Transcript

93rd Annual General Meeting of Everest Industries Limited
August 3, 2026 at 3:30 p.m. (IST) through VC

- **Ms. Amruta Avasare - Company Secretary, Everest Industries Limited:**

- Good afternoon to all Shareholders and Directors. I am Amruta Avasare, Company Secretary, joining this Annual General Meeting from head office at Mumbai. I welcome you all to the 93rd Annual General Meeting of the company.

- As per Article 59 of the Articles of Association of company, Chairman of the board will preside this 93rd AGM.

- I now request Mr. Anant Talaulicar, Chairman, to please proceed and chair the meeting. Thank you. Over to you, Chairman.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Thank you, Amruta. Good afternoon, everyone. As the requisite quorum is present, I call this meeting to order. My warm welcome to all members to this 93rd Annual General Meeting of Everest Industries Limited. I am attending this meeting from the Everest headquarters in Mumbai. At the outset, I would like to thank every one of you for your continued trust, extended patience, and support to the company and its management team.

- We are holding this AGM by video conferencing this year as well, in compliance with Companies Act, 2013, listing regulations and circulars issued by the Ministry of Corporate Affairs and SEBI. While I agree that video conferencing does compromise the pleasure of meeting all of you in person, it does provide an opportunity to far more shareholders to participate in this AGM.

- The Company has taken the requisite steps to enable members to participate and vote on the items being considered at this AGM. Members may note that this AGM is being held through a video conferencing platform provided by NSDL. The facility for joining this meeting through video conferencing has been made available for members on a first-come, first-serve basis. The statutory registers and other documents referred to in the notice of this AGM have been made available electronically for inspection for the members during the AGM.

- All the members joining this meeting are by default placed on mute mode to avoid any background noise and to ensure smooth and seamless conduct of this meeting. Members are requested to refer to the instructions provided in the notice for seamless participation through video conferencing. During the meeting, if the members face any technical issues, please call the NSDL helpline which has been mentioned in the notice of this AGM.

- Before we start the main proceedings of the meeting, I will now call on each Director by name to introduce themselves along with their designation, role on any Committee, and their current location.

- Ms. Padmini Sekhsaria.

- **Ms. Padmini Sekhsaria - Vice Chairperson & Non-Executive Director, Everest Industries Limited:**

- Good afternoon, everyone. I am Padmini Sekhsaria, Vice Chairperson and Non-Executive Director of Everest Industries. I am attending this meeting from Hua Hin. Thank you.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Mr. Rajendra Chitale, please. You are on mute, Rajendra.

- **Mr. Rajendra Chitale - Independent Director, Everest Industries Limited:**

- Good afternoon, everyone. I am Rajendra Chitale. I am an Independent Director on the Board of Everest and the Chairman of the Audit Committee. I am attending this meeting from Mumbai.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Thank you.

- Mr. Alok Nanda.

- **Mr. Alok Nanda - Independent Director, Everest Industries Limited:**

- Good afternoon. I am Alok Nanda, Independent Director at Everest Industries Limited and Chairman of the Stakeholders Relationship Committee. I am attending this meeting from my residence in Mumbai.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Thank you.

- Mr. Ashok Kumar Barat.

- **Mr. Ashok Kumar Barat - Independent Director, Everest Industries Limited:**

- Good afternoon, shareholders. I am Ashok Kumar Barat, Independent Director and Chairman of the NRC of Everest. I am joining this meeting from Kolkata.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Thank you, Ashok.

- Ms. Bijal Ajinkya.

- **Ms. Bijal Ajinkya - Independent Director, Everest Industries Limited:**

- Good afternoon, everyone, Respected shareholders and Directors. I am Bijal Ajinkya, joining from my office in Mumbai, and I am an Independent Director on the Board. Thank you.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Thank you.

- Mr. Hemant Khurana.

- **Mr. Hemant Khurana – MD & CEO, Everest Industries Limited:**

- Good afternoon, shareholders and everyone. This is Hemant Khurana. I am the Managing Director and CEO of the company. I am joining this meeting through video conferencing from my Mumbai office.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Thank you. Now I request the CFO of the company to introduce himself and declare his current location.

- **Mr. Rajesh Gagrani - CFO, Everest Industries Limited:**

- Yeah, good afternoon, shareholders and everyone. I am Rajesh Gagrani, CFO of the company. I am attending this meeting from Mumbai location.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Thank you, Rajesh.

- **Mr. Rajesh Gagrani - CFO, Everest Industries Limited:**

- Thank you.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Apart from the Directors, Mr. Vinayak Pujare, partner of SRBC & Company LLP, Statutory Auditors, and Ms. Jigyasa Ved, partner of Parikh & Associates, Scrutinizer and Secretarial Auditors, are attending this meeting through video conferencing. As you are aware, SRBC has concluded a great 10-year partnership with us. They have clearly made Everest stronger, and I would like to express my gratitude to Vinayak and team for their important contribution. Thank you, Vinayak.

- Now, I would like to update the shareholders about the health of the Company. At the outset, dear shareholders, I personally want to fully acknowledge that I and the management team have let you shareholders down now for two fiscal years. This pains me deeply personally, as it has dented an impeccable track record at Cummins for over 30 years.

- I am fully committed to turning Everest around dramatically. And I want to assure you that behind the scenes, we have already taken very significant actions to turn the Company's situation around. The turnaround has been manifest in numbers from October 2025 onwards, which is the second half of fiscal year '26.

- So, while on the surface, the Company's annual P&L looks very concerning, it is in part because we decided to take a very conservative approach of provisioning for doubtful debts, recognizing potential inventory obsolescence, and acknowledging the accruals needed for changes in the labour codes.

- These were extraordinary and one-time factors, but underlying these, the operational and therefore financial performance of the Company has dramatically improved in the second half of fiscal year '26 as compared to the first half. The Company's variable margin improved by 3.6 points in the second half as compared to the first half.

- The Company's gross margin improved by 1.7 points in the second half as compared to the first. The Company's sales and general administrative expenses were reduced by almost 10 crores in the second half as compared to the first half. Most importantly, while the company's free cash flow after capex was 29 crores in the first half, we improved it to 127 crores in the second half, not counting any one-time non-operational factors, purely operational free cash flow in the second half of fiscal year ‘26 was 127 crores. I also want to assure you that this is not just a short-term phenomenon. It is based on very strategically identifying seven must-win battles, comprising of quality as the first priority, followed by service, then price, value-added sales, cost, productivity, and finally volume. These must-win battles are being supported by nine standardized and consistent ways of working or WOWs as we are calling it internally for improving our operational excellence and continuous improvement.

- The WOWs include care for safety, health, environment, Six Sigma, vector flow, sales efficiency and effectiveness, preventive maintenance, customer insights and loyalty, partnerships and alliances, digitization, and employee engaged CSR work. I believe that fundamentally, any company's success rests on the strength of three pillars. First, its leadership team, that is the most important, the people pillar. Second, processes, and third, systems, information systems for automation.

- Everest has substantially strengthened a new leadership team in place now. It has embraced Six Sigma and vector's theory of constraints based supply chain management processes. It has invested in world-class systems such as SAP HANA for its ERP, Darwinbox for its HRMS, Zoho for its CRM, and it is rapidly building digital apps to enhance both employee productivity as well as customer engagement.

- In other words, all three pillars are stronger than they have ever been. The Q1 fiscal year ‘27 numbers that you are now exposed to prove what I am saying in a very data-based way. Dear shareholders, in Q1 fiscal year ‘27, the variable margin has increased by 7 points, as compared to fiscal year ‘26. The gross margin has improved by 10 points in Q1 versus fiscal year ‘26. SGA, sales general administrative expenses, which was at 9% of revenue as compared to 13% last year.

- This is a 4-point improvement. The PBIT was 34 crores in the quarter. You would have to look back at almost 27 quarters to come up with a number anywhere close to this one. And in fact, 34 crores in the first quarter compares to minus 76 crores in fiscal year ‘26. The DSO, which is a reflection of our receivables, was 25 days in Q1 as compared to 36 days in fiscal year ‘26. This factor is largely related to our ESBS or PB business, where receivables tend to sometimes get extended, but you can see we've brought it down substantially.

- The days in hand, which is the inventory, was 91 days as compared to 140 days in fiscal year '26. The free cash flow in Q1 was very strong at 117 crores and dear shareholders, this 117 crores is purely operational, does not include the approximately 100 crores cash inflow which we achieved by selling the excess land in Podanur. This 117 crores in the quarter compares to 99 crores in the entire fiscal year '26.

- The Q1 ROCE, which I know you are very concerned about, was 18.5%, which is a very, very respectable number, I hope you agree. I also want to clearly point out that every one of our three businesses has improved its profitability, even despite some declines in revenue in Q1 as compared to the same quarter one year ago. In fact, the ESBS sales in the quarter were 33% below the same quarter last year, and yet the free cash flow of that business in Q1 fiscal year '27 was 17 crores positive as compared to minus 15 crores negative in fiscal year '26.

- This is this is a swing of over 30 crores same quarter last year. This just proves that even the ESBS business is far stronger now, even on lower revenues. And now, as we grow the ESBS revenues, because we feel we have earned it, it will further strengthen EIL's profitability. And dear shareholders, this is just the beginning of the turnaround. I am very confident that the company will now only grow from strength to strength across all three businesses, and that fiscal year 26-27 will be a year that you will all be proud of.

- We are very fortunate as a company to be placed in a leadership position over the last 93 years in a growing building materials industry space. We have a great leadership team. We have a great strategy. We have far stronger processes and systems. We have differentiated offerings. We fully intend to leverage this favorable situation this year to provide you with superior financial results. And I sincerely want to thank you for your patience and your support.

- So, I hope I have covered the health of the company. Now, please allow me to come to the remaining procedural aspects of the meeting. The Notice of the 93rd AGM, along with the copies of the Audited Standalone and Consolidated Financial Statements for the year ended 31st March 2026, along with the Board and Auditors' Reports, have been emailed within the statutory period to all those shareholders whose email addresses were registered with the company or MCS, which is our registrar, or to the depository participants as of July 3rd, 2026.

- Please note, there are no qualifications, no reservations, no adverse comments or disclaimers in either the Statutory Auditors Reports on the Audited Standalone as well as Consolidated Financial Statements of the Company for the fiscal year ended 31st March 2026, as well as the Secretarial Audit Report for the same year. The Statutory Auditors

Report on the Audited Standalone Financial Statements and Consolidated Financial Statements are available on pages 168 and 243 of the Annual Report respectively.

- The Secretarial Auditor Report is enclosed in Annexure 4 to the Board's Report on page number 99. With the permission of the members, I take the Statutory Auditors Reports as read. As the Notice of the 93rd AGM has already been circulated to all members, with the permission of the members, I take the notice convening the meeting also as read. Before we proceed further, I wish to bring to your notice that the Company has provided a remote e-voting facility to all members through the NSDL platform.

- The remote e-voting facility was made available from Thursday, July 30th at 9:00 a.m. to Sunday, August the 2nd till 5:00 p.m. Members, however, who were unable to cast their vote electronically through this remote e-voting facility and who are attending this AGM, still have an opportunity to cast your vote during this meeting through the e-voting system provided by NSDL. This voting facility will remain open for 15 minutes after I close this meeting.

- Members are requested to refer to the Notice of the AGM for e-voting details. I will now read the resolutions that are included in the Notice of the AGM which were put up for remote e-voting and for the e-voting soon after the AGM today.

- There are four items under the ordinary business and seven items under special business as follows.

* **Item No. 1** - Adoption of the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31st, 2026. These Audited Standalone Financial Statements of the Company, including the Reports of the Board of Directors and Auditors thereon, and the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2026, including the Report of the Auditors thereon, have been provided to the members, and this resolution is placed for adoption of the same.

* **Item No. 2** - Declaration of the final dividend. This resolution is placed for the declaration of the final dividend of Re. 1/- per equity share of face value of Rs. 10/- per equity share each for the financial year ended 31st March 2026.

* **Item No. 3** - Appointment of Ms. Padmini Sekhsaria as director who is liable to retire by rotation every two years and being eligible has offered herself for reappointment. Ms. Sekhsaria is retiring by rotation and resolution is placed for the appointment of her as director liable to retire by rotation and being eligible offered herself for reappointment.

- **Item No. 4** - Appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants as Statutory Auditors of the Company.

- Dear shareholders, after evaluating the profile, experience, and expertise of almost 10 firms, the Audit Committee and subsequently the Board have selected and are recommending the appointment of M/s. Price Waterhouse Chartered Accountants LLP to hold the office as the Statutory Auditors of the Company from the conclusion of this 93rd AGM until the conclusion of the 98th AGM of the company to be held in the year 2031.

- The resolution for appointment of M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants as Statutory Auditors of the Company is thus placed for approval of our members. The members are requested to refer to the explanatory statements for the details on item no. 4 of the notice.

- I would now like to take up items 6 through 12 of the notice, but before I take these items up, allow me to set the context, particularly for items 6 through 10.

- Dear shareholders, we have a very eminent set of board members who all of you recognize. They are also on other Company Boards of very large and eminent companies. Everest is actually very fortunate to have their guidance and attention. I am certainly very grateful to each one of them. They have all been very gracious to keep their commissions unchanged, and therefore, this is what we are recommending in items 6 through 9, that there is no change in their remuneration.

- **Item No. 6** - Approval for the payment of remuneration to Mr. Rajendra Chitale, Non-Executive Independent Director for the Company for financial year 2025-26.

- **Item No. 7** - Approval for the payment of remuneration to Mr. Alok Nanda, Non-Executive Independent Director of the company for fiscal year 25-26.

- **Item No. 8** - Approval for the payment of remuneration to Mr. Ashok Kumar Barat, Non-Executive Independent Director of the company for fiscal year 25-26.

- **Item No. 9** - Approval for the payment of remuneration to Ms. Bijal Ajinkya, Non-Executive Independent Director of the company for the fiscal year 25-26.

- **Item No. 10** - Approval for the payment of commission to the Non-Executive Directors of the company for a period of five years with effect from April 1, 2026. No change in the remuneration.

- The text of the aforesaid resolutions along with the explanatory statement is provided in the Notice circulated to the members for the aforesaid items.

- Members are requested to refer to the explanatory statement for details on these items. I will now take up item 12. Please note, I will now take up item 12 of the AGM notice.

- **Item No. 12** is ratification of remuneration of M/s. R. Nanabhoy and Company, Cost Auditors for the financial year March 31st, 2027 at no change to the remuneration.

- The members are requested to refer to the explanatory statement for the details on item no. 12 of the Notice. Since I am an interested party in item 5 and item 11 of the AGM Notice, I request Ms. Padmini Sekhsaria, Vice Chairperson, to chair the meeting for these two items. Please Padmini, take the meeting over.

- **Ms. Padmini Sekhsaria - Vice Chairperson & Non-Executive Director, Everest Industries Limited:**

- Thank you. I'll now take up the resolutions stated in item no. 5 and item no. 11 of the Notice.

- **Item no. 5** - this is pertaining to the approval for the payment of remuneration to Mr. Anant Talaulicar, Non-Executive Independent Chairman of the Company for the financial year 25-26. The members are requested to refer to the explanatory statements for the details on item no. 5 of the Notice.

- I'd also like to take up item no. 11 of the Notice.

- **Item No. 11** pertains to the approval for the payment of commission to Mr. Anant Talaulicar, Non-Executive Independent Chairman for FY 26-27.

- The members are requested to refer to the explanatory statements for the details on item number 11 of the notice. I now request Mr. Anant Talaulicar to please resume the chair.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Thank you so much, Padmini. Before I now begin with the question and answer session with speakers, let me quickly take you through the protocol. During the question answer session, the name of the registered speaker shareholder will be announced by me one by one. After each name that I call out, the speaker shareholder will be unmuted by the host.

- Speaker shareholders are requested to click the video button which appears at the bottom of their screen before they start speaking. If a speaker shareholder is unable to join through video mode for any reason, then he or she can speak through audio. If there is a connectivity problem at the speaker's end, then we would ask the next speaker to join.

- Once the connectivity issue improves, the speaker with the connectivity challenge will be called once again by me to speak. After all the registered speaker shareholders have completed their questions, please note that six members have registered as speakers at the meeting pursuant to their requests, and I will now be taking questions from them one by one.

- I request the speaker shareholders to please limit their questions or comments to three minutes or less to respect the audience's time. It may be noted that the company reserves the right to restrict the number of questions as appropriate for the smooth conduct of the AGM. To avoid repetition, I will answer all the questions asked by all the speaker members only at the very end. So, with that, let us begin with the questions and answers.

- I now request Mr. Anil Parikh to unmute himself and proceed with his questions.

- **Mr. Anil Parekh – Shareholder**

- Hi Chairman Sir, how are you? Mr. Talaulicar, it's nice to see you again in this AGM and I'm very old shareholder. Chairman sir, it gives me immense pleasure to be in the meeting of Everest Industries every year and the way company is heading for its better and better performance every year and also rewarding shareholders with good dividend.

- I am very much pleased that company is taking care of minority shareholder and Chairman Sir, I have no questions to ask you anything since it is given very well in the annual report. I am thankful to our CS team for extending all kind of support to me whenever we need from them. And I am also thankful to Rohit and Amruta for timely help in attending this meeting.

- Chairman Sir, I hope to see you on next year in physical meeting. I remember before COVID we met in physical meeting in Nashik. And sir, I urge you, I urge you, please have a physical meeting since this seems to be just a formality that what are what we are doing. Seeing and meeting each other is very good the conception and I hope you will take care of that part also.

- Thankful, I am thanking you Sir for allowing me to speak and the best of luck for all the festivities and coming and coming year should be more fruitful for our company and shareholders. Thank you very much, Sir.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Thank you, Mr. Parikh. You are only too kind. I would have been far more frustrated if I were in your shoes, but yes, I do look forward to meeting you in person. We will definitely gather more feedback as I explained having this kind of forum allows more people to participate from even outside, but we will definitely consider your request. Thank you.

- Now I request Mr. Sujan Vora, Modak, sorry, to unmute himself and proceed with your questions.

- **Moderator**

- The speaker shareholder with the said name is not connected in the meeting. You can move to next speaker shareholder, Sir.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Okay. So that is the case, I would request Mr. Badri Vishal Bajaj to unmute himself and proceed with his questions.

- Mr. Badri Vishal Bajaj.

- **Moderator**

- Sir, request sent to you, kindly accept the request and you can ask your question.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Okay, maybe he's run into some technical issues. We can come back to him. So, with that, I will request Mr. Anil Mehta to unmute himself and proceed with his questions. Mr. Mehta?

- **Moderator**

- The speaker shareholder with the said name is not connected in the meeting. You can move to next speaker shareholder, Sir.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Okay, okay, fine. I then request Mr. Vaibhav Badjatya to unmute yourself and proceed with your questions, Sir.

- **Mr. Vaibhav Badjatya – Shareholder**

- Yes, Sir. Good afternoon, everyone. Thank you for giving me this opportunity to speak at this platform. I had already sent in my questions via email. It is there in front of you, I'll skip reading it.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Yeah, yeah, yeah. I have received the questions, yes, yes.

- **Mr. Vaibhav Badjatya – Shareholder**

- Yeah, so just a request from my side, Sir, if you could answer these questions point by point as it is given in the questions list, so it will be really helpful for me. Looking forward to your answers.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Yes, yes. I'll definitely, I assure you I'll answer every question. Thank you. Yeah. Okay. I now request Mr. Yusuf Rangwala to unmute himself and proceed with his questions.

- **Moderator**

- The request sent to you. Kindly unmute and speak, sir. Ask your question.

- **Mr. Yusuf Rangwala – Shareholder**

- Sir, can you hear me?

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Yes, it's coming, it's coming.

- **Mr. Yusuf Rangwala – Shareholder**

- A very good afternoon to you, Sir. Can you hear me? Mr. Chairman, you explained everything thoroughly in your speech. Sir, Everest Industries is truly top-notch. Your speech was excellent, and I am delighted to have heard it; it is wonderful to see such knowledgeable people on the Board. My best wishes to you, Sir. If possible, could you arrange a factory visit? That is my humble request. We cherish the fragrance of flowers, the bloom of buds, and, above all, your company, Sir. May you always keep smiling and laughing -- may your joy never diminish.

- I also received a call from your secretarial team just five minutes ago; that interaction demonstrated just how much Everest Industries cares for its shareholders. Your company is named Everest Industries, and your actions truly live up to that name. You treat us shareholders with such respect, Sir—something very few companies do. You are among those few.

- Thank you very much, Sir. Please continue to value us shareholders; and during Diwali or other festivals, please do not forget us. Just as you celebrate with friends, we would love to feel connected to you as well. Thank you, Sir. Jai Hind.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Alright. Thank you. Jai Hind. Yes, we will certainly look into your request for a factory visit. Thank you. So, let me move back to, let's see, Mr. Sujan Modak, was he there?

- **Ms. Amruta Avasare - Company Secretary, Everest Industries Limited:**

- He is not there

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Badri Vishal Bajaj? Badri Vishal Bajaj – has he overcome the technical issues by any chance?

- **Ms. Amruta Avasare - Company Secretary, Everest Industries Limited:**

- So, we are just checking on Badri Vishal. Because he is attending.

- **Moderator**

- Badri sir, request sent to you. Kindly accept the request and you can ask your question, sir.

- **Mr. Anant Talaulicar - Non-Executive Chairman, Everest Industries Limited:**

- Okay, okay. Of course, you are Mr. Bajaj, you are most welcome to contact us separately. We will respond to your questions. So, in the interest of time, now I will move to answer the questions that we already have on record.

- So, I'll start first with Mr. Badjatya's questions. So, his question was, what are the three important strategic changes that Mr. Hemant would like to implement in the company? I will answer on his behalf. Essentially, you know, I will summarize it actually as two key things. One is to place a higher emphasis even above volume on profitability by exercising those must-win battles that I to the spoke about earlier, which is the levers of quality, service, value-added, pricing, cost, productivity.

- And then the second is the focus on these consistent ways of working, the nine that I talked about, which is the EHS safety, Six Sigma, the vector theory of constraint-based method of flowing material and information simultaneously across the value chain, sales efficiency and effectiveness, customer insights and loyalty, partnerships and alliances, and digitization.

- We've also added the CSR with employee engagement. So, this is really the kind of I would say, the change that Mr. Hemant is driving very vigorously and successfully as the numbers have proved to you.

- Now, the second question was, given that the Company has not made good margins in PEB over a long period of time, not just fiscal year 26, is there a long-term plan to exit from this business?

- My answer is an emphatic no. We have no intention of exiting this business. Actually, PEB is a very attractive industry with very high growth and also the ability to differentiate by managing complex project execution well. As you can imagine, these are high capex items for any Company, and when a vendor does it well, they don't look at L1 as the mechanism. They trust the vendor and give them repeat projects. Everest has also earned some repeat projects already, and this will grow in time. So, our focus is not to exit. We are in fact focused on improving our execution capabilities, make them seamless, and it is a core part of our business.

- Now, the next question was, Company has incurred a loss of 55 crores in the steel building segment, which is PEB, even before exceptional items. What are the fundamental reasons for these losses? I can assure you that the only reason for the loss is poor execution of the projects that we took on, which resulted in poor project margins. And when we don't execute well, the receivables get stuck, inventories grow.

- So, there's all kinds of issues that happen when projects are not executed in a proper manner. Our ability to win projects was also hampered by management now focused on building strong execution capabilities, and this is what Hemant and team have been working on, and you're seeing the benefits of that in the bottom line, but that has resulted in us having to focus on that versus growing the business rightfully.

- But now, we are well poised to grow the business profitably. And so, I do want to point out that despite the P&L loss that you have talked about, the business generated 9 crores of free cash flow in the fiscal year, and more important factor is that in the second half of the last fiscal year, that free cash flow was 21 crores. So, it's a dramatic improvement from the first half to the second half, and I've already quoted the numbers for the first quarter of this fiscal year, and you can see continuous improvement. So, I want to reassure you that this is a actually an attractive business as long as we execute well.

- Now, the fourth question was, do we have fixed price contracts with customers in this business leading to losses in case of increase in steel prices? Well, currently I would say about half of the business is on fixed price contracts, the other half is based on commodity change-based pricing. But please recall, or I should, I want to assure you, the margin that we charge on fixed price contracts is higher. This is to cover the risk in case of commodity increases.

- Now, we have to sometimes take fixed price contracts because of competitive factors in the marketplace. So that will never become zero, but going forward, our strategy is to take this 50-50 split to about 20% on the fixed price and the rest on commodity-based pass-through contracts.

- Now, there was the next question, it was related to roofing. Can you please tell us based on current pricing in Southern India, what is the cost of asbestos roof and what is the cost of steel roofs to cover an equal amount of roofing area? It is dramatically different. Approximately in square foot basis about Rs. 20 to 22 per square foot for our product versus almost twice that, Rs. 45 to 50 per square foot for metal roofs. Plus, our product has significant advantages in terms of being far cooler, which is important as you can understand in a geography like South India or India for that matter, far quieter, and no corrosion issues. The customers are now starting to figure this out and the tide is turning.

- Question number six, given slow growth, low industry capacity utilization and pressure on raw materials due to INR depreciation, do you see margin pressures in this division, the roofing is what he is talking about, to continue in fiscal year 27? Well, we definitely see some headwinds like you have described, but I want to assure you there are also tailwinds such as selling more value-added products such as Evercool, which has much better margins and reducing the cost and waste internally. So, our task, to be fair to all of you, is to deliver superior margins despite any external risks. That is the job of a good management team.

- On boards and panels, question number seven, would it be correct to say that boards and panels are largely used in commercial real estate and adoption in residential market is very low? If yes, explain why. You are right. The adoption in the residential market is currently low, which is different from developed countries. If you go to the USA, if you go to Europe, even in the residential markets, customers prefer our kind of product, the

FCB. Mainly in India, this is due to historical availability of other alternatives and also some bad taste that has been left in customers mouths because of poor execution and poor designs.

- The alternative categories, as you are aware, are plywood, ACP, stone, bricks, etcetera. Now, Everest was the first Company to introduce this kind of a technology in the mid-90s and has made, you know, good efforts to grow this category, but not good enough. We believe that with the right marketing efforts of raising awareness of the clear incremental benefits that FCB provides, this category is poised for very significant growth in adoption in India, even in the residential segment over time.

- Question number eight, in spite of large plywood market, boards and panels have not gained significant market share from plywood market. Why is it the case and how can it be changed? This can be, as I said, changed by more effective marketing communications to both end-users, but even more importantly to the influencers, such as architects and contractors, because as you well know, most of us are not experts in these areas, and we rely on contractors and architects to recommend the right product.

- So as you are aware, FCB is far superior by, compared to plywood, far safer. FCB is fire-resistant, plywood is not. It's a dangerous item to use in a home or anywhere. It withstands water and moisture, which plywood does not. Plywood rots, and this is completely immune to termites, which plywood is not. It also lasts far longer. The durability of FCB, there is no comparison. Whereas plywood requires frequent painting, sealing, but see the task that we have to take up is convincing and through better marketing, and this is why, where I think Hemant and team bring now that superior value add to Everest.

- I will now turn my attention to some questions that we received. They are not present here, but they have requested that we answer those questions. So, the first question was, the Chairman, that is me, acknowledged in fiscal year ’25, ‘26 was the second consecutive disappointing year. What are the three measurable financial outcomes the Board expects to achieve in this fiscal year that will demonstrate the turnaround is genuinely working?

- Now, I demonstrated those numbers to you for the first quarter, but these apply to the rest of the year. The three are consistent free cash flow generation, which is positive, first quartile ROCE performance in our industry, and revenue growth. So please hold us accountable for these. If fiscal year 26-27 does not deliver a meaningful improvement in profitability, ROCE and shareholder returns, what accountability mechanisms exist for the managing director, the leadership team, the Board?

- Well, the manage the MD's total compensation's largest component, the largest component of the MD's total compensation is variable, which is entirely linked to the three measures I've identified above at a company level. Plus, he gets significant ESOPs, so the share price is very important to the MD personally. Put together, the variable and the ESOPs are the largest component of his compensation. In addition, this job, of course, is at risk if he fails to deliver. This is a case with any MD, as you know. The same is true for the leadership team.

- The promoters have a far greater need to ensure the Company's turnaround as compared to any shareholder, and I'm clear that shareholders will not vote for me continuing in the company if the Company does not turn around, and I would also prefer that someone more capable step into my role.

- The next question was, what specific actions is management taking to improve ROCE, cash generation, profitability, and by when does the Board expect returns to exceed the company's cost of capital? Again, I think our cost of capital is far below the first quarter performance at 18.5% ROCE.

- I've already mentioned the steps that have been taken since October of 2025 and which are continuing to be consistently executed. As a result, as I've pointed out, the variable margin has strengthened, the gross margin has strengthened, the SGA has been reduced, FCF has been generated very, very strongly, and Q1 ’27, as I mentioned, has been the best quarter over the last 27 quarters.

- The ROCE also at 18.5 has far exceeded the Company's cost of capital. After two consecutive quarters of underperformance, why should shareholders remain confident that the current board leadership team and strategy are the right combination to deliver long-term value creation over three to five years? So, as I said, at the end of the day, the numbers need to speak for themselves.

- I don't want to be talking. That is why, despite some of your requests, I refuse to engage publicly all the time with investors because I want our numbers and performance to speak for itself. Of course, we are available for those of you who reach out to us, but I don't want to hype these kind of things. We'd rather quietly go about execute to deliver superior results to you.

- Since October ’25, when we launched the turnaround plan, we have seen consistent month-on-month improvements in the key metrics that I talked about, variable manufacturing cost, fixed manufacturing cost, gross margin, SGA levels, inventory turns, DSO, free cash flow. This recovery is not a one-off. You can hold us accountable for that. It is a comprehensive set of initiatives to address the root issues of the malaise, including changing the top leadership team, using Six Sigma, vector to strengthen processes, and leveraging our world-class systems along with digitization.

- The Company has monetized surplus land and withdrew approved capex projects in Andhra Pradesh and Assam. Has the Board fundamentally changed its capital allocation philosophy, and how does it now intend to deploy capital to maximize long-term shareholder value? If Andhra Pradesh and Assam projects were approved after detailed evaluation, but have been withdrawn, what changed so significantly that they no longer meet investment criteria? What management time and cost were incurred, and what lessons has the Board learned to strengthen future capital allocation decisions?

- Let me clarify. There is absolutely no change in the Board's capital allocation strategy or appetite to invest in all three businesses in various degrees. It is only a question of timing. We decided that it is more important to execute the turnaround at this point and strengthen the execution capabilities within the company, then earn the way to make significant capital investments in new plants.

- In the case of boards, we will definitely be investing in an additional plant capacity once our latest plant, Mysore, gets fully utilized, and it is likely to be closer, that new plant is likely to be closer to urban areas where the demand growth for our boards is most significant, not in the rural areas.

- In the case of PEB also, we definitely intend to invest in incremental plant capacity in the south, where we do not currently have a presence, close to where the industrial and warehouse demand growth is the highest. Rather than pour capex now in Andhra Pradesh and Assam, which would have only caused more distraction to our management team at this point and result in further lowering the Company's ROCE, the Board felt this approach is far more prudent and protecting shareholder interests.

- Item number six, the next question was, the Assam project inside Everest BuildPro, the same subsidiary that just absorbed a 28.7 crores impairment and carries a 140 crores parent guarantee plus 112.93 crores uncalled liability on partly paid shares. Is this subsidiary structurally viable or is the Board deferring a larger write-down in future?

- Please let me clarify. We are ramping up on the plant capacity at Mysore, and the sales from this plant are growing consistently quarter on quarter. We expect to achieve 80% to 85% capacity utilization by the end of this fiscal year. We expect to achieve positive EBITDA and positive free cash flow this fiscal year and positive PBIT next fiscal year. We also are looking for new products to launch in this plant which have a better margin and therefore will get a faster payback.

- The annual report, the next question is, the annual report introduces initiatives such as must-win battles, ways of working, and solution selling. Could the Board identify three to five measurable KPIs that shareholders can track next year to objectively assess whether these initiatives are delivering results?

- How has the first quarter been as compared to the industry in all lines of business? So, as I said, free cash flow, please measure that. It's public information, PBIT, ROCE, and revenue growth. This is what I would recommend you judge us on. As other companies release their results, because we are one of the first in the industry to release, you can judge for yourself how we are doing versus the best competitors.

- The next question was, the pre-engineered buildings business experienced a significant decline during fiscal year 25-26. What milestones and timelines has the Board established for restoring sustainable growth and profitability in this business? Is this business still viable or is there a need to sell it, considering also land? This is kind of a repeat question, but let me just say that we took a pause in revenue growth to address all the execution issues in the business, including people, processes, and systems.

- We have engaged with Vector Consulting on a theory of constraints-based approach to turn the business around since December of '25, so we've been already at it for six months and we are gaining more and more traction by the day. We are seeing tangible improvements since the second half. Q1 segment results were very encouraging. I've reported those.

- Despite revenue reducing approximately 33-odd percent as you saw, we generated a much better free cash flow as compared to the same period last year. And there were no causes, let me clarify, there were in this first quarter no requirement for any provisions either for receivables or inventory. You should now expect to see steady improvement in the top line and bottom line.

- As I said earlier, we see this as an attractive industry and an integral part of our core business. We have no desire to sell this business. The Company recognizes provisions, of course, I mean the only exception to that would be someone just gives us boatloads of money then we'll always consider that, but there is no plan to jettison the business.

- The Company recognized provisions related to obsolete inventory and doubtful debts during the year. Were these primarily driven by external market conditions or by shortcomings in forecasting and execution, and what structural improvements have been implemented to prevent the recurrence?

- The provisions were entirely due to our both, planning and execution. We take the accountability for that. Shame on us. We have engaged, as I said, with Vector Consulting since the last two quarters and are reinstituting very robust processes of planning and theory of constraints-based execution that are based on executing full kits or full block, if you recognize that term in the industry, that is what we are doing right now.

- It is being supplemented by a project management software also named Vector Pro, which gives us a clear dashboard of the status of every project across its value chain, whether it's in engineering, whether it is in manufacturing, procurement, all this is now visible.

- We have instituted a rigorous cadence of cross-functional internal project reviews with the ESBS head, Hemant himself gets involved in those, and weekly interactions, let me repeat, weekly interactions with every customer to keep them updated very transparently on project progress and understanding and responding appropriately to any changes in their requirements in an agile manner.

- The Company has experienced changes in majority of senior leadership positions. Could the Board share its assessment of leadership stability today? Explain the reasons for these changes at a high level. What is the Board's assessment of capability of the leadership to deliver results in this year and what actions will be taken in case we see another similar year?

- As you've seen already, it's not another similar year. Q1 is dramatically different from the past. The top leadership changes, let me clarify, the top leadership changes we made are over. We are done with those. The new team is firing on all cylinders very strongly.

- I am delighted to inform you that they are working with each other very collaboratively, and they place their egos at the doorstep of Everest when they enter the walls of the inside of Everest. I have already informed you about the accountability structure the Board is committed to.

- Next question is, how does the Board evaluate the performance of the MD and senior leadership? Which financial, operational, and strategic KPIs determine whether the management has successfully created long-term shareholder value, and will these be disclosed to shareholders?

- Of course, we are a very transparent Company, as you know. All employees from MD onwards are held accountable to behave in line with our core values of REI, Respect, Excellence, and Integrity. This now carries, as of this fiscal year, a 20% weight in everyone's work plans. This was not the case in the past, we have introduced it now.

- Quantitatively, Hemant is on a three-year variable plan which you are aware of. This has been publicly disclosed, which has a 50% weight on revenue growth and 50% weight to ROCE. In addition, he gets significant ESOPs every year.

- For the rest of the senior management team, the variable compensation can be as much as 25% of their total count for each CXO, as well as one level down. In that scheme, 50% of that variable is based on revenue growth and 50% is based on free cash flow. We want those senior people to focus on generating free cash flow, not just EBITDA, not just PBIT, because this is what will ensure the ROCE performance for all of you.

- As you go down the organization, the fixed component grows to 90%, variable reduces to 10%. So, at the top level, more of the variable is tied to Company-level performance, and as you go down, it gets tied to business unit-level performance or function-level performance. All of these measures, of course, are completely visible to shareholders, we have nothing to hide.

- The next question is, the Company repeatedly highlights people and culture as strategic priorities. Does the Board monitor employee engagement, leadership effectiveness, and regrettable attrition of critical talent? If so, what trends has it observed over the last two years, and what actions are being taken to strengthen organizational capability?

- So, I would say, I had personally facilitated a high-performance teamwork intervention with the earlier CXO team, which helped to a certain extent. This included psychometric assessments as well as 360-degree feedback surveys on each CXO after they completed one year with the company.

- We now, now that the new team is in place, we plan to reinstitute this high-performance teamwork intervention with our new leadership team this fiscal year. For the next two levels of the organization, we have a very deep leadership intervention which involves rational emotive behavioral therapy as well as 360-degree feedback. It involves three two-day workshops every two-three months with practices to do in between.

- We have already taken two batches of 25 people per batch through it and seen very, very strong results of improvement in these leaders who have stayed with us. We plan to fan this intervention out further this year. We are also doing a first-time manager program and we intend to improve it going forward this year.

- We have an annual REI or Respect Excellence Integrity Awards function which we just concluded last week in the presence of Padmini and me, along with of course the top 50 leaders of the Company. This year we recognized 100 employees, including shop-floor employees in this forum for great behaviors in line with our core values.

- In terms of attrition, we are not proud of it. The trend has been downwards. So, it is concerning, but a part of it is because we consciously also asked many people to leave given their performance and non-alignment with our values. And also, when you, as you will appreciate, when you have changes at the top, people get nervous. Plus, when the performance of the Company is not good, people do get nervous, and yes, we've had a lot of undesired attrition also. But I am very confident now that things are turning around, this picture will also turn around, and we are of course keeping a very close track of it, and we will also report these numbers to you at the end of the next time we meet.

- So, I would say these were all the questions that we have received. So, with that, I will now move to the rest of the procedural items of the 93rd AGM. I do hope that I have answered the questions in a reasonable and transparent manner.

- Okay. Members may note that the voting on the NSDL platform, as I mentioned earlier, will continue to be available for the next 15 minutes after I close the meeting. Therefore, members who have not yet cast their votes are requested to please do so. Miss Jigyasa Ved, the partner for Parikh and Associates, Practicing Company Secretary, is the scrutinizer for this e-voting process.

- The combined result of the earlier remote e-voting, which was held last week, and AGM e-voting will be uploaded along with the scrutinizer's report on the company website as well as on BSE, NSE, and NSDL websites within 2 working days from the conclusion of this AGM. The resolutions as set forth in the notice shall be deemed to be passed today, subject to the receipt of the requisite number of votes.

- I once again sincerely thank all the shareholders for participating in this meeting and look forward to your continued support to the Company. I also thank sincerely my colleagues, the Directors on the Board, particularly also the management team that has worked very, very hard and diligently to support your best interests, the employees of the Company, the customers, business partners, and government for their continued support.

- I also thank our Statutory Auditors, the Secretarial Auditors, the Register Transfer Agents, the Scrutinizer, the NSDL, and the entire Everest team who have contributed to making this AGM a smooth one, including the company secretary and team. Let me remind you that the voting, the e-voting will remain again open now for the next 15 minutes. The shareholders who have not yet voted, please do so if you wish.

- I hereby declare the proceedings as closed and everyone may log off. Best regards to you and thank you.

- **E – voting started for 15 minutes.**

End of Transcript