation camps and organising regular

Roofing Solutions

Ceiling Solutions

Wall Solutions

Everest Award of Excellence being awarded at Jadavpur University, Kolkata

educational and medical facilities. We provide assistance to NGOs during local crisis. At Bhagwanpur, where our new plant is situated, Everest has established an NGO to generate employment for women in rural areas. The Everest Award of Excellence in many leading architectural colleges across India continues to recognise and reward outstanding performance by architectural students, who will shape the future of India's infrastructure growth.

Opportunities, Risks, Threats and Concerns

2008-09 was marked by volatile input costs. The year saw increase in the costs of raw material like steel and a major slump in capital spends on industrial projects. The Indian rupee depreciated significantly against the US$ making our imports costlier. In the year 2008-09, Everest imports amounted to Rs 141.47 crores as against previous year imports of Rs 78.98 crores. The price and availability of Portland cement remains an area of concern. We expect the volatile price pattern of commodities to continue this year. The company has geared itself to face this new reality through better supply chain management and by following lean inventory management systems.

There are many misconceptions about one of our raw materials, asbestos. We use white asbestos (Crysotile) fibre bound in a cement matrix in the manufacture of AC roofing. Crysotile is a naturally occurring mineral, mined and imported in pallets from developed and environmentally conscious countries like Russia, Canada and Brazil.

Since it is not sprayed, fibre emission is fully controlled. Fibre concentration at our production facilities is better than international norms and we have systems to ensure zero discharge of industrial effluent. Regular health check-ups for all workmen confirm the absence of any asbestos-related disease over decades of service. Everest ensures the highest level of safety for our workmen and the community.

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

Internal Control Systems and their Adequacy

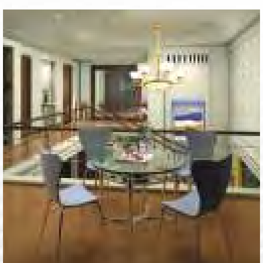
Everest has adequate systems in place to closely monitor and evaluate the efficacy and adequacy of internal control systems, their compliance with operating systems and accounting procedures and policies. The Internal Audit department headed by the Chief Internal Auditor, functions independently to ensure smooth functioning of the organisation. The Audit Committee periodically reviews and implements the suggestions contained in the Audit Report submitted by this Department and by the Statutory Auditors.

Risk Mitigation

Everest has a formal system to periodically identify risk areas to understand their consequences and to initiate risk mitigation strategies, as required. The company remains optimistic about its prospects in 2009-10.

Cautionary Statement

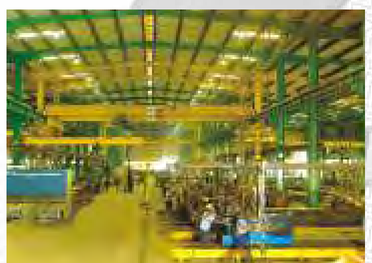
Statements in the Management Discussion and Analysis Report describing the Company's expectations, objectives and industry outlook and opportunities reflect the management's assessment and perception. Actual results may differ materially due to several factors, which may significantly impact the Company's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



Floor Solutions

Cladding Solutions

Door Solutions



Steel Building Solutions

Everest Pre-Engineered Steel Buildings

Everest now offers Pre-Engineered Steel Buildings from our state-of-the-art plant at Roorkee commissioned in July 2008.

The creativity of mankind is unparalleled. From the pyramids of Egypt to the spectacular Taj Mahal and from modern high-rise marvels to enormous pillar-less factories, building design and construction has continued to evolve and inspire generations.

Building design and execution is an interesting balance of engineering prowess, superior aesthetics and efficient project management. Methods and materials have evolved in variety and efficiency. No customer requirement, however unique, can be considered impossible today. Such is the power of the modern building technique.

Everest Pre-Engineered Steel Buildings have revolutionised how industrialists and service providers look at building and construction. The entire building is custom-designed as per customers' specifications and requirements, using advanced engineering software. Then, the entire building is produced in our factory using high-precision cutting and welding machines. Finally, the components are shipped to customers' factory site for speedy erection, supervised by our team of professional project managers.

The entire process saves time and enables faster project completion. It prevents unexpected costs and on-site problems. Using an Everest Pre-Engineered Building ensures long-lasting **Strength**, **Speed** and **Safety**.

Some of the Projects Executed in Our Factory

Notice is hereby given that the Seventy Sixth Annual General Meeting of the Members of Everest Industries Limited will be held at the Registered Office of the Company at GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra) on Wednesday, the 29th July, 2009 at 11.30 A.M., to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the financial year ended 31st March 2009, the Balance Sheet as at that date, the Auditors' Report and the Directors' Report thereon.
2. To declare a dividend on Equity Shares of the Company.
3. To appoint a Director in place of Mr. Sandeep Junnarkar, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Naga Veera Srinivasa Rao Yenduri (known as Mr.Y.Srinivasa Rao), who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

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

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves of the re-appointment and remuneration of Mr. M.L. Gupta, Managing Director of the Company, commencing from 1st March, 2009 to 30th September, 2010 upon the terms and conditions (including as to the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) set out in the draft Agreement submitted to this Meeting and signed by a Director for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Remuneration Committee / Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or the Agreement in such manner as may be agreed to between it and Mr.Gupta."

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

   "RESOLVED that in partial modification of Ordinary Resolution no.9 passed at the 73rd Annual General Meeting of the Company held on 26th July, 2006 for the re-appointment and terms of remuneration of Mr.Manish Sanghi as Whole-time Director designated Executive Director and re-designated as Chief Operating Officer & Director w.e.f. 3rd April, 2009 and in accordance with the provisions of Sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act 1956, the Company hereby approves of the revision in salary grade applicable to Mr.Manish Sanghi, Chief Operating Officer & Director (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within the grade, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1st April, 2009 for the remainder of the tenure of his contract as set out in the explanatory statement annexed hereto and the draft Supplemental Agreement submitted to this meeting signed by a Director for the purpose of identification which Agreement is hereby specifically sanctioned."

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

   "RESOLVED that in partial modification of Ordinary Resolution no.7 passed at the 74th Annual General Meeting of the Company held on 27th July, 2007 for the appointment and terms of remuneration of Mr.Naga Veera Srinivasa Rao Yenduri (known as Mr.Y.Srinivasa Rao) as Whole-time Director designated Executive Director (Operations) and in accordance with the provisions of Sections 269, 309, 310 and other applicable provisions, if any, of the Companies Act 1956, the Company hereby approves of the revision in salary grade applicable to Mr.Y.Srinivasa Rao, Executive Director (Operations) (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to fix his salary within the grade, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1st April, 2009 for the remainder of the tenure of his contract as set out in the explanatory statement annexed hereto and the draft Supplemental Agreement submitted to this meeting signed by a Director for the purpose of identification which Agreement is hereby specifically sanctioned."

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

   "RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 [including any statutory modification(s) or re-enactment thereof] and in accordance with the provisions of the Articles of Association of the Company and the Regulations/Guidelines prescribed by the Securities and Exchange Board of India or any other relevant authority, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter to be referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to grant to such employees as are in the permanent employment of the Company in the management staff, at the time the grant is made including to the Managing /Whole-time Directors of the Company, as may be decided solely by the Board, not exceeding 180,000 (One Lac Eighty Thousand) Options under the Employees' Stock Option Scheme (ESOS-2009) during the financial year 2009-2010, each such Option being convertible into one Equity Share of face value of Rs.10/- each on payment of such exercise price as may be decided by the Board and therefore to issue or allot such number of Equity Shares of the Company, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions, as the Board may decide, provided that the Shares so allotted shall not exceed 180,000 (One Lac Eighty Thousand) Equity Shares in the Company.

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

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

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

New Delhi, 4th May, 2009

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business set out under Item Nos.6 to 9 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25.07.2009 to 29.07.2009 (both days inclusive), in connection with the Annual General Meeting and payment of Dividend.
4. The dividend as recommended by the Board of Directors, if approved by the Shareholders at their 76th Annual General Meeting, shall be paid to those members whose names appear on the Register of Members of the Company on 29.07.2009. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on 24.07.2009 as per the details furnished by the respective Depositories for this purpose.
5. In accordance with the Circular issued by SEBI that the ECS facility should mandatorily be used by Companies for distribution of dividend to its members, your Company has sent the required forms and details to all the members on various occasions. Those members, who have not yet sent the duly filled in ECS form to avail of the benefits of this facility are once again requested to send the same at the earliest.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unpaid/unclaimed for a period of 7 years would be transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government and Member(s) would not be able to claim any amount of dividend so transferred to the Fund from the Fund. As such, Member(s) who have not yet encashed his/their dividend warrant(s) is/are requested in his/their own interest to write to the Company immediately for claiming the outstanding dividend declared by the Company for the year ended 31.12.2001 and onwards.
7. As per the provisions of the Companies Act, 1956, the facility for making nominations is now available to the Shareholders in respect of the equity shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents, viz. M/s. MCS Ltd., F-65, Okhla Industrial Area, Phase-I, New Delhi-110020.
8. A brief resume, expertise, shareholding in the Company and other disclosures pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting, are given in the annexure to this Notice.
9. Members wishing to seek further information or clarification on the Annual Accounts or operations of the Company at the Meeting are requested to send their queries at least a week in advance of the date of the Meeting addressed to the Company Secretary & Head-Legal at the following address:
   Everest Industries Limited,
   'Genesis', G-1, A-32, Mohan Co-operative Industrial Area, Mathura Road, New Delhi - 110 044.

EXPLANATORY STATEMENT

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

Item No. 6

The tenure of earlier re-appointment of Mr. M.L.Gupta, Managing Director of the Company was for a period commencing from 1st March, 2006 to 28th February, 2009. The Board of Directors at their meeting held on 29th January, 2009 have re-appointed Mr. Gupta as the Managing Director of the Company with effect from 1st March, 2009 upto 30th September, 2010, on the basic salary of Rs.1,75,000/- p.m. in the salary grade of Rs.1,25,000 - 25,000 - Rs.2,50,000, subject to the approval of the Members of the Company.

The Board of Directors in their meeting held on 4th May, 2009 have revised w.e.f. 1st April, 2009 the basic salary to Rs.2,00,000/- p.m. in the revised salary grade of Rs.2,00,000 - 30,000 - Rs.3,50,000.

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.

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

(i) Basic Salary : Rs. 2,00,000 per month
(in the grade Rs.2,00,000 - 30,000 - 3,50,000).

The annual increments will be effective April 01, each year and will be decided by the Remuneration Committee / the Board of Directors of the Company each year and will be decided on the basis of merit and performance of the Company.

(ii) Perquisites & Allowances :

In addition to the salary, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, personal accident insurance 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; such perquisites and allowances will be subject to a maximum of 125% of the basic salary per month.

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

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

(iii) Provident Fund, Superannuation/Annuity Fund

Further, Mr.M.L.Gupta shall be entitled to the Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

(iv) Performance Incentive

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

(v) Minimum Remuneration

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

(vi) Annual Leave

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

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

In compliance with the provisions of the Companies Act, 1956, the re-appointment and terms of remuneration specified above are now being placed before the Members in General Meeting for their approval. The Board commends the Resolution at Item 6 for acceptance by the Members.

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

As regards the revision in the salary of Mr.Gupta w.e.f. 1st April, 2009 is concerned, this may be considered as an abstract under section 302 of the Companies Act, 1956.

Mr. M.L.Gupta is concerned or interested in the Resolution at Item 6 of the Notice.

Item No. 7

Mr. Manish Sanghi was re-appointed as Executive Director of the Company for a period of five years with effect from 8th July, 2006 upto 7th July, 2011 on a basic Salary of Rs.1,00,000 in the grade of Rs.1,00,000 - 10,000 - Rs.1,50,000. The terms of re-appointment of Mr. Sanghi, including subsequent increase in his salary together with such perquisites, allowances and performance incentives was approved by the members in their Annual General Meeting held on 26th July, 2006.

Mr. Manish Sanghi, Executive Director has been re-designated by the Board of Directors as Chief Operating Officer & Director w.e.f. 3rd April, 2009.

The Board of Directors in their meeting held on 4th May, 2009 have revised w.e.f. 1st April, 2009 the basic salary of Mr. Sanghi to Rs.1,75,000/- p.m. in the revised salary grade of Rs.1,25,000 - 25,000 - Rs.2,50,000 (with proportionate increase in the value of the benefits related to salary) for the remaining tenure of his contract i.e. upto 7th July, 2011, with authority to the Board to fix his salary within the grade from time to time. The annual increments will be effective April 01, each year and will be decided by the Board or the Remuneration Committee of the Board each year and will be merit based and take into account the Company's performance.

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

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

The increase in his salary w.e.f. 1st April, 2009 and the payment of remuneration including minimum remuneration in case of loss or inadequacy of profits payable to Mr. Sanghi, during his tenure is being placed before the Members in 76th Annual General Meeting for approval as required under section 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956.

As regards the revision in the salary of Mr.Sanghi w.e.f. 1st April, 2009 is concerned, this may be considered as an abstract of variation under section 302 of the Companies Act, 1956.

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

Item No. 8

Mr. Naga Veera Srinivasa Rao Yenduri (known as Mr. Y. Srinivasa Rao) was appointed as Executive Director (Operations) of the Company for a period of five years with effect from 23rd April, 2007 upto 22nd April, 2012 on a basic Salary of Rs. 80,000 in the grade of Rs.80,000 - 10,000 - Rs. 1,30,000. The terms of appointment of Mr. Rao, including subsequent increase in his salary together with such perquisites, allowances and performance incentives was approved by the members in their Annual General Meeting held on 27th July, 2007.

The Board of Directors in their meeting held on 4th May, 2009 have revised w.e.f. 1st April, 2009 the basic salary of Mr. Rao to Rs. 1,40,000/- p.m. in the revised salary grade of Rs.1,00,000 - 20,000 - Rs. 2,00,000 (with proportionate increase in the value of the benefits related to salary) for the remaining tenure of his contract i.e. upto 22nd April, 2012, with authority to the Board to fix his salary within the grade from time to time. The annual increments will be effective April 01, each year and will be decided by the Board or the Remuneration Committee of the Board each year and will be merit based and take into account the Company's performance.

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

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

The increase in his salary w.e.f. 1st April, 2009 and the payment of remuneration including minimum remuneration in case of loss or inadequacy of profits payable to Mr.Rao during his tenure is being placed before the Members in 76th Annual General Meeting for approval as required under section 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956.

As regards the revision in the salary of Mr.Rao w.e.f. 1st April, 2009 is concerned, this may be considered as an abstract of variation under section 302 of the Companies Act, 1956.

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

Item No. 9

The Board of Directors of your Company has decided to introduce an Employees' Stock Option Scheme for the Financial Year 2009-2010 (ESOS-2009) in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereafter referred to as "SEBI Guidelines") with the objective of strengthening employee bonds with the Company and creating a sense of ownership. Your Board felt it appropriate to extend ESOS to management staff, including Managing Director and Whole-time Directors in order to motivate and retain the best talents.

Clause 6.1 of SEBI Guidelines requires the approval of the Company's Shareholders by means of a Special Resolution for allotment of shares to employees of the Company under ESOS. The Special Resolution is set out at Item No. 9 of the Notice.

The information required as per Clause 6.2 of SEBI Guidelines for ESOS-2009, is given below:

(a) Total number of Options to be granted -

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

(b) Class of employees eligible for ESOS -

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

(c) Vesting of Options -

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

(d) Exercise period and process of exercise -

The exercise period shall commence from the date of expiry of vesting period and will expire after four years from the date of expiry of vesting period. In respect of employees who resign from the services of the Company or whose services have been terminated they should exercise their Options, which had vested with them prior to their resignation/termination, within 3 months from the date of resignation/termination from the service of the Company. If these Options are not exercised within 3 months as stated above, these Options shall lapse. Special provisions shall apply in case of death, disability, retirement or misconduct of any employee. Any eligible employee may exercise the Options vested in him/her during the exercise period by submitting an acceptance in writing.

(e) Exercise Price -

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

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

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

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

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

(h) Adjustments in case of Corporate Actions -

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

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

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

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

Monitoring and Administration:

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

The decision of the Remuneration Committee of Directors on all matters/issues pertaining to said ESOS-2009 scheme shall be final and binding on the concerned employees of the Company.

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the Subscribed Capital of a Company by the allotment of further shares, such further shares shall be offered to the persons who on the date of offer are holders of the Equity Shares of the Company in proportion to the paid-up capital unless the Members in General Meeting decide otherwise. The consent of the Members is, therefore, sought to authorize the Board of Directors to issue the Equity Shares in the manner set out in the Resolution at Item No. 9. The Special Resolution proposed to be passed is as per and in accordance with the said Guidelines.

The Board commends the Resolution at Item No.9 for approval by the Members.

The Managing Director and Whole-time Directors of the Company may be deemed to be concerned or interested in the Resolution at Item No.9 to the extent of the Equity Shares that may be offered to them under the said Scheme. None of the other Directors are concerned or interested in the said Item of business.

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

New Delhi, 4th May, 2009

Annexure to notice dated 4th May, 2009 - item nos. 3, 4 & 6
Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting
(in pursuance of clause 49 of the listing agreement)

Name of Director	Mr. Sandeep Junnarkar	Mr. Naga Veera Srinivasa Rao Yenduri	Mr.M.L.Gupta
Date of Birth	02.07.1951	16.06.1963	03.02.1941
Date of appointment	07.11.2005	23.04.2007	08.07.2002
Expertise in specific functional areas	Advocate & Solicitor	Manufacturing Operations	Technical / General Management
Qualifications	B.Sc (Hons), LL.B	B.Sc.Engg. (Mech)	B.Tech. (Hons)
List of Directorship held in other Companies as on 31st March, 2009	1) Excel Corp. Care Limited 2) IL&FS Infrastructure Development Corpn. Ltd. 3) Jai Corp. Ltd. 4) Jai Realty Ventures Ltd. 5) Reliance Industrial Infrastructure Ltd. 6) Reliance Industrial Investments & Holdings Ltd. 7) Reliance Ports and Terminals Ltd. 8) Reliance Utilities Ltd. 9) Sterlite Industries (India) Ltd. 10) Sunshield Chemicals Ltd. 11) Tilaknagar Industries Ltd.	Everest Building Solutions Ltd.	Axis Holding Pvt. Ltd.
Chairman / Member of the Committees of the Board of Public Companies on which he is a Director as on 31st March, 2009 (Mandatory only).	1) Reliance Industrial Infrastructure Ltd. - Audit Committee (Member) 2) Sterlite Industries (India) Ltd. - Audit Committee (Member) 3) Tilaknagar Industries Ltd. - Audit Committee (Member) 4) Reliance Utilities Ltd. - Audit Committee (Member) 5) Reliance Industrial Infrastructure Ltd. - Shareholders & Investor Grievance Committee (Member) 6) Sterlite Industries (India) Ltd. - Shareholders & Investor Grievance Committee (Chairman)	NIl	Nil
Shareholding in the Company	NIL	150 Equity Shares	NIL
Relationship with other Directors	None	None	None

By Order of the Board
For EVEREST INDUSTRIES LIMITED

NEERAJ KOHLI
Company Secretary & Head-Legal

New Delhi, 4th May, 2009

To the members of Everest Industries Limited

Dear Members,

Your Directors have pleasure in presenting their Seventy Sixth Annual Report together with the Audited Statement of Accounts for the financial year ended March 31, 2009.

FINANCIAL RESULTS (Rs. in lacs)

Particulars	Year Ended 31.03.09	Year Ended 31.03.08
Net Sales Turnover	52,945.16	28,513.54
Other Income	479.25	1,424.54
Profit before Depreciation & Interest	5,373.34	3,237.63
Less:		
– Depreciation	1,713.80	964.46
– Interest	1,648.06	469.95
Profit before Tax	2,011.48	1,803.22
Less:		
– Current Tax	219.83	241.60
– Deferred Tax	479.29	67.37
– Fringe Benefit Tax	85.47	62.52
– MAT	(218.21)	–
Profit after Tax	1,445.10	1,431.73
Add: Surplus of earlier years brought forward	5,376.83	4,787.71
Profit available for Appropriation	6,821.93	6,219.44
Appropriations:		
General Reserve	150.00	150.00
Dividend	370.00	592.00
Tax on Distributed Profits	62.88	100.61
Surplus carried to Balance Sheet	6,239.05	5,376.83

DIVIDEND

After considering Company's profitability, future expansion needs and business working capital requirements, your Directors are pleased to recommend a dividend of 25% (Rs.2.50 per equity share of Rs.10/- each). The total quantum of dividend, if approved by members, will be Rs.370 Lacs, while Rs.62.88 Lacs will be paid by the Company towards dividend tax and surcharge on the same. Dividend will be tax free in the hands of the shareholders.

OPERATIONS REVIEW

Net Sales Turnover was Rs.529.45 crores as compared to Rs.285.14 crores during the previous year. The profit after tax for during the year at Rs.14.45 crores was higher as compared to the previous year.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) that in the preparation of the annual accounts for the year ended 31st March 2009, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;

ii) that appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for the year ended on that date;

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

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

DIRECTORS

Mr. M.L.Gupta has been re-appointed as Managing Director of the Company w.e.f. 1st March 2009 to 30th September, 2010 subject to the approval of the shareholders of the Company. The resolution pertaining to his re-appointment & the remuneration payable to him as well as revision of his salary grade is set out in item no.6 of the Notice and the relevant explanatory statement. The resolution is commended to the members for approval.

Mr. Manish Sanghi, Whole-time Director of the Company (designated as Executive Director) has been re-designated as Chief Operating Officer & Director w.e.f. 3rd April, 2009.

The salary grades of Mr.Manish Sanghi, COO & Director and Mr.Y.Srinivasa Rao, Executive Director (Operations) have been revised as set out in item no.7 & 8 respectively of the Notice & relevant explanatory statement. These resolutions are commended to the members for approval.

Mr.Sandeep Junnarkar & Mr.Y.Srinivasa Rao, Directors, retire by rotation and being eligible, offer themselves for re-appointment at the forthcoming Annual General Meeting.

SUBSIDIARY COMPANY

The Company has one subsidiary 'Everest Building Solutions Limited'.

A statement pursuant to Section 212 of the Companies Act, 1956, relating to the subsidiary is attached to the Annual Accounts.

In terms of the approval granted by the Central Government vide its letter no.47/291/2009-CL-III dated 20th April, 2009 under section 212(8) of the Companies Act, 1956, copy of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiary have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any member of the Company or of the subsidiary interested in obtaining the same. The annual accounts of the subsidiary company will also be available for inspection during business hours at the Registered Office & Head Office of the Company. However, as directed by the Central Government, the financial data of the subsidiary have been furnished under 'Details of Subsidiary', forming part of the Annual Report. Further, pursuant to Accounting Standard (AS-21) issued by the institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes financial information of its subsidiary.

FIXED DEPOSITS

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

AUDITORS

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

CORPORATE GOVERNANCE

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

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

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

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the name and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the Act, the report and accounts are being sent to all the Members excluding the aforesaid particulars. The complete Annual Report including this statement shall be made available for inspection by any Member during working hours for a period of 21 days before the date of the Annual General Meeting. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

EMPLOYEES' STOCK OPTION SCHEMES

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

INDUSTRIAL RELATIONS

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

ACKNOWLEDGEMENT

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

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

For and on behalf of the Board

M. L. GUPTA Managing Director	MANISH SANGHI COO & Director

New Delhi, 4th May, 2009

Annexure - A to Directors' Report

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

A) Conservation of Energy

a) Energy conservation measures taken:

- Energy efficient Compressors, Hydropulpers, Refiner, Vacuum Pumps installed.
- Existing Oil based Boiler being converted to Bagasse/Briquette solid fuel.
- Installation AC Drives, Soft-starter Drives, Automatic Power Factor Correction Panels & Capacitors and efficient lightings.

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

- Installation of Automatic Power Factor Correction Panels & Capacitors and energy efficient equipment and energy efficient lightings.

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

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

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

Form - A

A Power and fuel consumption		
	2008-09	2007-08
1 Electricity		
(a) Purchased Units (in Lakhs)	316.73	230.91
Total amount (Rs.in Lakhs)	1,451.14	994.61
Rate/unit	4.58	4.31
(b) Own generation		
(i) Through diesel generators Units (in Lakhs)	23.91	12.55
Total amount (Rs.in Lakhs)	374.66	170.88
Rate/unit	15.67	13.61
2 Furnance oil		
Quantity (k.Liters in Lakhs)	1,818.94	970.87
Total amount (Rs.in Lakhs)	444.46	188.48
Average rate	24.43	19.41
B Consumption per unit of production		
(a) Roofing Sheets - AC		
Electricity (kWh/000'm2n)	403	373
(b) Roofing Sheet - Non Asbestos (Hitech) Electricity (kWh/000'm2n)	614	884
(c) Flat Boards		
Electricity (kWh/000'm2n)	950	945
Furnance oil (k Liters/000'm2n)	0.17	0.13

Note : (1) 1m2n = 1 Sq.m. of 5mm thick sheet/board
(2) Details for FY 2008-09 includes Bhagwanpur Works figures.

B) TECHNOLOGY ABSORPTION

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

FORM - B

RESEARCH AND DEVELOPMENT (R&D)

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

- Development of stronger and thinner ceiling boards.
- Development of new surface coatings for Hitech roofing sheets.
- Development of surface coatings for Flat Boards for internal and exterior applications.

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

- New painted Flat Boards launched in market.
- Cost reduction and import substitution.

c) Future Plan of Action:

- Development of new technologies for fibre-cement boards, product variants, raw material alternates, special surface textures and coatings.
- Enhance and develop characteristics of Non-asbestos roofing sheets and Flat Boards.

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

	Current Year	Previous Year
(i) Capital	8.43	3.23
(ii) Recurring	90.95	62.87
(iii) Total	99.38	66.10
(iv) Total R & D expenditure as a percentage of total turnover.	0.19%	0.23%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1) Efforts, in brief, made towards technology absorption, adaptation and innovation:
   - Stabilized and improved the productivity of Roofing Lines, Flat Boards Line and Solid Wall Panels Line and the product quality.

2) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.:
   - Improvement in productivity and quality of products.
   - Reduction in manufacturing costs.

3) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished -
   - In 2004-05, PP fibre technology from M/s Brasilit, Brazil for manufacturing Non-asbestos Hi-tech roofing sheets.
   - In 2004-05, Compressed Boards plant & technology from M/s Dansk Eternit A/s, Denmark in 2004-05.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

During the year under review, export volumes have more than doubled from the previous year, and this can be attributed to the hard work done for the specifications and increase in distribution network in export markets. The Company's products were introduced in the Middle East countries, United Kingdom, African countries, South East Asia and South Asia (Indian Subcontinent) and within a short span of time these products have received very good market acceptance due to their superior attributes and now these products are used widely for interior and exterior applications in pre-fabricated structures, false ceiling, partitioning, paneling, doors, etc.

b) Total Foreign Exchange Used and Earned: (Rs. In Lacs)

	Current Year	Previous Year
Foreign Exchange Earnings	3,561.05	1,551.20
Foreign Exchange Used	14,883.87	7,990.31

For and on behalf of the Board

MANISH SANGHI
COO & Director

M.L. GUPTA
Managing Director

New Delhi, 4th May, 2009

Annexure - B to Directors' Report

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

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

Sr. No.	Description	Particulars of ESOS - 2006	Particulars of ESOS - 2007	Particulars of ESOS - 2008
A	Options granted	1,47,420 Options were granted to the employees and Directors of Company as on 22.03.2007	1,48,000 options were granted to the employees and Directors of Company as on 30.01.2008.	1,44,850 options were granted to the employees and Directors of Company as on 29.01.2009.
B	Pricing formula	@ Rs.90/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.90/- per share, the closing price on BSE on March 21, 2007 was Rs. 89.75)	@ Rs.98/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.98/- per share, the closing price on BSE on January 29, 2008 was Rs. 98.00)	@ Rs.52/- (Being the average closing price of the share during the two weeks preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that Exchange on the date prior to the date of grant of options, whichever is less. Accordingly, the exercise price has been determined at Rs.52/- per share, the closing price on BSE on January 28, 2009 was Rs. 51.95)
C	Options vested	1,17,370	1,33,238	NIL
D	Options exercised	NIL	NIL	NIL
E.	The total number of shares arising as a result of exercise of options.	NIL	NIL	NIL
F.	Options Lapsed	14,980	14,762	NIL
G.	Variation of terms of options	NIL	NIL	NIL
H.	Money realized by exercise of options.	NIL	NIL	NIL
I.	Total number of options in force.	1,17,370	1,33,238	1,44,850
J.	Details of options granted to :			
	(i) Senior Managerial Personnel :			
	(a) Mr. .M. L. Gupta, Managing Director	16,000	16,000	15,000
	(b) Mr. Manish Sanghi, COO & Director	16,000	16,000	15,000
	(c) Mr. Y. Srinivasa Rao, Executive Director (Operations)	10,000	16,000	15,000
	(d) Mr. Manish Garg, President (ESBS)	–	10,000	10,000
	(e) Mr. Rakesh Kumar Gupta, Sr. Vice President (Finance)	–	–	5,000
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	None	None	None

Sr. No.	Description	Particulars of ESOS - 2006	Particulars of ESOS - 2007	Particulars of ESOS - 2008
	(iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issue capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None	None	None
K	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.	Rs.9.76		
L	i) Method of calculation of employee compensation cost.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost as per the intrinsic value method for the financial year 2008-09.		
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	The employee compensation cost would have been increased by Rs. 46.41 lakhs		
	iii) The impact of this difference on Profits and on EPS of the Company.	The effect of adopting the fair value method on the net income and earnings per share is presented below:		
				(Rs.in lakhs)
		Net Income reported		1,445.10
		Add: Intrinsic Value Compensation Cost		
		– Employees Stock Option Scheme 2007		–
		– Employees Stock Option Scheme 2008		–
		Less: Fair value Compensation Cost (Black Scholes Model)		
		– Employees Stock Option Scheme 2007		42.23
		– Employees Stock Option Scheme 2008		4.18
		Adjusted Net Income		1,398.69
		Earning Per share	Basic (Rs)	Diluted (Rs)
		As reported	9.76	9.76
		As adjusted	9.45	9.45
M	Weighted average exercise price and weighted average fair value of Options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs. 90.00 Weighted average fair value: Rs. 25.83	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs. 98.00 Weighted average fair value: Rs. 38.16	Options whose exercise price is equal to the market price: Weighted average exercise price: Rs. 52.00 Weighted average fair value: Rs. 16.17

Sr. No.	Description	Particulars of ESOS - 2006	Particulars of ESOS - 2007	Particulars of ESOS - 2008
N	A description of the method and significant assumptions used during the year to estimate the fair values of options :	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions
	(i) risk free interest rate:	7.97%	7.59%	6.15%
	(ii) expected life:	5 years	5 years	5 years
	(iii) expected volatility:	49.93%	54.83%	63.24%
	(iv) expected dividends:	7.80%	4.22%	7.87%
	(v) the price of the underlying share in market at the time of option grant.	Rs.89.75	Rs.94.85	Rs. 50.85

For and on behalf of the Board

MANISH SANGHI
COO & Director

M.L. GUPTA
Managing Director

New Delhi, 4th May, 2009

Company's Philosophy on Corporate Governance

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

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

1. The Board consists of 7 Directors out of whom three are Executive Directors and others being Non-Executive Directors. The day to day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors of the Company. None of the Directors is related with each other.
2. In the Financial Year ended 31.03.2009, the Board met 4 times [on 23.4.2008, 25.7.2008, 21.10.2008 and 29.01.2009] with clearly defined agenda, circulated well in advance before each meeting.
3. Attendance record of the Directors for the year ended 31.03.2009 and the number of Directorship and Committee Chairmanship/Membership held by them in other companies is as follows :

Name of Director	No. of Board Meetings attended	Attendance at previous AGM on 25.07.2008	No. of other Directorships held	No. of Membership/ Chairmanship in other Board/ Committees (Mandatory only)	Executive/ Non-Executive/ Independent
Mr.M.L.Gupta	4	Present	1	Nil	Executive
Mr.Mohanlal Bhandari	4	Present	2	Nil	Independent Non Executive
Mr.Manish Sanghi	4	Present	1	Nil	Executive
Mr.A.V.Somani	4	Present	4	Nil	Non Executive
Mr.Sandeep Junnarkar	4	Present	11	6 (1 as Chairman)	Independent Non Executive
Mr.M.L.Narula	4	Present	5	1	Independent Non Executive
Mr.Y.Srinivasa Rao	4	Present	1	Nil	Executive

4. Code of Business Conduct and Ethics

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

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

   The Code is posted and available at the website of the Company (www.everestind.com). The declaration signed by the Managing Director to this effect that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2008-09 is appended to this Corporate Governance Report and forms part of the Annual Report.

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

   (a) INVESTOR GRIEVANCE / SHARE TRANSFER COMMITTEE

   Investor Grievance/Share Transfer Committee of the Board consists of Mr. Mohanlal Bhandari, Chairman, Mr.Aditya Vikram Somani, Non Executive Director and Mr.M.L.Gupta, Managing Director. The Committee is responsible for approving the transfer, transmission of shares, issuance of duplicate share certificates etc. The Committee approved transfers etc. 20 times in the financial year ended March 31, 2009 and there are no pending shares to be transferred. During the year April 01, 2008 to March 31, 2009, the Company received 25 complaints from shareholders & investors. All the complaints have been resolved to the satisfaction of the complainants except for disputed cases and sub-judice matters, which would be solved on final disposal by the courts. Mr.Neeraj Kohli, Company Secretary & Head-Legal is the Compliance Officer of the Company.

   (b) AUDIT COMMITTEE

   As at April 01, 2008, the Audit Committee of the Board comprised of Mr.Mohanlal Bhandari (Chairman), Mr.Sandeep Junnarkar (Member), Mr.Aditya Vikram Somani (Member) and Mr.M.L.Narula (Member) and all are financially literate, with Mr.Bhandari and Mr.Somani having accounting or related financial management expertise. Mr. Neeraj Kohli, Company Secretary & Head-Legal is the Secretary to the Committee. The head of internal audit and the representative of the statutory auditors, attend the meetings as invitees. The Audit Committee is responsible for the areas specified by Clause 49 of the Listing Agreement and Section 292-A of the Companies Act, 1956, besides other roles as may be referred by the Board of Directors. The dates on which the Audit Committee Meetings were held and the attendance of the Members at the said Meetings are as under :

Sr. No.	Dates on which Audit Committee Meetings were held	Attendance Record of the Members			
		Mr. Mohanlal Bhandari	Mr. Sandeep Junnarkar	Mr. Aditya Vikram Somani	Mr. M. L. Narula
1.	23rd April, 2008	Attended	Attended	Attended	Attended
2.	25th July, 2008	Attended	Attended	Attended	Attended
3.	21st October, 2008	Attended	Attended	Attended	Attended
4.	29th January, 2009	Attended	Attended	Attended	Attended

c) REMUNERATION COMMITTEE

As at April 01, 2008, the Remuneration Committee of the Board comprised of Mr.Mohanlal Bhandari (Chairman), Mr.Sandeep Junnarkar (Member), Mr.Aditya Vikram Somani (Member) and Mr.M.L.Narula (Member). The dates on which the Remuneration Committee Meetings were held and the attendance of the Members at the said Meetings are as under :

Sr. No.	Dates on which Remuneration Committee Meetings were held	Attendance Record of the Members			
		Mr. Mohanlal Bhandari	Mr. Sandeep Junnarkar	Mr. Aditya Vikram Somani	Mr. M. L. Narula
1.	23rd April, 2008	Attended	Attended	Attended	Attended
2.	29th January, 2009	Attended	Attended	Attended	Attended

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

d) BANKING FACILITY COMMITTEE

As at April 01, 2008, the Banking Facility Committee of the Board comprised of Mr.Aditya Vikram Somani (Chairman), Mr.M.L.Gupta (Member) and Mr.Manish Sanghi (Member). The dates on which the Banking Facility Committee Meetings were held and the attendance of the Members at the said Meetings are as under :

Sr. No.	Dates on which Banking Facility Committee Meetings were held	Attendance Record of the Members		
		Mr. Aditya Vikram Somani	Mr. M. L. Gupta	Mr. Manish Sanghi
1.	22nd August, 2008	Attended	Attended	Attended
2.	11th September, 2008	Attended	Attended	Attended
3.	13th October, 2008	Attended	Attended	Attended
4.	22nd October, 2008	Attended	Attended	Attended
5.	26th March, 2009	Attended	Attended	Attended

REMUNERATION OF WHOLE-TIME DIRECTORS

Name and Designation	Mr. M.L.Gupta, Managing Director	Mr. Manish Sanghi, COO & Director	Mr. Y.Srinivasa Rao, Executive Director (Operations)
Tenure of Appointment	Current tenure is upto 30th September, 2010.	Current tenure is upto 7th July, 2011.	Current tenure is upto 22nd April, 2012
Salary (Rs.)	21,00,000	18,00,000	14,40,000
Perquisites/Allowances (Rs.)	26,25,000	22,50,000	18,00,000
Performance Incentive/Commission (Rs.)	24,00,000	21,00,000	17,00,000
Contributions to Provident Fund / Superannuation Fund (Rs.)	5,67,000	4,86,000	3,88,800
Other	–	41,828	–
Employee Stock Options Granted (ESOS-2008)	15,000	15,000	15,000

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Name	Mr. Mohanlal Bhandari	Mr. Aditya Vikram Somani	Mr. Sandeep Junnarkar	Mr. M.L. Narula
Commission	2,50,000	–	2,50,000	2,50,000
Sitting fees (Rs.)	1,40,000	1,40,000	1,40,000	1,40,000
Total (Rs.)	3,90,000	1,40,000	3,90,000	3,90,000

Remuneration Policy

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

The Remuneration Committee of the Board, at its meeting held on 29th January, 2009, have granted 1,44,850 Stock Options under the ESOS-2008, to the eligible employees of the Company, at a price of Rs.52/- per option, which includes granting of 15,000 Stock Options each to Mr. M.L. Gupta, Managing Director, Mr. Manish Sanghi, COO & Director and Mr.Y.Srinivasa Rao, Executive Director (Operations).

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

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

Shareholding of Non-Executive Directors

Mr.Aditya Vikram Somani, Non Executive Director holds 500 equity shares in the Company.

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

Year	AGM / EGM	Venue	Date	Time
2008	AGM	GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422 202 (Maharashtra)	25.07.2008	11.30 a.m.
2007	AGM	GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422 202 (Maharashtra)	27.07.2007	11.30 a.m.
2006	AGM	Indian Merchants Chamber, Conference Hall (Walchand Hirachand Hall), 76, Veer Nariman Road, Near Churchgate Station, Mumbai-400020.	26.07.2006	11.30 a.m.

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

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

(i) At the 73rd Annual General Meeting held on July 26, 2006, a Special Resolution was passed, authorising the Board of Directors of the Company, for payment of commission to the Non Executive Directors for a period of five years commencing from 1st April, 2006, provided the total commission payable shall not exceed one per cent of the net profits of the Company.

(ii) At the 74th Annual General Meeting held on July 27, 2007, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2007 to the specified employees during the financial year 2007-2008.

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

Postal Ballot

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

7. DISCLOSURES

During the financial year ended March 31, 2009, there has been no materially significant transaction entered by the Company with any party, which is considered to have potential conflict with the interests of the Company at large.

No employee has been denied access to Audit Committee. The particulars of transactions between the Company and its related parties are as per the Accounting Standard 18 "Related Party Disclosure" issued by the Institute of Chartered Accountants of India (ICAI) are disclosed in the Annual Accounts (Note No.10 of "Notes to Accounts" - Schedule 19). However, these are not likely to have any conflict with the Company's interest.

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

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

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

8. MEANS OF COMMUNICATION

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

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

Further, pursuant to clause 51 of the Listing Agreement, all the data related to financial information like annual and quarterly statements, shareholding pattern etc. is electronically filed on the EDIFAR website within the prescribed timeframe are available on the SEBI web-site, www.sebiedifar.nic.in.

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

10. CEO / CFO CERTIFICATION

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

SHAREHOLDERS INFORMATION

1. Annual General Meeting Day, Date, Time and Venue	Wednesday, the 29th July, 2009 at 11.30 a.m. at GAT No.152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)
2. Financial Year	1st April, 2008 to 31st March, 2009
3. Date of Book Closure	25.07.2009 to 29.07.2009 (both days inclusive)
4. Posting of Annual Report	On or before 04.07.2009
5. Dividend Payment date	Dividend, if any, declared in the forthcoming 76th Annual General Meeting will be paid within 30 days of the date of declaration.
6. Last date for receipt of proxy forms	27.07.2009 before 11.30 AM.
7. Unclaimed/Unpaid Dividend for the previous years.	All unclaimed/unpaid dividends upto the year ended December 31, 2000 have been either transferred to the General Revenue Account of the Central Government pursuant to Section 205A of the Companies Act, 1956 or transferred to the Investor Education & Protection Fund established and notified by the Central Government, in view of the amendments in Section 205A by the Companies (Amendment) Act, 1999. Members who have not encashed their dividend warrants for the year 2001 & onwards may approach the Company for obtaining demand drafts in lieu of unpaid dividend warrant.
8. Financial Calendar (Tentative)	
a) Financial reporting for the quarter ending June 30, 2009, Quarter and half year ending September 30, 2009, Quarter and nine months period ending December 31, 2009.	Within one month from the end of each quarter as stipulated under the Listing Agreement
b) Financial reporting for the financial year ending March 31, 2010 (Audited).	Within three months from the end of the last quarter as stipulated under the Listing Agreement.
9. Listing of Equity Shares	Bombay Stock Exchange Limited & The National Stock Exchange of India Ltd. at Mumbai. The Listing fees for the Financial Year 2009-10 has been paid to the Exchanges.

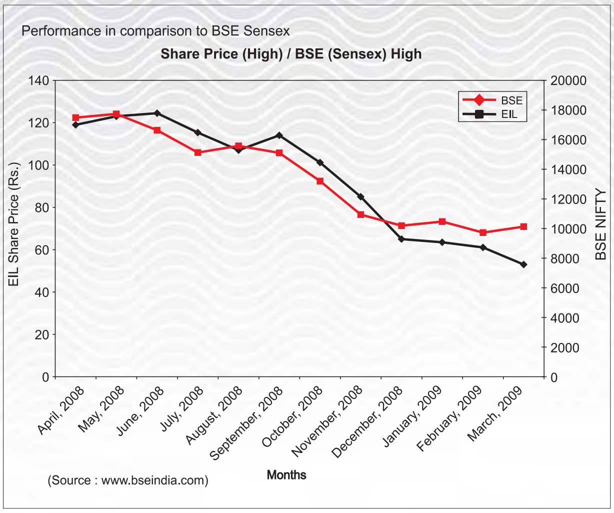
10. Stock Code

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

11. Stock Market Data

MONTHLY HIGH/LOW SHARE PRICE* (01.04.2008 TO 31.03.2009)

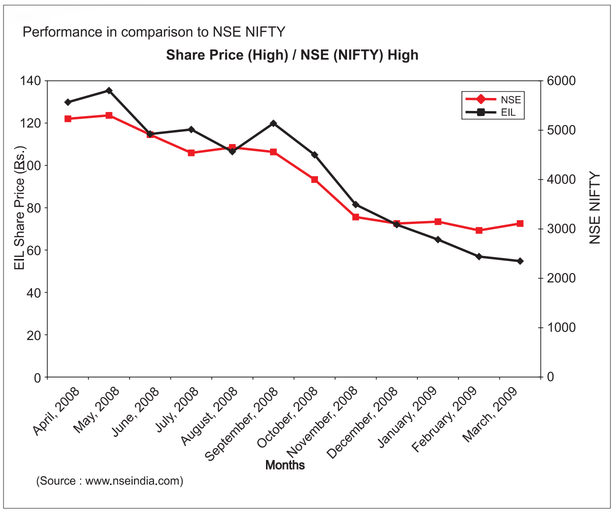
Month	Bombay Stock Exchange Ltd., Mumbai (BSE)		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2008	119.00	91.15	17480.74	15297.96
May, 2008	123.00	102.30	17735.70	16196.02
June, 2008	124.50	96.10	16632.72	13405.54
July, 2008	115.35	82.05	15130.09	12514.02
August, 2008	107.00	92.65	15579.78	14002.43
September, 2008	114.00	83.50	15107.01	12153.55
October, 2008	101.15	55.00	13203.86	7697.39
November, 2008	85.00	56.50	10945.41	8316.39
December, 2008	65.00	55.10	10188.54	8467.43
January, 2009	63.50	50.65	10469.72	8631.60
February, 2009	61.05	48.30	9724.87	8619.22
March, 2009	53.00	43.50	10127.09	8047.17



* Based on Stock Exchange website.

MONTHLY HIGH/LOW SHARE PRICE* (01.04.2008 TO 31.03.2009)

Month	The National Stock Exchange of India Ltd. (NSE)		S&P CNX NIFTY Index	
	High (Rs.)	Low (Rs.)	High	Low
April, 2008	129.90	91.25	5230.75	4628.75
May, 2008	135.40	100.35	5298.85	4801.90
June, 2008	114.85	95.00	4908.80	4021.70
July, 2008	117.00	78.65	4539.45	3790.20
August, 2008	106.50	92.05	4649.85	4201.85
September, 2008	119.90	81.00	4558.00	3715.05
October, 2008	105.00	54.20	4000.50	2252.75
November, 2008	81.50	53.00	3240.55	2502.90
December, 2008	72.00	53.10	3110.45	2570.70
January, 2009	64.95	50.60	3147.20	2661.65
February, 2009	56.95	42.10	2969.75	2677.55
March, 2009	54.80	42.15	3110.20	2539.45



* Based on Stock Exchange website.

12. Share Transfer Agent

M/s. MCS Limited,
F-65, Okhla Industrial Area, Phase - I, New Delhi 110 020.
Ph. No. 011-41406149, 41406151, 41406152
Fax No.011-41709881

13. Share Transfer System

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

14. Distribution of Shareholding as on March 31, 2009

The Company had a shareholders base of 8601, including members holding their shares in demat form.

No. of Shares Held	No. of Shareholders	% of Shareholders	Aggregate Shares held	% of Shareholding
1 to 500	7545	87.72	1116411	7.54
501 to 1000	708	8.23	498504	3.37
1001 to 2000	172	2.00	245007	1.66
2001 to 3000	55	.64	137650	.93
3001 to 4000	25	.29	90795	.61
4001 to 5000	20	.23	94989	.64
5001 to 10000	26	.30	208174	1.41
10001 to 50000	40	.47	957831	6.47
50001 to 100000	4	.05	236551	1.60
100001 and above	6	.07	11214108	75.77
Total	8601	100.00	14800020	100.00

(1)(a) The shareholding pattern of the Company as on March 31, 2009 is as follows :

Name of the Company : EVEREST INDUSTRIES LIMITED	
SCRIP CODE : 508906 (BSE) / EVERESTIND (NSE)	Quarter ended: 31-March-2009

Category code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals / Hindu Undivided Family	–	–	–	–	–	–	–
(b)	Central Government/ State Government(s)	–	–	–	–	–	–	–
(c)	Bodies Corporate	1	7413470	7413470	50.09	50.09	–	–
(d)	Financial Institutions/ Banks	–	–	–	–	–	–	–
(e)	Any Other (specify)	–	–	–	–	–	–	–
	Sub-Total (A)(1)	1	7413470	7413470	50.09	50.09	–	–
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	–	–	–	–	–	–	–
(b)	Bodies Corporate	–	–	–	–	–	–	–
(c)	Institutions	–	–	–	–	–	–	–
(d)	Any Other (specify)	–	–	–	–	–	–	–
	Sub-Total (A)(2)	–	–	–	–	–	–	–
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1	7413470	7413470	50.09	50.09	–	–
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	9	2035977	2034877	13.76	13.76	–	–
(b)	Financial Institutions/ Banks	3	325	275	0.00	0.00	–	–
(c)	Central Government/ State Government(s)	1	200	–	0.00	0.00	–	–
(d)	Venture Capital Funds	–	–	–	–	–	–	–
(e)	Insurance Companies	2	187	0	0.00	0.00	–	–
(f)	Foreign Institutional Investors	8	73824	72549	0.50	0.50	-	-
(g)	Foreign Venture Capital Investors	–	–	–	–	–	–	–
(h)	Any Other (specify)	–	–	–	–	–	–	–
	Sub-Total (B)(1)	23	2110513	2107701	14.26	14.26	–	–
(2)	Non-institutions							
(a)	Bodies Corporate	236	560849	554822	3.79	3.79	–	–
(b)	i. Individuals - Individual shareholders holding nominal share capital up to Rs. 1 lakh.	8254	2208030	1780707	14.92	14.92	–	–
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	32	1054119	1054119	7.12	7.12	–	–
(c)	Any Other-Trusts & Foundations	4	1427234	1427184	9.64	9.64	–	–

Category code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in dematerialized form	Total Shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C))	Number of shares	As a percentage
	Non-Resident Individuals	51	25805	25205	0.18	0.18	–	–
	Sub-Total (B)(2)	8577	5276037	4842037	35.65	35.65	–	–
	Total Public Shareholding (B) = (B)(1)+(B)(2)	8600	7386550	6949738	49.91	49.91	–	–
	TOTAL (A)+(B)	8601	14800020	14363208	100.00	100.00	–	–
(C)	Shares held by Custodians and against which Depository Receipts have been issued	–	–	–	–	–	–	–
	GRAND TOTAL (A)+(B)+(C)	8601	14800020	14363208	100.00	100.00	–	–

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

Sr. No.	Name of the shareholder	Total shares held		Shares pledged or otherwise encumbered		
		Number	As a % of grand total (A)+(B)+(C)	Number	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause (1)(a)
1.	Everest Finvest (India) Pvt. Ltd.	7413470	50.091	0	0	0
	TOTAL	7413470	50.091	0	0	0

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

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para (I)(a) above}
1.	Everest Staff Welfare Trust	1426727	9.640
2.	Reliance Capital Trustee Co. Ltd. - Reliance Longterm Equity Fund.	1176648	7.950
3.	Franklin India Smaller Companies Fund.	854154	5.771
4.	Hitesh Ramji Javeri	191000	1.291
5.	S.K.Gupta	152109	1.028
	TOTAL	3800638	25.680

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

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

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

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

(II)(b) Statement showing Holding of Depository Receipts (DRs), where underlying shares are in excess of 1% of the total number of shares

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

15. Dematerilization of Shares

The Equity Shares of the Company are available for dematerialization under the Depository System operated by Central Depository Services (India) Limited as well as National Securities Depository Limited. The percentage of shares in demat form as on 31.03.2009 is 97.048 % to total shareholding of the Company.

16. Nomination facility for Shareholders

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

17. Payment of Dividend through Electronic Clearing Service

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

18. Location of the Plants of the Company

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

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

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

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

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

19. Address for Correspondence - Investor Services

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

M/s. MCS Limited, (Unit: Everest Industries Limited)
F-65, Okhla Industrial Area, Phase I, New Delhi 110 020.
Ph. No.: 011-41406149, 41406151 Fax No.: 011-41709881
Email: mcscomplaintsdel@mcsdel.com

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

Everest Industries Limited,
'Genesis', G-1, A-32, Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi-110044.

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

20. The Company has not adopted any of the non-mandatory requirements except the Remuneration Committee as mentioned in clause 2 of Annexure 1D of clause 49 of the Listing Agreement.

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

For Everest Industries Limited

New Delhi, 4th May 2009

M. L. Gupta
Managing Director

Declaration of Compliance with code of conduct

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

The Members of
Everest Industries Limited

This is to certify that as provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have affirmed to the compliance with the Code of Conduct and Ethics for the twelve months period ended March 31, 2009.

For Everest Industries Limited

New Delhi, 4th May 2009

M. L. Gupta
Managing Director

CEO / CFO Certification

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

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

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

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

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

We have indicated to the auditors and the Audit Committee :

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

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

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

For Everest Industries Limited

New Delhi, 4th May 2009

R.K. Gupta
Sr. Vice President (Finance)

M. L. Gupta
Managing Director

Compliance Certificate

TO THE MEMBERS OF EVEREST INDUSTRIES LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Everest Industries Limited (the Company), for the year ended 31 March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For DELOITTE HASKINS & SELLS
Chartered Accountants

New Delhi, 4th May 2009

JITENDRA AGARWAL
Partner
(Membership No. 87104)

TO THE MEMBERS OF EVEREST INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Everest Industries Limited, as at 31 March 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

4. Further to our comments in the Annexure referred to above, we report that:

   a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

   d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

   e) on the basis of written representations received from the directors, as at 31 March 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31 March 2009, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

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

      i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2009;

      ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

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

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner
(Membership No. 87104)

New Delhi
04 May 2009

ANNEXURE TO THE AUDITORS' REPORT

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

i. In respect of its fixed assets:

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

   b. The Company has a programme of physically verifying its fixed assets in a phased manner designed to cover all assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. In accordance with this programme, the Management had carried out a physical verification of fixed assets at some locations during the year and the discrepancies noted on such verification were not material and have been suitably dealt with in the books.

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

ii. In respect of its inventories:

   a. As explained to us, all inventories have been physically verified during the year by the Management at reasonable intervals.

   b. In our opinion, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c. In our opinion, the Company has maintained proper inventory records. The discrepancies noticed between the physical stocks and book records were not material and the same have been properly dealt with in the books of account.

iii. The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services.

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

vi. The Company has not accepted any deposits from the public, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

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

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

ix. According to the information and explanations given to us and the records of the Company examined by us:

a. the Company has generally deposited its statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues within the prescribed time with the appropriate authorities during the year and there are no undisputed amounts payable in respect of these dues which have remained outstanding as at 31 March 2009 for a period of more than six months from the date they became payable.

b. dues of Income Tax, Sales Tax, Excise duty and Service Tax aggregating to Rs. 7,253.64 lakhs have not been deposited on account of various disputes as set out in the Attachment. We are informed that there are no dues in respect of Customs Duty, Wealth Tax and Cess which have not been deposited on account of any dispute.

x. The Company does not have any accumulated losses nor has incurred any cash losses during the current and the immediately preceding financial year.

xi. Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not defaulted in repayment of dues to the banks. The Company has not taken any loans from financial institutions nor has it issued any debentures.

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

xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable to the Company.

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

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

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

xvii. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have prima facie, not been utilised for long term investment.

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

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

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

xxi. According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner
(Membership No. 87104)

New Delhi
04 May 2009

Information pursuant to clause 4 (ix) (c) of Companies (Auditor's Report) Order, 2003 in respect of disputed dues of Sales Tax, Income Tax Act, Central Excise Act and Service Tax, not deposited with various authorities:

Particulars	Amount (Rs./Lakhs)	Period to which the amount relates	Forum where the dispute is pending	Nature of dues
Sales Tax	390.42	1979-2003	Commissioner Appeals	Demand on account of non collection of statutory forms etc.
	13.70	1998-2002	Appellate Tribunal	
	526.77	1988-1999	High Court	Demand on account of stock transfers being considered as local sales
	2,827.78	1994 -1998 1979-1980	Commissioner Appeals	Demand on account of stock transfers being considered as inter state sales
	3,758.67			
Income Tax	664.13	2003-2004 2006-2007	Commissioner Appeals	Demand on account of disallowances of certain claims
	362.50	2004-2005 2005-2006	Appellate Tribunal	
	1,026.63			
Central Excise	1.94	1995-97	Commissioner Appeals	Demand of duty under section 11D of the Central Excise Act, 1944
	2,462.80	1992-96	Appellate Tribunal	
Service Tax	3.60	April, 2005 to September, 2006	Appellate Tribunal	Demand on account of wrong availment of Cenvat credit
	2,468.34			
Grand Total	7,253.64			

Balance Sheet

As at 31 March 2009

		Schedule Reference	Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
SOURCES OF FUNDS					
1.	SHAREHOLDERS' FUNDS				
	a. Share capital	1	1,480.00		1,480.00
	b. Reserves and surplus	2	13,653.15		12,654.12
				15,133.15	14,134.12
2.	LOAN FUNDS				
	a. Secured loans	3	14,973.21		11,183.15
	b. Unsecured loans	4	2,000.00		2,000.00
				16,973.21	13,183.15
3.	STOCKISTS' DEPOSITS (UNSECURED)			457.28	339.06
4.	DEFERRED TAX LIABILITY (Net) (see note 8)			1,802.65	1,323.36
				34,366.29	28,979.69
APPLICATION OF FUNDS					
1.	FIXED ASSETS	5			
	a. Gross block		33,356.67		19,891.07
	b. Less: Depreciation		9,898.40		8,313.68
	c. Net block		23,458.27		11,577.39
	d. Capital work in progress (see note 11)		694.18		10,280.38
				24,152.45	21,857.77
2.	INVESTMENTS	6		5.00	5.97
3.	CURRENT ASSETS, LOANS AND ADVANCES				
	a. Inventories	7	12,956.52		7,899.82
	b. Sundry debtors	8	2,384.35		688.94
	c. Cash and bank balances	9	2,258.11		3,152.95
	d. Interest accrued but not due		2.59		19.06
	e. Loans and advances	10	3,540.01		2,008.46
			21,141.58		13,769.23
4.	LESS - CURRENT LIABILITIES AND PROVISIONS				
	a. Current liabilities	11	9,982.59		5,631.38
	b. Provisions	12	1,018.42		1,021.90
			11,001.01		6,653.28
5.	NET CURRENT ASSETS			10,140.57	7,115.95
6.	FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT	13		68.27	–
				34,366.29	28,979.69

Notes forming part of the accounts 19

The schedules referred to above are integral part of the accounts.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
04 May 2009

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

New Delhi
04 May 2009

Profit and Loss Account

For the year ended 31 March 2009

	Schedule Reference	Rs./Lakhs	Year ended 31.03.2009 Rs./Lakhs	Year ended 31.03.2008 Rs./Lakhs
INCOME				
1. Sale of products	14	55,201.06		30,701.08
Less: Excise duty				
(including education cess) recovered		2,255.90		2,187.54
			52,945.16	28,513.54
2. Other income	15		479.25	1,424.54
			53,424.41	29,938.08
EXPENDITURE				
3. Manufacturing, operating and selling expenses	16	48,917.49		27,718.85
4. (Increase)/ decrease in inventory	17	(866.42)		(1,018.40)
5. Depreciation	5	1,713.80		964.46
6. Interest	18	1,648.06		469.95
			51,412.93	28,134.86
PROFIT BEFORE TAX			2,011.48	1,803.22
7. Provision for taxation				
a. Current tax		219.83		241.60
b. Deferred tax (see note 8)		479.29		67.37
c. Fringe benefit tax		85.47		62.52
d. Minimum alternative tax credit entitlement		(218.21)		–
			566.38	371.49
PROFIT AFTER TAX			1,445.10	1,431.73
8. Balance brought forward from previous year			5,376.83	4,787.71
9. Amount available for appropriation			6,821.93	6,219.44
APPROPRIATIONS				
10. General reserve		150.00		150.00
11. Proposed dividend		370.00		592.00
12. Tax on distributed profits		62.88		100.61
			582.88	842.61
BALANCE CARRIED TO RESERVE & SURPLUS			6,239.05	5,376.83
Earnings Per Equity Share				
[Face value - Rs. 10 per share (see note 15)]				
Basic and diluted earnings per share (Rupees)			9.76	9.67
Notes forming part of the accounts	19			

The schedules referred to above are integral part of the accounts.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
04 May 2009

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

New Delhi
04 May 2009

Cash Flow Statement

For the year ended 31 March 2009

	Year ended 31.03.2009 Rs./Lakhs	Year ended 31.03.2008 Rs./Lakhs
A. Cash flow from operating activities		
Net profit/ (loss) before tax	2,011.48	1,803.22
Adjustments for:		
Depreciation	1,713.80	964.46
(Profit)/ loss on sale of other fixed assets (net)	(140.13)	(842.25)
Interest income	(185.33)	(127.96)
Interest expense	1,648.06	469.95
Excess provisions made in previous years written back	(28.53)	(384.80)
Provision for leave encashment and gratuity	256.24	(132.73)
Operating profit before working capital changes	5,275.59	1,749.89
Adjustments for:		
Trade receivables	(1,695.42)	350.87
Inventories	(5,056.70)	(2,100.48)
Other receivables	(904.61)	(284.39)
Trade payables	4,569.88	2,050.07
Miscellaneous expenditure	(68.27)	–
Cash generated from operations	2,120.47	1,765.96
Transferred to foreign currency monetary item translation difference account	(3.17)	–
Direct taxes (paid)	(710.69)	(682.45)
Net cashflow from operating activities	1,406.61	1,083.51
B. Cash flow from investing activities-		
Purchase of fixed assets/ capital advances	(4,213.36)	(5,956.70)
Sale of fixed assets	267.48	963.96
Investment	0.97	(5.00)
Interest received	201.80	120.03
Net cash used in investing activities	(3,743.11)	(4,877.71)
C. Cash flow from financing activities-		
Interest paid	(1,658.15)	(428.61)
Proceeds from / (repayment of) short term borrowings (net)	1,846.05	2,178.52
Proceeds from / (repayment of) long term borrowings (net)	1,944.00	4,167.75
Dividend paid	(589.63)	(592.43)
Dividend tax paid	(100.61)	(100.61)
Net cash used in financing activities	1,441.66	5,244.62
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(894.84)	1,430.42
– Opening balance	3,152.95	1,722.53
– Closing balance	2,258.11	3,152.95

Notes :

1. All figures in brackets are outflow.
2. Figures for the period 1 April 2007 to 31 March 2008 have been regrouped / restated whereever necessary to make them comparable.
3. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
4. Cash and cash equivalent is cash and bank balance as per balance sheet.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
04 May 2009

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

New Delhi
04 May 2009

SCHEDULE 1

SHARE CAPITAL

			Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
1.	Authorised				
	1,70,00,000	Equity shares of Rs. 10 each (previous year 1,70,00,000 equity shares of Rs. 10 each)		1,700.00	1,700.00
2.	Issued				
	1,48,00,020	Equity shares of Rs. 10 each (previous year 1,48,00,020 equity shares of Rs. 10 each)		1,480.00	1,480.00
3.	Subscribed and paid up				
	1,48,00,020	Equity shares of Rs. 10 each fully paid up (previous year 1,48,00,020 equity shares of Rs. 10 each fully paid up)		1,480.00	1,480.00

Of the above:

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

b. 1,33,50,020 (previous year - 1,33,50,020) equity shares are alloted as fully paid up by way of bonus shares by capitalisation of general reserve

c. 74,13,470 (previous year - 74,13,470) equity shares are held by M/s Everest Finvest (India) Private Limited, the holding company

SCHEDULE 2

RESERVES AND SURPLUS

		Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
1.	General reserve			
	Opening balance	7,277.29		7,184.09
	Add : Amount transferred from Profit and Loss Account	150.00		150.00
	Add : Deferred tax adjustment due to retirement benefits transitional liability (see note 8)	–		29.24
		7,427.29		7,363.33
	Less : Retirement benefits transitional liability [see note 7(c)(i)]	–		86.04
	Less: Adjustment as per revised AS 11 [see note 14]			
	Exchange gain transferred to foreign currency monetary item translation difference account	3.17		–
	Exchange gain capitalised	10.02		–
			7,414.10	7,277.29
2.	Profit and loss account		6,239.05	5,376.83
			13,653.15	12,654.12

SCHEDULE 3

SECURED LOANS FROM BANKS

		As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
1.	Term loan (Secured/ to be secured by way of creation of a first pari passu charge on all fixed assets of the company excluding fixed assets situated at Podanur and Kolkata plants and second pari passu charge on all current assets of the company.)	1,968.75	2,843.75
2.	Corporate loan (Secured by a first pari passu charge by way of hypothecation of stocks, present and future, book debts and receivables and exclusive first charge over land and building at Podanur and second pari-passu charge on all fixed assets, land and building both present and future, except land and building situated at Podanur plant and Kolkatta plant).	2,000.00	–
3.	External commercial borrowing (Secured/ to be secured by a first pari passu charge to be created over all the immovable and movable fixed assets other than the immovable fixed assets situated at Podanur plant and second pari passu charge on all current assets of the company).	5,643.00	4,824.00
4.	Cash credit accounts [Secured by a first pari passu charge by way of hypothecation of stocks, present and future, book debts and receivables and second pari-passu charge on all fixed assets, land and buildings both present and future, except land and building situated at Podanur plant (on which State Bank of India has an exclusive charge) and at Kolkata plant].	5,361.46	3,515.40
		14,973.21	11,183.15

		As at 31.03.2009	As at 31.03.2008
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs

SCHEDULE 4

UNSECURED LOANS

Commercial paper [Maximum amount outstanding during the year - Rs. 4,000.00 lakhs (previous year - Rs. 2,000.00 lakhs)]		2,000.00	2,000.00

SCHEDULE 5

FIXED ASSETS

Rs./Lakhs

Particulars	Gross block				Depreciation				Net block	
	As at 31.03.2008	Additions	Deductions/ Adjustments	As at 31.03.2009	As at 31.03.2008	For the Year	Deductions/ Adjustments	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
TANGIBLE ASSETS										
LAND										
Land–Freehold	1,403.47	6.80	–	1,410.27	31.54	–	–	31.54	1,378.73	1,371.93
Land–Leasehold	73.71	–	73.71	–	44.22	–	44.22	–	–	29.49
BUILDING										
Building– On freehold land	3,645.11	3,203.04	22.41	6,825.74	1,290.83	317.39	4.80	1,603.42	5,222.32	2,354.28
Building– On leasehold land	137.83	2.53	29.14	111.22	109.98	2.65	15.45	97.18	14.04	27.85
Leasehold improvement	124.23	7.19	–	131.42	22.00	13.02	–	35.02	96.40	102.23
Railway siding	1.39	–	–	1.39	1.39	–	–	1.39	–	–
Roads	177.90	42.16	–	220.06	44.85	7.31	–	52.16	167.90	133.05
PLANT & MACHINERY	12,866.16	10,100.95	109.54	22,857.57	5,919.12	1,182.97	49.83	7,052.26	15,805.31	6,947.04
FURNITURE FIXTURE & OFFICE EQUIPMENT	1,043.77	215.16	2.78	1,256.15	649.86	96.17	2.06	743.97	512.18	393.91
VEHICLES	139.69	19.89	18.85	140.73	81.16	17.90	12.72	86.34	54.39	58.53
INTANGIBLE ASSETS										
Computer software	28.06	124.31	–	152.37	11.96	31.56	–	43.52	108.85	16.10
Technical knowhow	249.75	–	–	249.75	106.77	44.83	–	151.60	98.15	142.98
TOTAL	19,891.07	13,722.03	256.43	33,356.67	8,313.68	1,713.80	129.08	9,898.40	23,458.27	11,577.39
Previous Year	17,835.59	2,260.66	205.18	19,891.07	7,432.68	964.46	83.46	8,313.68	11,577.39	10,402.91

Notes : 1. Cost of Land-Freehold as at 31 March 2009 includes Rs. 166.54 lakhs (previous year - Rs. 166.54 lakhs) representing Land-Freehold held for sale.This Freehold land costing Rs. 166.54 lakhs was revalued at Rs. 135.00 lakhs based on an independent valuation and accordingly Rs. 31.54 lakhs was provided for "Loss on impairment of fixed assets" in earlier years.

2. Cost of plant & machinery as at 31 March 2009 and depreciation thereon upto 31 March 2009 includes Rs. 122.57 lakhs (previous year - Rs. 122.57 lakhs) and Rs. 122.57 lakhs (previous year Rs. 122.57 lakhs) respectively in respect of plant and machinery of Kymore works held for disposal.

3. Addition during the year of Rs. 13,722.03 lakhs includes Rs. 1,262.30 lakhs on account of reinstatement due to capitalisation of exchange fluctution on long term forex borrowing.

		As at 31.03.2009	As at 31.03.2008
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs

SCHEDULE 6

INVESTMENTS - (AT COST)

Other investments, long term, unquoted			
1. Government securities		–	0.97
2. Investment in subsidary company [50,000 (previous year 50,000) equity shares of Rs. 10 each fully paid up of M/s Everest Building Solutions Limited]		5.00	5.00
		5.00	5.97

SCHEDULE 7

INVENTORIES

1. Raw materials			
a. On hand	6,501.86		2,284.80
b. In transit	180.31		425.25
		6,682.17	2,710.05
2. Stores and spare parts			
a. Packing materials	8.12		6.73
b. Stores and spares	775.90		559.13
		784.02	565.86
3. Work-in-progress [Including trial run inventory Rs. Nil (previous year Rs. 710.00 lakhs)]		3,990.79	2,883.05
4. Finished goods			
a. Manufactured products	1,280.45		1,477.09
b. Traded products	219.09		263.77
		1,499.54	1,740.86
		12,956.52	7,899.82

	Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
SCHEDULE 8			
SUNDRY DEBTORS			
1. Debts exceeding six months (unsecured)			
– Considered good	–		71.18
– Considered doubtful	91.63		33.03
Less: Provision for doubtful debts	91.63	–	33.03
			71.18
2. Other debts			
– Secured considered good		1,218.82	–
– Unsecured considered good		1,165.53	617.76
		2,384.35	688.94
SCHEDULE 9			
CASH AND BANK BALANCES			
1. Cash on hand		4.84	21.57
2. Cheques on hand		522.61	238.99
3. Balances with scheduled banks			
– Current accounts		1,410.40	1,443.99
– Deposit accounts		320.26	1,448.40
[Includes Rs. 314.03 lakhs (previous year Rs. 242.68 lakhs) as margin for bank gurantees/ letters of credit]			
		2,258.11	3,152.95
SCHEDULE 10			
LOANS AND ADVANCES - (unsecured, considered good)			
1. Balances with excise, customs and port trust authorities		633.32	614.59
2. Advances recoverable in cash or kind or for value to be received		1,464.95	845.15
3. Advances to suppliers		771.48	502.07
4. Advance taxes [Net of provision for current tax and fringe benefit tax- Rs. 4,136.69 lakhs (previous year Rs. 4,139.83 lakhs)]		670.26	46.66
		3,540.01	2,008.46

	Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
SCHEDULE 11			
CURRENT LIABILITIES			
1. Sundry creditors			
a. For capital expenditure	17.88		85.39
b. Others	7,053.17		3,839.28
		7,071.05	3,924.66
2. Advances from customers		1,517.42	600.56
3. Retention monies		92.21	115.09
4. Unpaid dividend *		40.35	37.98
5. Interest accured but not due		31.24	41.33
6. Provision for MTM loss on derivative transactions		614.88	493.50
7. Other liabilities		615.44	418.25
		9,982.59	5,631.38

* Unpaid dividend does not include any amount outstanding as on 31 March 2009 required to be credited to the Investor Education and Protection Fund.

	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
SCHEDULE 12		
PROVISIONS		
1 . Gratuity	241.78	106.14
2 . Leave encashment	343.76	223.15
3 . Proposed dividend	370.00	592.00
4. Provision for dividend distribution tax	62.88	100.61
	1,018.42	1,021.90
SCHEDULE 13		
FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (To the extent not written off or adjusted)		
Opening balance	–	–
Add : Provision in relation to current year	105.58	–
Less: Transferred from general reserve on account of foreign exchange fluctuation gain of previous year	3.17	–
Less: Amortised during the year	34.14	–
	68.27	–

SCHEDULE 14

SALE OF PRODUCTS

		Rs./Lakhs	Year Ended 31.03.2009 Rs./Lakhs	Year Ended 31.03.2008 Rs./Lakhs
a.	Sale of building products		45,695.73	31,304.20
b.	Sale of steel buildings		9,252.37	–
c.	Revenue from erection of buildings		623.38	–
d.	Others		383.54	774.82
			55,955.02	32,079.02
Less:	Realisation from sale of trial run production transferred to CWIP (see note 11)		753.96	1,377.94
			55,201.06	30,701.08

SCHEDULE 15

OTHER INCOME

a.	Sale of scrap		74.75	56.72
b.	Excess provisions made in earlier years written back		28.53	384.80
c.	Profit on sale of fixed assets (net)		140.13	842.25
d.	Interest from bank and others *		185.33	127.96
e.	Miscellaneous income		50.51	12.81
			479.25	1,424.54

* Income tax deducted at source Rs. 3.60 lakhs (previous year Rs. 19.56 lakhs)

SCHEDULE 16

MANUFACTURING, OPERATING AND SELLING EXPENSES

1.	Purchase of traded goods		330.48	670.13
2.	Cost of erection of buildings		617.26	–
3.	Consumption of raw materials		28,304.86	15,773.31
4.	Payments to and provisions for employees			
	a. Salaries, wages and bonus	4,093.38		2,847.12
	b. Contributions to provident and other funds	518.62		269.54
	c. Workmen and staff welfare expenses	439.78		264.38
			5,051.78	3,381.04
5.	Operation and other expenses			
	a. Consumption of stores, spares and consumables	2,887.81		1,316.35
	b. Consumption of packing materials	327.47		167.72
	c. Power and fuel	2,045.48		1,699.21
	d. Work done by outside contractors	888.68		374.79
	e. Repair and maintenance			
	– Building	140.55		133.90
	– Machinery	646.23		540.50
	– Others	133.83		70.34
	f. Rent	488.30		322.53
	g. Rates and taxes	87.16		86.03
	h. Insurance	42.24		62.78
	i. Depot handling expenses	233.93		180.36
	j. Discount, rebates and allowances	14.71		64.69
	k. Commission on sales	266.93		172.24
	l. Travelling	656.94		483.22
	m. Advertisement and sales promotion expenses	829.43		462.53
	n. Bad debts written off	58.35		13.29
	o. Exchange loss (net) (see note 3)	455.68		350.18
	p. Other expenses	1,772.92		1,276.03
	q. Outward freight charges on finished goods	3,850.17		2,881.89
	r. Excise duties on stock transfer	75.63		111.00
			15,902.44	10,769.58
			50,206.82	30,594.06
	Less: Stores and spares capitalised		28.90	41.49
	Less: Pre operative expenses transferred to CWIP (see note 11)		1,260.43	2,833.72
			48,917.49	27,718.85

	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
SCHEDULE 17		
(INCREASE)/ DECREASE IN INVENTORY		
1. Closing stocks -		
i. Stock - in - trade	1,499.54	1,740.86
ii. Work in progress	3,990.79	2,883.05
	5,490.33	4,623.91
2. Opening stocks -		
i. Stock - in - trade	1,740.86	1,431.49
ii. Work in progress	2,883.05	2,174.02
	4,623.91	3,605.51
	(866.42)	(1,018.40)
SCHEDULE 18		
INTEREST		
1. Term loans	603.00	498.30
2. Others	1,162.85	401.25
	1,765.85	899.55
Less : Pre operative expenses transferred to CWIP (see note 11)	117.79	429.60
	1,648.06	469.95

SCHEDULE – 19

NOTES FORMING PART OF THE ACCOUNTS

1. Significant Accounting Policies

(i) Accounting Convention

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

(ii) Use of Estimates

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

(iii) Fixed Assets and Depreciation

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

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

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

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

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

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

(iv) Revenue Recognition

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

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

(v) Investments

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

(vi) Inventories

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

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

(vii) Research and Development Costs

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

(viii) Employee Benefits (See also Note 7)

a. Short-term employee benefits

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

b. Post-employment benefit plans

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

The Company's superannuation scheme and the employee's provident fund scheme are defined contribution schemes. The Company's contribution paid/ payable under the schemes are recognised as expenses in the profit and loss account during the period in which the employee renders the related service.

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

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

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

(ix) Borrowing Costs

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

(x) Foreign Exchange Transactions

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

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

The Company has opted for accounting the exchange rate differences arising on reporting of Long term foreign currency monetary items in line with the Companies (Accounting Standard) Amendments Rules, 2009 on Accounting Standard 11. (See also Note 14)

(xi) Taxation (See also Note 8)

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

(xii) Earnings Per Share (See also Note 15)

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, Earnings Per Share issued by the Institute of Chartered Accountants of India (ICAI). Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

(xiii) Impairment of Assets

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

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

(xiv) Contingencies/ Provisions

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

(xv) Employee Stock Option Scheme (See also Note 21)

Stock options granted to the employees under the stock options schemes are accounted as per the accounting treatment prescribed by the Employee Stock Option and Employees Stock Purchase Scheme Guidelines 1999 issued by Securities and Exchange Board of India. Accordingly, the excess of average market value of the shares over the preceding 2 weeks of the date of grant of options over the exercise price of the options is recognised as deferred employee compensation and is charged to the profit and loss account on straight line wise basis over the vesting year of the options.

(xvi) Leases (See also Note 13)

Operating Lease

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

Finance Lease

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

2. Contingent Liabilities

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

	Particulars	As at 31.03.2009 (Rs./Lakhs)	As at 31.03.2008 (Rs./Lakhs)
i.	Sales tax matters	3,758.67	3,488.19
ii.	Customs and excise matters	2,468.34	2,467.23
iii	Income tax matters	1,026.63	507.83
iv.	Claims against the Company not acknowledged as debts	–	109.45

b) Guarantees issued by bank have been secured by a first pari-passu charge on the entire current assets, present and future, including receivables of the Company and second pari-passu charge on all fixed assets, land and buildings present and future, except land and building situated at Podanur (on which State Bank of India has exclusive charge) and at Kolkata, to the extent of Rs. 1,558.98 lakhs (previous year Rs. 490.82 lakhs).

c) Estimated amount of contracts to be executed on capital account - Rs. 119.08 lakhs (net of advances - Rs. 31.90 lakhs), [previous year - Rs. 1,257.08 lakhs (net of advances Rs. 257.23 lakhs)].

3. Based on the Institute of Chartered Accountants of India's announcement on 29 March 2008 dealing with the accounting for derivatives and keeping in view the application of "prudence" as enunciated in AS-1 the Company has recognised losses on derivative transactions for the year ended 31 March 2009. Loss on foreign exchange comprises following:

	Particulars	Year ended 31.03.2009 (Rs. /Lakhs)	Year Ended 31.03.2008 (Rs. /Lakhs)
i.	Loss from derivatives	121.37	493.50
ii.	Foreign exchange loss/ (gain)	334.31	(143.32)
iii.	Net loss on forex	455.68	350.18

4. Other expenses include the auditors remuneration (excluding service tax) as follows:

Particulars	Year ended 31.03.2009 (Rs./Lakhs)	Year ended 31.03.2008 (Rs./Lakhs)
Audit fees (Including fees for limited review)	19.75	19.75
Tax audit fee	2.25	2.25
Fees for other services	–	2.00
Reimbursement of expenses	3.04	0.57
	25.04	24.57

5. Construction Contracts

a. Sales of products - others include Rs. 101.56 lakhs (previous year Rs. 321.39 lakhs) recognized as contract revenue for the year ended 31 March 2009.

b. As required by Accounting Standard-7 (Revised) on 'Construction Contracts', the break-up of the contracts in progress at the reporting dates are as under:

Particulars	Year ended 31.03.2009 (Rs./Lakhs)	Year ended 31.03.2008 (Rs./Lakhs)
Revenue Recognized	101.56	225.75
Cost Incurred	90.94	184.82
Advance Received	–	153.22

6. Foreign Exchange Disclosure

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

Particulars	Amount in Indian Rupees As at 31.03.2009	Amount in Indian Rupees As at 31.03.2008	Currency	Amount in Foreign Currency As at 31.03.2009	Amount in Foreign Currency As at 31.03.2008
Receivables	4,32,41,445	3,02,14,706	USD	8,42,913	7,64,542
Payables	20,07,17,799	8,27,51,841	USD	39,12,628	19,96,480
			EURO	Nil	36,000
ECB Loan	56,43,00,000	48,24,00,000	USD	1,10,00,000	1,20,00,000

7. Disclosure of Retirement Benefits under AS 15-Employee Benefits

a. Defined contribution plan

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

The Company's contributions of Rs. 205.95 lakhs (previous year Rs. 140.92 lakhs) towards provident fund and Rs. 106.68 lakhs (previous year Rs. 69.48 lakhs) towards superannuation fund are charged to Profit & Loss account. The contributions payable to the plan by the Company are at a rate specified in rules to the schemes.

b. Defined Benefit plan

The Company's contribution towards its gratuity liability is a defined benefit retirement plan. The Company makes contributions to the trust from time to time which in turn makes contributions to the Employee's Group Gratuity-cum-Life Assurance scheme of the Life Insurance Corporation of India. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of service.

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

c. The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March 2009:

(i) Movement in net liability

Particulars		As at 31.03.2009 (Rs. /Lakhs)	As at 31.03.2008 (Rs. /Lakhs)
Present value of obligations as on 01.04.2008	(A)	744.64	563.29
Adjustment for increase in opening provision for retirement benefits *	(B)	–	–
Liabilities assumed on transfer of employees from holding Company	(C)	–	–
Interest Cost	(D)	59.58	55.15
Current service cost	(E)	78.31	51.27
Benefits paid	(F)	(18.09)	(11.90)
Actuarial (gain)/loss on obligations	(G)	71.99	86.83
Present value of obligations as on 31.03.2009 (H=A+B+C+D+E+F+G)	(H)	936.43	744.64

*During the previous year ended 31 March 2008, in compliance with the revised Accounting Standard relating to "Employee Benefits" (AS- 15), issued by the Institute of Chartered Accountants of India, the Company had recomputed the liability for retirement benefits as of 31 March 2007. The difference between the liability as recomputed and as per the old Accounting Standard - 15 as of 31 March 2007 amounting to Rs. 86.04 lakhs had been adjusted against the opening balance of General Reserve.

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

Particulars		As at 31.03.2009 (Rs. /Lakhs)	As at 31.03.2008 (Rs. /Lakhs)
Present value of funded defined benefit obligations as on 31.03.09	(A)	936.43	744.64
Present value of unfunded obligation	(B)	–	–
Estimated fair value of plan assets	(C)	694.65	638.50
Net liability/ (asset) (D=A+B-C)	(D)	241.78	106.14
Amounts in the Balance Sheet			
a. Liabilities		241.78	106.14
b. Assets		–	–
c. Net liability/ (asset)		241.78	106.14
Amount charged to Profit & Loss account			
Service cost	(E)	78.31	51.27
Interest cost	(F)	59.58	55.15
Expected return on plan assets	(G)	56.15	45.76
Net actuarial (gain)/ loss	(H)	71.99	(23.94) *
Expense Recognised in Profit & Loss account (I=E+F-G+H)	(I)	153.73	36.72

*During the previous year ended 31 March 2008, actuarial gain was net of actuarial loss of Rs. 86.04 Lakhs which had been adjusted against the opening balance of general reserve, in compliance with revised AS-15 relating to employee benefits, see foot note to para 8 (c) (i) above.

(iii) Principal actuarial assumptions

Assumptions	Year ended 31.03.2009 Rate (%)	Year ended 31.03.2008 Rate (%)
Discount rate	8.00%	8.00%
Rate of return on plan assets	8.00%	8.00%
Salary escalation	8.00%	8.00%

(iv) Fair value of plan assets

Particulars	As at 31.03.2009 (Rs. /Lakhs)	As at 31.03.2008 (Rs. /Lakhs)
Fair value of plan assets at the beginning of the year	638.50	381.61
Expected return on plan assets	56.15	45.76
Contributions	–	198.30
Benefits paid	–	(11.90)
Actuarial gain/ (loss) on plan assets	–	0.93
Fair value of plan assets at the end of the year	694.65	638.50

(v) Actual return on plan assets

Particulars	As at 31.03.2009 (Rs. /Lakhs)	As at 31.03.2008 (Rs. /Lakhs)
Expected return on plan assets	56.15	45.76
Actuarial gain/ (loss) on plan assets	–	0.93
Actual return on plan assets	56.15	46.69

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

Government of India Securities	70.23%
Debt Instruments	22.03%
Equity and Preference Shares	5.66%
Other Deposits	2.08%
	100.00%

The planned assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at 31 March 2009 has not been provided by Life Insurance Corporation of India.

8. Deferred Taxation

Particulars	As at 31.03.2009 (Rs./Lakhs)	Charged/ (Credited) to P&L (Rs./Lakhs)	As at 31.03.2008 (Rs./Lakhs)
a. Deferred tax assets			
Tax impact of:			
i. Expenditure covered by section 43B of Income-tax Act, 1961	227.31	(111.31)	116.00
ii. Excess of voluntary retirement expenses (VRS) provided in accounts over expenses allowed in Income-tax	1.35	4.49	5.84
iii. Unabsorbed carried forward business loss	803.79	(803.79)	–
Total deferred tax assets	1,032.45	(910.61)	121.84
b. Deferred tax liabilities			
Tax impact of:			
i. Excess of depreciation allowable under Income-tax law over depreciation provided in accounts.	2,811.90	1,337.46	1,474.44
ii. Foreign exchange monetary translation reserve.	23.20	23.20	–
Total deferred tax liability	2,835.10	1,360.66	1,474.44
Net deferred tax liability before reinstatement	1,802.65	450.05	1,352.60
Deferred tax liability reversed against the opening liability on reinstatement on gratuity in compliance with revised AS 15 (Employee Benefit)	–	(29.24)	29.24
Net deferred tax liability	1,802.65	479.29	1,323.36

9. Managerial remuneration

a. Remuneration paid to directors:

Particulars	Year ended 31.03.2009 (Rs./Lakhs)	Year ended 31.03.2008 (Rs./Lakhs)
Whole time directors		
1. Salaries and perquisites	120.57	93.18
2. Contributions to provident and superannuation fund	14.42	11.18
3. Performance incentive to whole time directors	62.00	78.00
	196.99	182.36
Non-executive directors		
4. Commission/ performance incentive to non executive directors	7.50	9.50
5. Sitting fees	5.60	4.40

Note:

Contribution to group gratuity scheme has not been considered, as person- wise details are not available.

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

Particulars	Year ended 31.03.2009 (Rs./Lakhs)	Year ended 31.03.2008 (Rs./Lakhs)
Profit before tax as per Profit and Loss account	2,011.48	1,803.22
Add: Managerial remuneration	204.49	191.86
	2,215.97	1,995.08
Less: Profit on sale of fixed assets	140.13	842.25
Net profit for the year	2,075.84	1,152.83
Maximum remuneration payable to whole time directors under section 309 of the Companies Act, 1956 @ 10% of net profit	207.58	115.28
Actual remuneration paid to whole time directors	196.99	182.36
Maximum commission payable to non-executive directors under Section 309 of the Companies Act, 1956 @ 1% of net profit	20.76	11.52
Actual commission/ performance incentive paid to non-executive directors	7.50	9.50

Note:

The provision for payment of managerial remuneration for the year ended 31 March, 2008 as recommended by the Board of Directors exceeded the limits prescribed under section 198/309 read with schedule XIII of the Companies Act, 1956 and is subjected to the approval of Central Government. The Company has applied to the Central Government for waiver of excess remuneration paid to the directors. However, permission is still awaited.

10. Related Party Disclosures

a. List of related parties

i. Holding Company
   - M/s Everest Finvest (India) Private Limited

ii. Subsidiary Company
   - M/s Everest Building Solutions Ltd.

iii. Key Management Personnel
   - Mr. M. L. Gupta, Managing Director
   - Mr. Manish Sanghi, COO and Director
   - Mr. Y. Srinivasa Rao, Executive Director

b. Transactions with related parties during the year:

S. No.	Particulars	Year ended 31.03.2009 (Rs. /Lakhs)	Year ended 31.03.2008 (Rs. /Lakhs)
i	Dividend paid to holding company		
	M/s Everest Finvest (India) Private Limited	296.54	296.54
iii	Investment in subsidiary company		
	M/s Everest Building Solutions Ltd	–	5.00
iii	Remuneration to key management personnel		
	Mr. M. L. Gupta	76.92	75.36
	Mr. Manish Sanghi	66.78	62.29
	Mr. Y. Srinivasa Rao	53.29	44.71

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

S. No.	Particulars	As at 31.03.2009 (Rs. /Lakhs)	As at 31.03.2008 (Rs. /Lakhs)
i	Share capital from holding company		
	M/s Everest Finvest (India) Private Limited	741.35	741.35
ii	Investment in equity of subsidiary company		
	M/s Everest Building Solutions Limited	5.00	5.00
iii	Performance incentive due to key management personnel		
	a Mr. M. L. Gupta	24.00	30.00*
	b Mr. Manish Sanghi	21.00	26.00*
	c Mr. Y. Srinivasa Rao	17.00	22.00*

* Amount payable to key managerial personnel on account of performance incentive for the year ended 31 March 2008 are subject to the approval of the Central Government.

11. Capital Work in Progress and Preoperative Expenditure

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

a. Capital work in progress

	Particulars	As at 31.03.2009 (Rs./Lakhs)	As at 31.03.2008 (Rs./Lakhs)
i.	Project assets	634.65	7,241.48
ii.	Capital advances	20.23	727.85
iii.	Unallocated project preoperative expenditure (see b below)	39.30	2,311.05
		694.18	10,280.38

b. Preoperative expenditure

Particulars	As at 31.03.2008 (Rs./Lakhs)	01.04.2008 to 31.03.2009 (Rs./Lakhs)	As at 31.03.2009 (Rs./Lakhs)
Consumption of raw material	1,720.36	1,060.06	2,780.42
Consumption of stores, spares and consumables	210.51	273.59	484.10
Salaries, wages and bonus	412.74	119.46	532.20
Contribution to provident & other funds	19.67	11.54	31.21
Workmen and staff welfare expenses	28.15	48.76	76.91
Rent	28.67	18.52	47.19
Repair & maintenance - other	103.19	10.16	113.35
Travelling	152.63	37.03	189.66
Power and fuel	386.68	10.43	397.11
Rate and taxes	2.62	0.84	3.46
Freight	155.45	42.50	197.95
Advertisement and sales promotion expenses	5.82	5.51	11.33
Excise duty	124.00	–	124.00
Insurance	53.81	1.53	55.34
Others	399.21	75.53	474.74
Less: Charged to closing inventory resulting from trial production on account of loading of overhead	(710.00)	(455.02)	(1,165.02)
	3,093.51	1,260.44	4,353.95
Interest	607.27	117.79	725.06
Less : Stores and spares capitalised to fixed assets during the year	(11.79)	–	(11.79)
Less : CWIP capitalised to fixed assets during the year			(2,896.01)
Less : Realisation from sale of trial run production	(1,377.94)	(753.96)	(2,131.91)
Unallocated preoperative expenditure	2,311.05	624.27	39.30

12. Segment Information

Consequent to commencement of Steel Buildings business during the current year Accounting Standard-17 "Segment Reporting" has become applicable.

Business Segments:

The Company's business segments include 'Building products' and 'Steel buildings'.

Building products include roofing, ceiling, wall, floor solutions etc.

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

Geographical segments:

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

Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

i) Segment revenue and expenses:

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

ii. Segment assets and liabilities:

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

Information about business segments:

Particulars	Building products (Rs. /Lakhs)	Steel buildings (Rs./Lakhs)	Total (Rs. /Lakhs)
1. Segment Revenue			
External sales (net of excise duty)	43,823.37	9,121.79	52,945.16
2. Segment Results	5,868.31	193.65	6,061.96
Unallocated expenses (net of income)			2,402.42
Operating Profit			3,659.54
Interest expense			1,648.06
Profit before tax			2,011.48
Provision for taxation			566.38
Net Profit			1,445.10
3. Other Information			
A. Assets			
Segment assets	35,315.01	7,781.62	43,096.63
Unallocated assets			2,270.67
Total Assets	35,315.01	7,781.62	45,367.30
B. Liabilities			
Segment Liabilities	6,875.70	2,792.04	9,667.74
Share capital and reserves			15,133.15
Secured and unsecured loans			16,973.21
Unallocated liabilities			3,593.20
Total Liabilities	6,875.70	2,792.04	45,367.30
C. Others			
Capital Expenditure	10,166.94	3,555.09	
Depreciation	600.90	165.19	
Non cash expenses other than depreciation	74.08	13.76	87.84
Unallocable non cash expenses other then depreciation			34.14

13. Lease Commitments

Operating Lease

The Company has taken property on operating lease and has recognized rent of Rs.469.78 lakhs (previous year Rs. 303.81 lakhs). The total of future minimum lease payments under lease for the following periods:

Particulars	Year ended 31.03.2009 (Rs. /Lakhs)	Year ended 31.03.2008 (Rs. /Lakhs)
a) Not later than one year	199.05	117.13
b) Later than one year but not later than five years	890.66	628.20
c) Later than five years	1,058.46	405.41

14. Changes in Foreign Exchange Rates

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

In accordance with the said notification, the Company during the current year has capitalized Rs. 1,262.30 lakhs to the cost of fixed assets and transferred Rs. 105.58 lakhs to FCMITDA. The amount so capitalized is depreciated over remaining useful life of the fixed assets and the balance in the FCMITDA account is amortised over the period 1 April 2008 to 31 March 2011 which is shorter of the maturity period of the monetary items or 31 March 2011. The unamortized amount of Rs. 68.27 lakhs is carried forward in the financial statement for the year ended 31 March 2009 as a deferred cost.

Similarly, the Company during the year ended 31 March 2009 has also recognized a reversal of the exchange gain on such foreign currency monetary items aggregating to Rs. 13.19 lakhs which were credited to profit & loss account in the previous year ended March 31 2008 by debiting the opening balance of the general reserve by 13.19 lakhs and crediting the FCMITDA by Rs. 3.17 lakhs and crediting the cost of the opening balance of the fixed assets by Rs. 10.02 lakhs.

15. Earning Per Share

	Particulars	Year ended 31.03.2009	Year ended 31.03.2008
i.	Number of equity shares of Rs. 10 each fully paid up, at the year beginning and year end	1,48,00,020	1,48,00,020
ii.	Weighted average of the number of options granted under options	3,95,458	2,80,350
iii.	Adjustment for number of options granted at fair value	3,95,458	2,80,350
iv.	Net profit for the year - (Rs. /Lakhs)	1,445.10	1,431.73
v.	Basic earnings per share (Rupees)	9.76	9.67
vi.	Diluted earnings per share (Rupees)	9.76	9.67
vii.	Nominal value of equity share (Rupees)	10.00	10.00

16. Capacity, Production and Sales

	Particulars		Year ended 31.03.2009 (Tonnes)	Year ended 31.03.2008 (Tonnes)
(a)	Licensed capacity		Not Applicable	Not Applicable
(b)	Installed capacity	– Building Products	7,10,000	4,55,000
		– Steel Buildings	30,000	–
	(certified by the management, being a technical matter)			
(c)	Production	– Building Products *	5,14,545	4,08,164
		– Steel Buildings *	12,291	–
(d)	Sales	– Building Products **	5,08,836	4,18,667
		– Steel Buildings **	12,190	–

* Includes production of 1,879 tonnes (previous year 29,928 tonnes) during trial runs.

** Includes 10,007 tonnes (previous year 10,202 tonnes) on account of net breakages/ salvages and materials used for internal consumption/ capitalised, sale of 1,315 tonnes (previous year 20,043 tonnes) from goods produced during trial runs and 768 tonnes of steel scrap sold.

17. Inventories

Particulars	Year ended 31.03.2009 Quantity (Tonnes)	Year ended 31.03.2009 Amount (Rs./Lakhs)	Year ended 31.03.2008 Quantity (Tonnes)	Year ended 31.03.2008 Amount (Rs./Lakhs)
a. Closing stock				
a. Closing stock				
i. Own Products	17,410	1,280.45	21,607	1,477.09
ii. Resale materials		219.09		263.77
		1,499.54		1,740.86
iii. Work in process *		3,990.79		2,883.05
		5,490.33		4,623.91
b. Opening stock				
i. Own Products	21,607	1,477.09	21,908	1,242.02
ii. Resale materials		263.77		189.46
		1,740.86		1,431.48
iii. Work in process *		2,883.05		2,174.02
		4,623.91		3,605.50

* Includes Rs. Nil lakhs (previous year Rs.710.00 lakhs) on account of goods produced during trial runs.

18. Raw Materials Consumed

Particulars	Year ended 31.03.2009 Quantity (Tonnes)	Year ended 31.03.2009 Amount (Rs./Lakhs)	Year ended 31.03.2008 Quantity (Tonnes)	Year ended 31.03.2008 Amount (Rs./Lakhs)
Raw Fibre	35,555	9,636.11	30,367	6,937.19
Cement	2,07,679	7,764.30	1,69,060	5,727.21
Steel	12,678	6,568.64	–	–
Other materials		4,335.81		3,108.91
		28,304.86		15,773.31

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

Particulars	Year ended 31.03.2009 Rs. /Lakhs	Year ended 31.03.2009 %	Year ended 31.03.2008 Rs./Lakhs	Year ended 31.03.2008 %
a. Raw materials				
(i) Imported	12,310.01	43.49	7,565.89	47.97
(ii) Indigenous	15,994.85	56.51	8,207.42	52.03
	28,304.86	100.00	15,773.31	100.00
b. Stores, spare parts and consumables (including packing materials)				
(i) Imported	3.96	0.12	8.33	0.56
(ii) Indigenous	3,211.32	99.88	1,475.73	99.44
	3,215.28	100.00	1,484.06	100.00

20. Other Additional Information

Particualrs	Year ended 31.03.2009 Rs./Lakhs	Year ended 31.03.2008 Rs./Lakhs
a. Imports (CIF) value		
(i) Raw materials	13,010.13	7,460.27
(ii) Traded items	131.71	232.12
(iii) Capital goods (including capital work-in-progress)	995.41	199.58
(iv) Stores and spares	9.47	6.33
b. Expenditure in foreign currency (on cash basis)		
(i) Travelling expenses	53.88	31.58
(ii) Professional fee	4.61	3.68
(iii) Interest	127.48	–
(iv) Repayment of ECB	489.40	–
(v) Others	61.78	56.75
c. Earnings in foreign exchange		
FOB value of goods exported	3,561.05	1,551.20

21. Employee Stock Option Scheme

The Company has granted 1,44,850 options (previous year 1,48,000 options) during the year ended 31 March 2009. 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.

	ESOS 2006	ESOS 2007	ESOS 2008
Year in which scheme was Established	2006 - 07	2007 - 08	2008 - 09
Number of options granted	1,47,420	1,48,000	1,44,850
Exercise price	Rs. 90/-	Rs. 98/–	Rs. 52/–
Vesting date	After one year from the date of grant of option	After one year from the date of grant of option	After one year from the date of grant of option
Exercise period	During four years after vesting date	During four years after vesting date	During four years after vesting date

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

	Particulars	ESOS (2006)	ESOS (2007)	ESOS (2008)
i.	Opening balance	1,32,350	1,48,000	–
		1,47,420	*–*	*–*
ii.	Options granted during the year	–	–	144,850
		–	*1,48,000*	*–*
iii.	Exercised during the year	–	–	–
		–	*–*	*–*
iv.	Forfeited during the year	–	–	–
		–	*–*	*–*
v.	Expired during the year	(14,980)	(14,762)	–
		(15,070)	*–*	*–*
vi.	Options granted outstanding at the year end	1,17,370	1,33,238	1,44,850
		1,32,350	*1,48,000*	*–*
vii.	Options exercisable at the year end	1,17,370	1,33,238	–
		1,32,350	*1,48,000*	*–*
viii.	Weighted average	1,17,370	1,33,238	1,44,850
		1,32,350	*1,48,000*	*–*
ix.	Remaining contractual life (years) at the year end	3 Years	4 Years	5 years
		4 Years	*5 Years*	*–*

Previous year figures are in italics.

The Company has accounted the above options using the intrinsic value method. As noted by the Compensation Committee, the exercise price has been determined at the Rs. 52.00 and thus there is no stock compensation expenses under for the intrinsic value method for the options granted.

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the year ended 31 March 2009 would have been lower by Rs. 46.41 lakhs (previous year Rs. 42.81 lakhs) and the Basic and diluted EPS would have been revised to Rs. 9.45 and Rs. 9.45 (previous year Rs. 9.38 and Rs. 9.38) respectively. The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 5 years, an expected dividend rate of 25% (previous year 40%) on the underlying equity shares, volatility in the share price of 63.24% (previous year 54.83%) and a risk free rate of 6.15% (previous year 7.59%). 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.

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

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

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

New Delhi
04 May 2009

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956 Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 2093 State Code 11

Balance Sheet Date 31-03-09 (Date Month Year)

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

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

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

Total Liabilities: 4536730	Total Assets: 4536730

Sources of funds

Paid-Up Capital: 148000	Reserves & Surplus: 1365315
Secured Loans: 1497321	Unsecured Loans*: 245728

** Includes Stockists Deposits*

Deferred Tax Liability (Net): 180265

Application of funds

Net Fixed Assets: 2415245	Investments: 500
Net Current Assets: 1014057	Miscellaneous Expenditure: 6827

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

Turnover (Including other income): 5342441	Total Expenditure: 5141293
Profit/(Loss) Before Tax: 201148	Profit/(Loss) After Tax: 144510
Earning Per Share in Rs.: 9.76	Dividend Rate (%): 25%

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

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

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA Managing Director	MANISH SANGHI COO and Director
RAKESH K. GUPTA Sr. Vice President (Finance)	NEERAJ KOHLI Company Secretary and Head-Legal

New Delhi
04 May 2009

Statement Pursuant To Section 212 Of The Companies Act, 1956, Relating To Subsidiary Company

1.	Name of the Company		EVEREST BUILDING SOLUTIONS LIMITED
2.	Financial year of the subsidiary Company		31.03.2009
3.	(a) Number of equity shares held in the subsidiary Company by holding Company at the above date.	(Nos.)	50,000 of Rs. 10/- each
	% Holding (equity)		100%
	(b) Number of preference shares Held in the Company by holding Company by holding Company at the above date.	(Nos.)	Nil
	% Holding (preference)		
4.	The net aggregate of profits less losses of the subsidiary Company so far as it concerns the members of hold Company.		
	(i) Dealt with in the accounts of the holding Company amounted to:		
	(a) for the subsidiary's financial year ended on 31.03.2009	(Rs.)	Nil
	(b) for the previous financial years of the subsidiary since it became subsidiary	(Rs.)	Nil
	(ii) Not dealt with in the accounts of the holding Company amounted to:		
	(a) for the subsidiary's financial year ended 31.03.2009	(Rs./lacs)	Nil
	(b) for the previous financial years of the subsidiary since it became subsidiary	(Rs./lacs)	Nil

5. As the financial year of subsidiary Company coincides with the financial year of the holding Company, section 212(5) of the Companies Act, 1956, is not applicable.

Details of Subsidary Company Forming Part of Consolidated Financial Statement

NAME OF THE SUBSIDIARY : EVEREST BUILDING SOLUTIONS LIMITED

		As at 31.03.2009 (Rs./Lakhs)
a)	Capital	5.00
b)	Reserves	–
c)	Total Assets	5.00
d)	Total Liabilties	5.00
e)	Detail of Investments	–
f)	Turnover	–
g)	Profit Before Taxation	–
h)	Provision for Taxation	–
i)	Profit after Taxation	–
j)	Proposed Divdend	–

TO THE BOARD OF DIRECTORS OF EVEREST INDUSTRIES LIMITED

1. We have examined the attached Consolidated Balance Sheet of Everest Industries Limited ("the Company") and its subsidiary (collectively referred as 'Everest Group') as at 31 March 2009 and the consolidated Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We did not audit the financial statements of the Company's subsidiary, whose financial statements reflect total assets of Rs. (000s) 500 as at 31 March 2009 and total revenues of Rs. Nil for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the Company's subsidiary, is based solely on the report of the other auditors.

4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, specified in Companies (Accounting Standard) Rules, 2006.

5. Based on our audit and on consideration of report of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

    a. in case of the Consolidated Balance Sheet, of the consolidated state of affairs of Everest Group as at 31st March 2009;

    b. in case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Everest Group for the year ended on that date; and

    c. in the case of the Consolidated Cash Flow Statement, of the Consolidated Cash Flows of Everest Group for the year ended on that date.

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner
(Membership No. 87104)

New Delhi
04 May 2009

As at 31 March 2009

	Schedule Reference	Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
SOURCES OF FUNDS				
1. SHAREHOLDERS' FUNDS				
a. Share capital	1	1,480.00		1,480.00
b. Reserves and surplus	2	13,653.15		12,654.12
			15,133.15	14,134.12
2. LOAN FUNDS				
a. Secured loans	3	14,973.21		11,183.15
b. Unsecured loans	4	2,000.00		2,000.00
			16,973.21	13,183.15
3. STOCKISTS' DEPOSITS (UNSECURED)			457.28	339.06
4. DEFERRED TAX LIABILITY (Net) (see note 7)			1,802.65	1,323.36
			34,366.29	28,979.69
APPLICATION OF FUNDS				
1. FIXED ASSETS	5			
a. Gross block		33,356.67		19,891.07
b. Less: Depreciation		9,898.40		8,313.68
c. Net block		23,458.27		11,577.39
d. Capital work in progress (see note 10)		694.18		10,280.38
			24,152.45	21,857.77
2. INVESTMENTS	6		–	0.97
3. CURRENT ASSETS, LOANS AND ADVANCES				
a. Inventories	7	12,956.52		7,899.82
b. Sundry debtors	8	2,384.35		688.94
c. Cash and bank balances	9	2,262.41		3,157.55
d. Interest accrued but not due		2.59		19.06
e. Loans and advances	10	3,540.01		2,008.46
		21,145.88		13,773.83
4. LESS - CURRENT LIABILITIES AND PROVISIONS				
a. Current liabilities	11	9,982.69		5,631.48
b. Provisions	12	1,018.42		1,021.90
		11,001.11		6,653.38
5. NET CURRENT ASSETS			10,144.77	7,120.45
6. FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT	13		68.27	–
7. MISCELLANEOUS EXPENDITURE	14		0.80	0.50
			34,366.29	28,979.69
Notes forming part of the accounts	20			

The schedules referred to above are integral part of the accounts.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
04 May 2009

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

New Delhi
04 May 2009

Consolidated Profit and Loss Account

For the year ended 31 March 2009

	Schedule Reference	Rs./Lakhs	Year ended 31.03.2009 Rs./Lakhs	Year ended 31.03.2008 Rs./Lakhs
INCOME				
1. Sale of products	15	55,201.06		30,701.08
Less: Excise duty				
(including education cess) recovered		2,255.90		2,187.54
			52,945.16	28,513.54
2. Other income	16		479.25	1,424.54
			53,424.41	29,938.08
EXPENDITURE				
3. Manufacturing, operating and selling expenses	17	48,917.49		27,718.85
4. (Increase)/ decrease in inventory	18	(866.42)		(1,018.40)
5. Depreciation	5	1,713.80		964.46
6. Interest	19	1,648.06		469.95
			51,412.93	28,134.86
PROFIT BEFORE TAX			2,011.48	1,803.22
7. Provision for taxation				
a. Current tax		219.83		241.60
b. Deferred tax (see note 7)		479.29		67.37
c. Fringe benefit tax		85.47		62.52
d. Minimum alternative tax credit entitlement		(218.21)		–
			566.38	371.49
PROFIT AFTER TAX			1,445.10	1,431.73
8. Balance brought forward from previous year			5,376.83	4,787.71
9. Amount available for appropriation			6,821.93	6,219.44
APPROPRIATIONS				
10. General reserve		150.00		150.00
11. Proposed dividend		370.00		592.00
12. Tax on distributed profits		62.88		100.61
			582.88	842.61
BALANCE CARRIED TO RESERVE & SURPLUS			6,239.05	5,376.83
Earnings per equity share				
(Face value of Rs. 10 per share - see note 14)				
Basic and diluted earnings per share (Rupees)			9.76	9.67
Notes forming part of the accounts	20			

The schedules referred to above are integral part of the accounts.

As per our report of even date attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner
Membership No. 87104

New Delhi
04 May 2009

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

New Delhi
04 May 2009

Consolidated Cash Flow Statement

For the year ended 31 March 2009

	Year ended 31.03.2009 Rs./Lakhs	Year ended 31.03.2008 Rs./Lakhs
A. Cash flow from operating activities		
Net profit/ (loss) before tax	2,011.48	1,803.22
Adjustments for:		
Depreciation	1,713.80	964.46
(Profit)/ loss on sale of other fixed assets (net)	(140.13)	(842.25)
Interest income	(185.33)	(127.96)
Interest expense	1,648.06	469.95
Excess provisions made in previous years written back	(28.53)	(384.80)
Provision for leave encashment and gratuity	256.24	(132.73)
Operating profit before working capital changes	5,275.59	1,749.89
Adjustments for:		
Trade receivables	(1,695.42)	350.87
Inventories	(5,056.70)	(2,100.48)
Other receivables	(904.61)	(284.39)
Trade payables	4,569.88	2,050.17
Miscellaneous expenditure	(68.57)	(0.50)
Cash generated from operations	2,120.17	1,765.56
Transferred to foreign currency monetary item translation difference account	(3.17)	–
Direct taxes (paid)	(710.69)	(682.45)
Net cashflow from operating activities	1,406.31	1,083.11
B. Cash flow from investing activities-		
Purchase of fixed assets/ capital advances	(4,213.36)	(5,956.70)
Sale of fixed assets	267.48	963.96
Investment	0.97	–
Interest received	201.80	120.03
Net cash used in investing activities	(3,743.11)	(4,872.71)
C. Cash flow from financing activities-		
Interest paid	(1,658.15)	(428.61)
Proceeds from/ (repayment of) short term borrowings (net)	1,846.05	2,178.52
Proceeds from/ (repayment of) long term borrowings (net)	1,944.00	4,167.75
Dividend paid	(589.63)	(592.43)
Dividend tax paid	(100.61)	(100.61)
Net cash used in financing activities	1,441.66	5,224.62
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	(895.14)	1,435.02
– Opening balance	3,157.55	1,722.53
– Closing balance	2,262.41	3,157.55

Notes :

1. All figures in brackets are outflow.
2. Figures for the period 1 April 2007 to 31 March 2008 have been regrouped/restated whereever necessary to make them comparable.
3. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
4. Cash and cash equivalent is cash and bank balance as per balance sheet.

As per our report of even date attached.

For and on behalf of
EVEREST INDUSTRIES LIMITED

For DELOITTE HASKINS & SELLS
Chartered Accountants

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

JITENDRA AGARWAL
Partner
Membership No. 87104

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

New Delhi
04 May 2009

New Delhi
04 May 2009

SCHEDULE 1

SHARE CAPITAL

			Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
1.	Authorised				
	1,70,00,000	Equity shares of Rs. 10 each (previous year 1,70,00,000 equity shares of Rs. 10 each)		1,700.00	1,700.00
2.	Issued				
	1,48,00,020	Equity shares of Rs. 10 each (previous year 1,48,00,020 equity shares of Rs. 10 each)		1,480.00	1,480.00
3.	Subscribed and paid up				
	1,48,00,020	Equity shares of Rs. 10 each fully paid up (previous year 1,48,00,020 equity shares of Rs. 10 each fully paid up)		1,480.00	1,480.00

Of the above:

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

b. 1,33,50,020 (previous year - 1,33,50,020) equity shares are alloted as fully paid up by way of bonus shares by capitalisation of general reserve

c. 74,13,470 (previous year - 74,13,470) equity shares are held by M/s Everest Finvest (India) Private Limited, the holding company

SCHEDULE 2

RESERVES AND SURPLUS

		Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
1.	General reserve			
	Opening balance	7,277.29		7,184.09
	Add: Amount transferred from profit and loss account	150.00		150.00
	Add: Deferred tax adjustment due to retirement benefits transitional liability (see note 7)	–		29.24
		7,427.29		7,363.33
	Less: Retirement benefits transitional liability [see note 6(c)(i)]	–		86.04
	Less: Adjustment as per revised AS 11 [see note 13]			
	Exchange gain transferred to foreign currency monetary item translation difference account	3.17		–
	Exchange gain capitalised	10.02		–
			7,414.10	7,277.29
2.	Profit and loss account		6,239.05	5,376.83
			13,653.15	12,654.12

SCHEDULE 3

SECURED LOANS FROM BANKS

		As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
1.	Term loan (Secured/ to be secured by way of creation of a first pari passu charge on all fixed assets of the company excluding fixed assets situated at Podanur and Kolkata plants and second pari passu charge on all current assets of the company.)	1,968.75	2,843.75
2.	Corporate loan (Secured by a first pari passu charge by way of hypothecation of stocks, present and future, book debts and receivables and exclusive first charge over land and building at Podanur and second pari-passu charge on all fixed assets, land and building both present and future, except land and building situated at Podanur plant and Kolkatta plant).	2,000.00	–
3.	External commercial borrowing (Secured/ to be secured by a first pari passu charge to be created over all the immovable and movable fixed assets other than the immovable fixed assets situated at Podanur plant and second pari passu charge on all current assets of the company).	5,643.00	4,824.00
4.	Cash credit accounts [Secured by a first pari passu charge by way of hypothecation of stocks, present and future, book debts and receivables and second pari-passu charge on all fixed assets, land and buildings both present and future, except land and building situated at Podanur plant (on which State Bank of India has an exclusive charge) and at Kolkata plant].	5,361.46	3,515.40
		14,973.21	11,183.15

SCHEDULE 4	Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
UNSECURED LOANS			
Commercial paper [Maximum amount outstanding during the year - Rs. 4,000.00 lakhs (previous year - Rs. 2,000.00 lakhs)]		2,000.00	2,000.00

SCHEDULE 5

FIXED ASSETS Rs./Lakhs

Particulars	Gross block				Depreciation				Net block	
	As at 31.03.2008	Additions during the year	Deductions/ Adjustments	As at 31.03.2009	As at 31.03.2008	For the Year	Deductions/ Adjustments	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
TANGIBLE ASSETS										
LAND										
Land-Freehold	1,403.47	6.80	–	1,410.27	31.54	–	–	31.54	1,378.73	1,371.93
Land–Leasehold	73.71	–	73.71	–	44.22	–	44.22	–	–	29.49
BUILDING										
Building– On freehold land	3,645.11	3,203.04	22.41	6,825.74	1,290.83	317.39	4.80	1,603.42	5,222.32	2,354.28
Building– On leasehold land	137.83	2.53	29.14	111.22	109.98	2.65	15.45	97.18	14.04	27.85
Leasehold improvement	124.23	7.19	–	131.42	22.00	13.02	–	35.02	96.40	102.23
Railway siding	1.39	–	–	1.39	1.39	–	–	1.39	–	–
Roads	177.90	42.16	–	220.06	44.85	7.31	–	52.16	167.90	133.05
PLANT & MACHINERY	12,866.16	10,100.95	109.54	22,857.57	5,919.12	1,182.97	49.83	7,052.26	15,805.31	6,947.04
FURNITURE FIXTURE & OFFICE EQUIPMENT	1,043.77	215.16	2.78	1,256.15	649.86	96.17	2.06	743.97	512.18	393.91
VEHICLES	139.69	19.89	18.85	140.73	81.16	17.90	12.72	86.34	54.39	58.53
INTANGIBLE ASSETS										
Computer software	28.06	124.31	–	152.37	11.96	31.56	–	43.52	108.85	16.10
Technical knowhow	249.75	–	–	249.75	106.77	44.83	–	151.60	98.15	142.98
Total	19,891.07	13,722.03	256.43	33,356.67	8,313.68	1,713.80	129.08	9,898.40	23,458.27	11,577.39
Previous Year	17,835.59	2,260.66	205.18	19,891.07	7,432.68	964.46	83.46	8,313.68	11,577.39	10,402.91

Notes : 1. Cost of Land-Freehold as at 31 March 2009 includes Rs. 166.54 lakhs (previous year-Rs. 166.54 lakhs) representing Land -Freehold held for sale.This Freehold land costing Rs. 166.54 lakhs was revalued at Rs. 135.00 lakhs based on an independent valuation and accordingly Rs. 31.54 lakhs was provided for "Loss on impairment of fixed assets" in earlier years.

2. Cost of plant & machinery as at 31 March 2009 and depreciation thereon upto 31 March 2009 includes Rs. 122.57 lakhs (previous year Rs. 122.57 lakhs) and Rs. 122.57 lakhs (previous year Rs. 122.57 lakhs) respectively in respect of plant and machinery of Kymore works held for disposal.

3. Addition during the year of Rs.13,722.03 lakhs includes Rs.1,262.30 lakhs on account of reinstatement due to capitalisation of exchange fluctution on long term forex borrowing.

SCHEDULE 6	Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
INVESTMENTS - (AT COST)			
Other investments, long term, unquoted			
Government securities		–	0.97
		–	0.97

SCHEDULE 7

INVENTORIES			
1. Raw materials			
a. On hand	6,501.86		2,284.80
b. In transit	180.31		425.25
		6,682.17	2,710.05
2. Stores and spare parts			
a. Packing materials	8.12		6.73
b. Stores and spares	775.90		559.13
		784.02	565.86
3. Work-in-progress			
[Including trial run inventory Rs. Nil (previous year Rs. 710.00 lakhs)]		3,990.79	2,883.05
4. Finished goods			
a. Manufactured products	1,280.45		1,477.09
b. Traded products	219.09		263.77
		1,499.54	1,740.86
		12,956.52	7,899.82

	Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
SCHEDULE 8			
SUNDRY DEBTORS			
1. Debts exceeding six months (unsecured)			
– Considered good	–		71.18
– Considered doubtful	91.63		33.03
Less: Provision for doubtful debts	91.63		33.03
		–	71.18
2. Other debts			
– Secured considered good		1,218.82	–
– Unsecured considered good		1,165.53	617.76
		2,384.35	688.94
SCHEDULE 9			
CASH AND BANK BALANCES			
1. Cash on hand		4.84	21.57
2. Cheques on hand		522.61	238.99
3. Balances with scheduled banks			
– Current accounts		1,414.70	1,448.59
– Deposit accounts		320.26	1,448.40
[Includes Rs. 314.03 lakhs (previous year Rs. 242.68 lakhs) as margin for bank gurantees/ letters of credit]			
		2,262.41	3,157.55
SCHEDULE 10			
LOANS AND ADVANCES - (unsecured, considered good)			
1. Balances with excise, customs and port trust authorities		633.32	614.59
2. Advances recoverable in cash or kind or for value to be received		1,464.95	845.14
3. Advances to suppliers		771.48	502.07
4. Advance taxes [Net of provision for current tax and fringe benefit tax - Rs. 4,136.69 lakhs (previous year Rs. 4,139.83 lakhs)]		670.26	46.66
		3,540.01	2,008.46

	Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
SCHEDULE 11			
CURRENT LIABILITIES			
1. Sundry creditors			
a. For capital expenditure	17.88		85.39
b. Others	7,053.27		3,839.38
		7,071.15	3,924.77
2. Advances from customers		1,517.42	600.56
3. Retention monies		92.21	115.09
4. Unpaid dividend *		40.35	37.98
5. Interest accured but not due		31.24	41.33
6. Provision for MTM loss on derivative transactions		614.88	493.50
7. Other liabilities		615.44	418.25
		9,982.69	5,631.48

* Unpaid dividend does not include any amount outstanding as on 31 March 2009 required to be credited to the Investor Education and Proctection Fund.

	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
SCHEDULE 12		
PROVISIONS		
1 . Gratuity	241.78	106.14
2 . Leave encashment	343.76	223.15
3 . Proposed dividend	370.00	592.00
4. Provision for dividend distribution tax	62.88	100.61
	1,018.42	1,021.90
SCHEDULE 13		
FOREIGN CURRENCY MONETARY ITEM TRANSLATION DIFFERENCE ACCOUNT (To the extent not written off or adjusted)		
1. Opening balance	–	–
2. Add : Provision in relation to current year	105.58	–
3. Less: Transferred from general reserve on account of foreign exchange fluctuation gain of previous year	3.17	–
4. Less: Amortised during the year	34.14	–
	68.27	–

	Rs./Lakhs	As at 31.03.2009 Rs./Lakhs	As at 31.03.2008 Rs./Lakhs
SCHEDULE 14			
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
Preliminary expenses			
Opening balance	0.23		–
Add: Addition during the year	–		0.23
Less: Amortised during the Year	–		–
		0.23	0.23
Preoperative expenses			
Opening balance	0.27		–
Add: Addition during the year	0.30		0.27
Less: Amortised during the Year	–		–
		0.57	0.27
		0.80	0.50

SCHEDULE 15

SALE OF PRODUCTS

		Rs./Lakhs	Year Ended 31.03.2009 Rs./Lakhs	Year Ended 31.03.2008 Rs./Lakhs
a.	Sale of building products		45,695.73	31,304.20
b.	Sale of steel buildings		9,252.37	–
c.	Revenue from erection of buildings		623.38	–
d.	Others		383.54	774.82
			55,955.02	32,079.02
	Less: Realisation from sale of trial run production transferred to CWIP (see note 10)		753.96	1,377.94
			55,201.06	30,701.08

SCHEDULE 16

OTHER INCOME

a.	Sale of scrap		74.75	56.72
b.	Excess provisions made in earlier years written back		28.53	384.80
c.	Profit on sale of fixed assets (net)		140.13	842.25
d.	Interest from bank and others *		185.33	127.96
e.	Miscellaneous income		50.51	12.81
			479.25	1,424.54

* Income tax deducted at source Rs.3.60 lakhs (previous year Rs. 19.56 lakhs)

SCHEDULE 17

MANUFACTURING, OPERATING AND SELLING EXPENSES

1.	Purchase of traded goods		330.48	670.13
2.	Cost of erection of buildings		617.26	–
3.	Consumption of raw materials		28,304.86	15,773.31
4.	Payments to and provisions for employees			
	a. Salaries, wages and bonus	4,093.38		2,847.12
	b. Contributions to provident and other funds	518.62		269.54
	c. Workmen and staff welfare expenses	439.78		264.38
			5,051.78	3,381.04
5.	Operation and other expenses			
	a. Consumption of stores, spares and consumables	2,887.81		1,316.35
	b. Consumption of packing materials	327.47		167.72
	c. Power and fuel	2,045.48		1,699.21
	d. Work done by outside contractors	888.68		374.79
	e. Repair and maintenance			
	– Building	140.55		133.90
	– Machinery	646.23		540.50
	– Others	133.83		70.34
	f. Rent	488.30		322.53
	g. Rates and taxes	87.16		86.03
	h. Insurance	42.24		62.78
	i. Depot handling expenses	233.93		180.36
	j. Discount, rebates and allowances	14.71		64.69
	k. Commission on sales	266.93		172.24
	l. Travelling	656.94		483.22
	m. Advertisement and sales promotion expenses	829.43		462.53
	n. Bad debts written off	58.35		13.29
	o. Exchange loss (net) (see note 3)	455.68		350.18
	p. Other expenses	1,772.92		1,276.03
	q. Outward freight charges on finished goods	3,850.17		2,881.89
	r. Excise duties on stock transfer	75.63		111.00
			15,902.44	10,769.58
			50,206.82	30,594.06
	Less: Stores and spares capitalised		28.90	41.49
	Less: Pre operative expenses transferred to CWIP (see note 10)		1,260.43	2,833.72
			48,917.49	27,718.85

	Year Ended 31.03.2009 Rs./Lakhs	Year Ended 31.03.2008 Rs./Lakhs
SCHEDULE 18		
(INCREASE)/ DECREASE IN INVENTORY		
1. Closing stocks -		
i. Stock - in - trade	1,499.54	1,740.86
ii. Work in progress	3,990.79	2,883.05
	5,490.33	4,623.91
2. Opening stocks -		
i. Stock - in - trade	1,740.86	1,431.49
ii. Work in progress	2,883.05	2,174.02
	4,623.91	3,605.51
	(866.42)	(1,018.40)
SCHEDULE 19		
INTEREST		
1. Terms loans	603.00	498.30
2. Others	1,162.85	401.25
	1,765.85	899.55
Less : Pre operative expenses transferred to CWIP (see note 10)	117.79	429.60
	1,648.06	469.95

SCHEDULE – 20

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

1. Significant Accounting Policies

(i) Accounting Convention

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

(ii) Principles of Consolidation

The consolidated financial statements relate to Everest Industries Limited (the Company) and its 100% Indian subsidiary M/s Everest Building Solutions Limited which was incorporated on 16 June 2007.The consolidated financial statements have been prepared on the following basis:

- the financial statements of the Company and its subsidiary have been consolidated on a line by line basis by adding together the book values of like items of assets and liabilities after fully eliminating intra group balances.
- the consolidated financial statements have been prepared using uniform accounting policies for like transactions.

(iii) Use of Estimates

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

(iv) Fixed Assets and Depreciation

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

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

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

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

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

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

(v) Revenue Recognition

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

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

(vi) Investments

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

(vii) Inventories

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

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

(viii) Research and Development Costs

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

(ix) Employee Benefits (See also Note 6)

a. Short-term employee benefits

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

b. Post-employment benefit plans

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

The Company's superannuation scheme and the employee's provident fund scheme are defined contribution schemes. The Company's contribution paid/ payable under the schemes are recognised as expenses in the profit and loss account during the period in which the employee renders the related service.

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

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

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

(x) Borrowing Costs

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

(xi) Foreign Exchange Transactions

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

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

The Company has opted for accounting the exchange rate differences arising on reporting of Long term foreign currency monetary items in line with the Companies (Accounting Standard) Amendments Rules, 2009 on Accounting Standard 11. (See also Note 13)

(xii) Taxation (See also Note 7)

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

(xiii) Earnings Per Share (See also Note 14)

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, Earnings Per Share issued by the Institute of Chartered Accountants of India (ICAI). Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

(xiv) Impairment of Assets

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

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

(xv) Contingencies/ Provisions

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

(xvi) Employee Stock Option Scheme (See also Note 15)

Stock options granted to the employees under the stock options schemes are accounted as per the accounting treatment prescribed by the Employee Stock Option and Employees Stock Purchase Scheme Guidelines 1999 issued by Securities and Exchange Board of India. Accordingly, the excess of average market value of the shares over the preceding 2 weeks of the date of grant of options over the exercise price of the options is recognised as deferred employee compensation and is charged to the profit and loss account on straight line wise basis over the vesting year of the options.

(xvii) Leases (See also Note 12)

Operating Lease

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

Finance Lease

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

2. Contingent Liabilities

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

	Particulars	As at 31.03.2009 (Rs. /Lakhs)	As at 31.03.2008 (Rs. /Lakhs)
i.	Sales tax matters	3,758.67	3,488.19
ii.	Customs and excise matters	2,468.34	2,467.23
iii.	Income tax matters	1,026.63	507.83
iv.	Claims against the Company not acknowledged as debts	–	109.45

b) Guarantees issued by bank have been secured by a first pari-passu charge on the entire current assets, present and future, including receivables of the Company and second pari-passu charge on all fixed assets, land and buildings present and future, except land and building situated at Podanur (on which State Bank of India has exclusive charge) and at Kolkata, to the extent of Rs. 1,558.98 lakhs (previous year Rs. 490.82 lakhs).

c) Estimated amount of contracts to be executed on capital account - Rs. 119.08 lakhs (net of advances - Rs. 31.90 lakhs), [previous year - Rs. 1,257.08 lakhs (net of advances Rs. 257.23 lakhs)].

3. Based on the Institute of Chartered Accountants of India's announcement on 29 March 2008 dealing with the accounting for derivatives and keeping in view the application of "prudence" as enunciated in AS-1 the Company has recognised losses on derivative transactions for the year ended 31 March 2009. Loss on foreign exchange comprises following:

	Particulars	Year ended 31.03.2009 (Rs. /Lakhs)	Year Ended 31.03.2008 (Rs. /Lakhs)
i.	Loss from derivatives	121.37	493.50
ii.	Foreign exchange loss/ (gain)	334.31	(143.32)
iii.	Net loss on forex	455.68	350.18

4. Construction Contracts

a. Sales of products - others include Rs. 101.56 lakhs (previous year Rs. 321.39 lakhs) recognized as contract revenue for the year ended 31 March 2009.

b. As required by Accounting Standard-7 (Revised) on 'Construction Contracts', the break-up of the contracts in progress at the reporting dates are as under:

Particulars	Year ended 31.03.2009 (Rs. /Lakhs)	Year ended 31.03.2008 (Rs. /Lakhs)
Revenue Recognized	101.56	225.75
Cost Incurred	90.94	184.82
Advance Received	–	153.22

5. Foreign Exchange Disclosure

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

Particulars	Amount in Indian Rupees		Currency	Amount in Foreign Currency	
	As at 31.3.2009	As at 31.3.2008		As at 31.3.2009	As at 31.3.2008
Receivables	4,32,41,445	3,02,14,706	USD	8,42,913	7,64,542
Payables	20,07,17,799	8,27,51,841	USD	39,12,628	19,96,480
			EURO	Nil	36,000
ECB Loan	56,43,00,000	48,24,00,000	USD	1,10,00,000	1,20,00,000

6. Disclosure of Retirement Benefits under AS 15-Employee Benefits

a. Defined contribution plan

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

The Company's contributions of Rs. 205.95 lakhs (previous year Rs. 140.92 lakhs) towards provident fund and Rs. 106.68 lakhs (previous year Rs. 69.48 lakhs) towards superannuation fund are charged to Profit & Loss account. The contributions payable to the plan by the Company are at a rate specified in rules to the schemes.

b. Defined Benefit plan Act

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 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of service.

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

c. The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March 2009:

(i) Movement in net liability

Particulars		As at 31.03.2009 (Rs./Lakhs)	As at 31.03.2008 (Rs./Lakhs)
Present value of obligations as on 01.04.2008	(A)	744.64	563.29
Adjustment for increase in opening provision for retirement benefits *	(B)	–	–
Liabilities assumed on transfer of employees from holding Company	(C)	–	–
Interest Cost	(D)	59.58	55.15
Current service cost	(E)	78.31	51.27
Benefits paid	(F)	(18.09)	(11.90)
Actuarial (gain)/loss on obligations	(G)	71.99	86.83
Present value of obligations as on 31.03.2009 (H=A+B+C+D+E+F+G)	(H)	936.43	744.64

*During the previous year ended 31 March 2008, in compliance with the revised Accounting Standard relating to "Employee Benefits" (AS- 15), issued by the Institute of Chartered Accountants of India, the Company had recomputed the liability for retirement benefits as of 31 March 2007. The difference between the liability as recomputed and as per the old Accounting Standard - 15 as of 31 March 2007 amounting to Rs. 86.04 lakhs had been adjusted against the opening balance of general reserve.

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

Particulars		As at 31.03.2009 (Rs./Lakhs)	As at 31.03.2008 (Rs./Lakhs)
Present value of funded defined benefit obligations as on 31.03.09	(A)	936.43	744.64
Present value of unfunded obligation	(B)	–	–
Estimated fair value of plan assets	(C)	694.65	638.50
Net liability/ (asset) (D=A+B-C)	(D)	241.78	106.14
Amounts in the Balance Sheet			
a. Liabilities		241.78	106.14
b. Assets		–	–
c. Net liability/ (asset)		241.78	106.14
Amount charged to profit & loss acount			
Service cost	(E)	78.31	51.27
Interest cost	(F)	59.58	55.15
Expected return on plan assets	(G)	56.15	45.76
Net Actuarial (gain)/ loss	(H)	71.99	(23.94)*
Expense Recognised in Profit & Loss account (I=E+F-G+H)	(I)	153.73	36.72

*During the previous year ended 31 March 2008, actuarial gain was net of actuarial loss of Rs. 86.04 lakhs which had been adjusted against the opening balance of general reserve, in compliance with revised AS-15 relating to employee benefits, see foot note to para 6 (c) (i) above.

(iii) Principal actuarial assumptions

Assumptions	Year ended 31.03.2009 Rate (%)	Year ended 31.03.2008 Rate (%)
Discount rate	8.00%	8.00%
Rate of return on plan assets	8.00%	8.00%
Salary escalation	8.00%	8.00%

(iv) Fair value of plan assets

Particulars	As at 31.03.2009 (Rs./Lakhs)	As at 31.03.2008 (Rs./Lakhs)
Fair value of plan assets at the beginning of the year	638.50	381.61
Expected return on plan assets	56.15	45.76
Contributions	–	198.30
Benefits paid	–	(11.90)
Actuarial gain/ (loss) on plan assets	–	0.93
Fair value of plan assets at the end of the year	694.65	638.50

(v) Actual return on plan assets

Particulars	As at 31.03.2009 (Rs./Lakhs)	As at 31.03.2008 (Rs./Lakhs)
Expected return on plan assets	56.15	45.76
Actuarial gain/ (loss) on plan assets	–	0.93
Actual return on plan assets	56.15	46.69

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

Government of India Securities	70.23%
Debt Instruments	22.03%
Equity and Preference Shares	5.66%
Other Deposits	2.08%
	100.00%

The planned assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at 31 March 2009 has not been provided by Life Insurance Corporation of India.

7. Deferred Taxation

Particulars	As at 31.03.2009 (Rs. /Lakhs)	Charged/ (Credited) to P&L (Rs. /Lakhs)	As at 31.03.2008 (Rs. /Lakhs)
a. Deferred tax assets			
Tax impact of:			
i. Expenditure covered by section 43B of Income-tax Act, 1961	227.31	(111.31)	116.00
ii. Excess of voluntary retirement expenses (VRS) provided in accounts over expenses allowed in Income-tax	1.35	4.49	5.84
iii. Unabsorbed carried forward business loss	803.79	(803.79)	–
Total deferred tax assets	1,032.45	(910.61)	121.84
b. Deferred tax liabilities			
Tax impact of:			
i. Excess of depreciation allowable under Income-tax law over depreciation provided in accounts.	2,811.90	1,337.46	1,474.44
ii. Foreign exchange monetary translation reserve.	23.20	23.20	–
Total deferred tax liability	2,835.10	1,360.66	1,474.44
Net Deferred tax liability before reinstatement	1,802.65	450.05	1,352.60
Deferred tax liability reversed against the opening liability on reinstatement on gratuity in compliance with revised AS 15 (Employee Benefit)	–	(29.24)	29.24
Net Deferred tax liability	1,802.65	479.29	1,323.36

8. Managerial remuneration

a. Remuneration paid to Directors:

Particulars	Year ended 31.03.2009 (Rs. /Lakhs)	Year ended 31.03.2008 (Rs. /Lakhs)
Whole time directors		
1. Salaries and perquisites	120.57	93.18
2. Contributions to provident and superannuation fund	14.42	11.18
3. Performance incentive to whole time directors	62.00	78.00
	196.99	182.36
Non-executive directors		
4. Commission/ performance incentive to non executive directors	7.50	9.50
5. Sitting fees	5.60	4.40

Note: Contribution to group gratuity scheme has not been considered, as person- wise details are not available.

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

Particulars	Year ended 31.03.2009 (Rs. /Lakhs)	Year ended 31.03.2008 (Rs. /Lakhs)
Profit before tax as per Profit and Loss account	2,011.48	1,803.22
Add: Managerial remuneration	204.49	191.86
	2,215.97	1,995.08
Less: Profit on sale of fixed assets	140.13	842.25
Net profit for the year	2,075.84	1,152.83
Maximum remuneration payable to whole time directors under section 309 of the Companies Act, 1956 @ 10% of net profit	207.58	115.28
Actual remuneration paid to whole time directors	196.99	182.36
Maximum commission payable to non-executive directors under section 309 of the Companies Act, 1956 @ 1% of net profit	20.76	11.52
Actual commission/ performance incentive paid to non-executive directors	7.50	9.50

Note: The provision for payment of managerial remuneration for the year ended 31 March, 2008 as recommended by the Board of Directors exceeded the limits prescribed under section 198/309 read with schedule XIII of the Companies Act, 1956 and is subjected to the approval of Central Government. The Company has applied to the Central Government for waiver of excess remuneration paid to the directors. However, permission is still awaited.

9. Related Party Disclosures

a. List of related parties

i. Holding Company

- M/s Everest Finvest (India) Private Limited

ii. Key Management Personnel

- Mr. M. L. Gupta, Managing Director
- Mr. Manish Sanghi, COO and Director
- Mr. Y. Srinivasa Rao, Executive Director

b. Transactions with related parties during the year:

S. No.	Particulars	Year ended 31.03.2009 (Rs. /Lakhs)	Year ended 31.03.2008 (Rs. /Lakhs)
i	Dividend paid to holding company		
	M/s Everest Finvest (India) Private Limited	296.54	296.54
ii	Remuneration to key management personnel		
	a. Mr. M. L. Gupta	76.92	75.36
	b. Mr. Manish Sanghi	66.78	62.29
	c. Mr. Y. Srinivasa Rao	53.29	44.71

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

S.No.	Particulars	As at 31.03.2009 (Rs. /Lakhs)	As at 31.03.2008 (Rs. /Lakhs)
i	Share capital from holding company		
	M/s Everest Finvest (India) Private Limited	741.35	741.35
ii	Performance incentive due to key management personnel		
	a. Mr. M. L. Gupta	24.00	30.00*
	b. Mr. Manish Sanghi	21.00	26.00*
	c. Mr. Y. Srinivasa Rao	17.00	22.00*

* Amount payable to key managerial personnel on account of performance incentive for the year ended 31 March, 2008 are subject to the approval of the Central Government

10. Capital Work in Progress and Preoperative Expenditure

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

a. Capital work in progress

	Particulars	As at 31.03.2009 (Rs. /Lakhs)	As at 31.03.2008 (Rs. /Lakhs)
i.	Project assets	634.65	7,241.48
ii.	Capital advances	20.23	727.85
iii.	Unallocated project preoperative expenditure (see b below)	39.30	2,311.05
		694.18	10,280.38

b. Preoperative expenditure

Particulars	As at 31.03.2008 (Rs. /Lakhs)	01.04.2008 to 31.03.2009 (Rs. /Lakhs)	As at 31.03.2009 (Rs. /Lakhs)
Consumption of raw material	1,720.36	1,060.06	2,780.42
Consumption of stores, spares and consumables	210.51	273.59	484.10
Salaries, wages and bonus	412.74	119.46	532.20
Contribution to provident & other funds	19.67	11.54	31.21
Workmen and staff welfare expenses	28.15	48.76	76.91
Rent	28.67	18.52	47.19
Repair & maintenance - Others	103.19	10.16	113.35
Travelling	152.63	37.03	189.66
Power and fuel	386.68	10.43	397.11
Rate and taxes	2.62	0.84	3.46
Freight	155.45	42.50	197.95
Advertisement and sales promotion expenses	5.82	5.51	11.33
Excise duty	124.00	–	124.00
Insurance	53.81	1.53	55.34
Others	399.21	75.53	474.74
Less: Charged to closing inventory resulting from trial production on account of loading of overhead	(710.00)	(455.02)	(1,165.02)
	3,093.51	1,260.44	4,353.95
Interest	607.27	117.79	725.06
Less : Stores and spares capitalised to fixed assets during the year	(11.79)	–	(11.79)
Less : CWIP capitalised to fixed assets during the year			(2,896.01)
Less : Realisation from sale of trial run production	(1,377.94)	(753.96)	(2,131.91)
Unallocated preoperative expenditure	2,311.05	624.27	39.30

11. Segment Information

Consequent to commencement of Steel Buildings business during the current year Accounting Standard-17 "Segment Reporting" has become applicable.

a. Business Segments:

The Company's business segments include 'Building products' and 'Steel buildings'.

Building products include roofing, ceiling, wall, floor solutions etc.

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

b. Geographical segments:

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

c. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 1 above, the accounting policies in relation to segment accounting are as under:

i) Segment revenue and expenses:

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

ii) Segment assets and liabilities:

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

Information about business segments:

	Particulars	Building products (Rs. /Lakhs)	Steel buildings (Rs. /Lakhs)	Total (Rs./Lakhs)
1.	Segment Revenue			
	External Sales (Net of Excise Duty)	43,823.37	9,121.79	52,945.16
2.	Segment Results	5,868.31	193.65	6,061.96
	Unallocated expenses (net of income)			2,402.42
	Operating Profit			3,659.54
	Interest Expense			1,648.06
	Profit before tax			2,011.48
	Provision for taxation			566.38
	Net Profit			1,445.10
3.	Other Information			
A.	Assets			
	Segment assets	35,315.01	7,781.62	43,096.63
	Unallocated assets			2,270.67
	Total Assets	35,315.01	7,781.62	45,367.30
B.	Liabilities			
	Segment Liabilities	6,875.70	2,792.04	9,667.74
	Share capital and reserves			15,133.15
	Secured and unsecured loans			16,973.21
	Unallocated liabilities			3,593.20
	Total Liabilities	6,875.70	2,792.04	45,367.30
C.	Others			
	Capital Expenditure	10,166.94	3,555.09	
	Depreciation	600.90	165.19	
	Non cash expenses other than depreciation	74.08	13.76	87.84
	Unallocable non cash expenses other than depreciation			34.14

12. Lease Commitments

Operating Lease

The Company has taken property on operating lease and has recognized rent of Rs. 469.78 lakhs (previous year Rs. 303.81 lakhs). The total of future minimum lease payments under lease for the following periods:

	Particulars	Year ended 31.03.2009 (Rs. /Lakhs)	Year ended 31.03.2008 (Rs. /Lakhs)
a)	Not later than one year	199.05	117.13
b)	Later than one year but not later than five years	890.66	628.20
c)	Later than five years	1,058.46	405.41

13. Changes in Foreign Exchange Rates

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

In accordance with the said notification, the Company during the current year has capitalized Rs. 1,262.30 lakhs to the cost of fixed assets and transferred Rs. 105.58 lakhs to FCMITDA. The amount so capitalized is depreciated over remaining useful life of the fixed assets and the balance in the FCMITDA account is amortised over the period 1 April 2008 to 31 March 2011 which is shorter of the maturity period of the monetary items or 31 March 2011. The unamortized amount of Rs. 68.27 lakhs is carried forward in the financial statement for the year ended 31 March 2009 as a deferred cost.

Similarly, the Company during the year ended 31 March 2009 has also recognized a reversal of the exchange gain on such foreign currency monetary items aggregating to Rs. 13.19 lakhs which were credited to profit & loss account in the previous year ended 31 March 2008 by debiting the opening balance of the general reserve by 13.19 lakhs and crediting the FCMITDA by Rs. 3.17 lakhs and crediting the cost of the opening balance of the fixed assets by Rs. 10.02 lakhs.

14. Earnings Per Share

	Particulars	Year ended 31.03.2009	Year ended 31.03.2008
i.	Number of equity shares of Rs. 10 each fully paid up, at the year beginning and year end	1,48,00,020	1,48,00,020
ii.	Weighted average of the number of options granted under options	3,95,458	2,80,350
iii.	Adjustment for number of options granted at fair value	3,95,458	2,80,350
iv.	Net profit for the year - (Rs. /Lakhs)	1,445.10	1,431.73
v.	Basic earnings per share (Rupees)	9.76	9.67
vi.	Diluted earnings per share (Rupees)	9.76	9.67
vii.	Nominal value of equity share (Rupees)	10.00	10.00

15. Employee Stock Option Scheme

The Company has granted 1,44,850 options (previous year 1,48,000 options) during the year ended 31 March 2009. 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.

	ESOS (2006)	ESOS (2007)	ESOS (2008)
Year in which scheme was established	2006 - 07	2007 - 08	2008 - 09
Number of options granted	1,47,420	1,48,000	1,44,850
Exercise price	Rs. 90/-	Rs. 98/-	Rs. 52/-
Vesting date	After one year from the date of grant of option	After one year from the date of grant of option	After one year from the date of grant of option
Exercise period	During four years after vesting date	During four years after vesting date	During four years after vesting date

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

	Particulars	ESOS (2006)	ESOS (2007)	ESOS (2008)
i.	Opening balance	1,32,350	1,48,000	–
		1,47,420	–	–
ii.	Options granted during the year	–	–	144,850
		–	*1,48,000*	–
iii.	Exercised during the year	–	–	–
		–	–	–
iv.	Forfeited during the year	–	–	–
		–	–	–
v.	Expired during the year	(14,980)	(14,762)	–
		(15,070)	–	–
vi.	Options granted outstanding at the year end	1,17,370	1,33,238	1,44,850
		1,32,350	*1,48,000*	-
vii.	Options exercisable at the year end	1,17,370	1,33,238	–
		1,32,350	*1,48,000*	–
viii.	Weighted average	1,17,370	1,33,238	1,44,850
		1,32,350	*1,48,000*	–
ix.	Remaining contractual life (years) at the year end	3 Years	4 Years	5 years
		4 Years	*5 Years*	–

Previous year figures are in italics

The Company has accounted the above options using the intrinsic value method. As noted by the Compensation Committee, the exercise price has been determined at the Rs. 52.00 and thus there is no stock compensation expenses under for the intrinsic value method for the options granted.

The guidance note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic & diluted, had the Company adopted the fair value method. Had the Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the year ended 31 March 2009 would have been lower by Rs. 46.41 lakhs (previous year Rs. 42.81 lakhs) and the Basic and diluted EPS would have been revised to Rs. 9.45 and Rs. 9.45 (previous year Rs. 9.38 and Rs. 9.38) respectively. The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 5 years, an expected dividend rate of 25% (previous year 40%) on the underlying equity shares, volatility in the share price of 63.24% (previous year 54.83%) and a risk free rate of 6.15% (previous year 7.59%). 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.

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

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

New Delhi
04 May 2009

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 2093 State Code 11

Balance Sheet Date 31-03-09 (Date Month Year)

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

Public Issue NIL

Rights Issue NIL

Bonus Issue NIL

Private Placement NIL

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

Total Liabilities 4536740

Total Assets 4536740

Sources of funds

Paid-Up Capital 148000

Reserves & Surplus 1365315

Secured Loans 1497321

Unsecured Loans * 245728

** Including Stockists' Deposits*

Deferred Tax Liability (Net) 180265

Application of funds

Net Fixed Assets 2415245

Investments NIL

Net Current Assets 1014477

Miscellaneous Expenditure 6907

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

Turnover (Including other income) 5342441

Total Expenditure 5141293

Profit/(Loss) Before Tax 201148

Profit/(Loss) After Tax 144510

Earning Per Share in Rs. 9.76

Dividend Rate (%) 25%

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

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

For and on behalf of
EVEREST INDUSTRIES LIMITED

M.L. GUPTA
Managing Director

MANISH SANGHI
COO and Director

RAKESH K. GUPTA
Sr. Vice President (Finance)

NEERAJ KOHLI
Company Secretary and Head-Legal

New Delhi
04 May 2009

EVEREST

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

From :

Date:

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

Dear Sirs,

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

Folio No.

Name of First Holder

Bank Name

Branch Name

Bank & Branch Code

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

Account Type		Savings		Current		Cash Credit	

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

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

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

Signature of the first holder

Everest Industries Limited
Head Office: Genesis A-32 Mohan Co-operative Industrial Estate Mathura Road
New Delhi 110 044 India Tel.: +91-11-41731951/52/53 Fax: +91-11-46566370
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