



U. K. GOENKA & COMPANY

CHARTERED ACCOUNTANTS

4832/24, Ansari Road,
Darya Ganj, New Delhi-110002
Phone : +91-11-23267743
+91-11-23253343
E-mail : contact@ukgoenka.in
Website : www.ukgoenka.com

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF EVEREST BUILDING PRODUCTS

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **EVEREST BUILDING PRODUCTS** ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

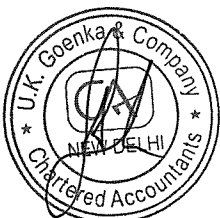
Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true



and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit/loss and its cash flows for the year ended on that date.:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- (b) in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule of the Companies (Accounts) Rules, 2014.
- (e) There are no observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,




2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

Restriction on Use and Distribution

This report is intended solely for the information and use of the Company, Everest Industries Limited and S. R. Batliboi and Co. LLP in connection with the audit of the consolidated financial information of Everest Industries Limited and should not be used for any other purpose or by any other party without obtaining our prior consent in writing.

For **U.K. Goenka & Co.**
Chartered Accountants
(Firm Registration No. 010549N)


(CA Ashu Goenka)
Partner
(Membership No. 525738)



Place: Noida
Date: 27 April, 2017

Everest Building Products
(Incorporated in Mauritius)

BALANCE SHEET AS AT 31 MARCH, 2017


	<u>Note Reference</u>	<u>As at 31.03.2017 Rs./ Lakhs</u>	<u>As at 31.03.2016 Rs./ Lakhs</u>
I. Equity and liabilities			
1. Shareholder's funds			
a. Share capital	2.01	2,781.63	2,781.63
b. Reserves and surplus	2.02	<u>(30.90)</u>	<u>12.24</u>
		2,750.73	2,793.87
2. Current liabilities			
a. Trade payables	2.03	3.17	3.24
b. Short-term provisions	2.04	<u>4.48</u>	<u>0.84</u>
		7.65	4.08
Total		<u>2,758.38</u>	<u>2,797.95</u>
II. Assets			
1. Non-current assets			
a. Non-current investments	2.05	<u>263.24</u>	<u>269.31</u>
		263.24	269.31
2. Current Assets			
a. Cash and bank balances	2.06	42.67	1,006.15
b. Short-term loans and advances	2.07	2,401.43	1,504.90
c. Other current assets	2.08	<u>51.04</u>	<u>17.59</u>
		2,495.14	2,528.64
Total		<u>2,758.38</u>	<u>2,797.95</u>

See accompanying notes forming part of the financial statements 1 & 2

In terms of our report attached

For and on behalf of **U.K. Goenka & Co.**
Chartered Accountants

(Signature)
(CA Ashu Goenka)
Partner
M. No : 525738
FRN : 010549N



Place: Noida
Date: 27 April, 2017

For and on behalf of the Board of Directors

(Signature)
Shreedhar Kabra
Director

Place: Noida
Date: 27 April, 2017

Everest Building Products

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

	Note Reference	Year Ended 31.03.2017 Rs./ Lakhs	Year Ended 31.03.2016 Rs./ Lakhs
1. Revenue from operations (gross)		-	-
Less : Excise duty		-	-
Revenue from operations (net)		-	-
2. Other income	2.09	35.37	18.11
3. Total revenue (1+2)		35.37	18.11
4. Expenses			
a. Other expenses	2.10	11.09	15.23
Total expenses		11.09	15.23
5. Profit before tax (3-4)		24.28	2.88
6. Tax expense			
a. Current tax expense		3.64	0.43
		3.64	0.43
7. Profit for the year (5-6)		20.64	2.45

Earnings per equity share (see note 2.12)

[Face value - \$ 1 per share]

Basic and diluted earnings per share (Rupees lakhs) 0.49 0.12

See accompanying notes forming part of the financial statements 1 & 2

In terms of our report attached

For and on behalf of U.K. Goenka & Co.
Chartered Accountants

(CA Ashu Goenka)
Partner
M. No : 525738
FRN : 010549N



Place: Noida
Date: 27 April, 2017

For and on behalf of the Board of Directors

Shreedhar Kabra
Shreedhar Kabra
Director

Place: Noida
Date: 27 April, 2017

Everest Building Products

CASH FLOW STATEMENT FOR THE THE YEAR ENDED 31 MARCH, 2017

	Year Ended 31.03.2017 Rs./ Lakhs	Year Ended 31.03.2016 Rs./ Lakhs
A. Cash flow from operating activities		
Net profit before tax	24.28	2.88
Adjustments for:		
Interest income	(35.37)	(18.11)
Net unrealised (gain)/loss on exchange rate fluctuation	(63.78)	26.87
Operating profit before working capital changes	(74.87)	11.64
Changes in working capital:		
Adjustment for (increase)/decrease in operating assets:		
Short-term loans and advances	(896.53)	(994.62)
Adjustment for increase/(decrease) in operating liabilities:		
Trade payables	(0.07)	0.30
Cash generated from operations	(971.47)	(982.68)
Net income tax paid	-	-
Net cash flow from / (used in) operating activities [A]	(971.47)	(982.68)
B. Cash flow from investing activities		
Investment in subsidiary	6.07	(98.76)
Interest received	1.93	0.51
Dividend received		
Net Cash used in investing activities [B]	8.00	(98.25)
C. Cash flow from financing activities		
Proceeds from issue of equity shares	-	2,008.40
Net Cash flow from/(used) in financing activities [C]	-	2,008.40
Net increase in cash and cash equivalents [A+B+C]	(963.48)	927.47
Cash and cash equivalents as at 01.04.2016	1,006.15	78.68
Cash and cash equivalents as at 31.03.2017 *	42.67	1,006.15
* Comprises:		
c. Balances with banks	42.67	1,006.15
i. Current accounts	42.67	1,006.15

In terms of our report attached

For and on behalf of U.K. Goenka & Co.
Chartered Accountants

CA Ashu Goenka
Partner
M. No : 525738
FRN : 010549N

Place: Noida
Date: 27 April, 2017



For and on behalf of the Board of Directors

Shreedhar Kabra
Director

Place: Noida
Date: 27 April, 2017

Everest Building Products

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2017 Rs./ Lakhs	As at 31.03.2016 Rs./ Lakhs
NOTE 2		
2.01 Share capital		
1. Subscribed and fully paid up 4,225,000 equity shares of USD. 1 each (previous year 4,225,000 equity shares of USD. 1)	2,781.63	2,781.63
2.02 Reserves and surplus		
1. Foreign currency monetary item translation difference account		
Opening balance	20.32	(6.55)
Less: Utilised / transferred during the year	63.78	(26.87)
Closing balance	(43.46)	20.32
2. Surplus in statement of profit and loss		
Opening balance	(8.08)	(10.53)
Add: Profit for the year	20.64	2.45
Closing balance	12.56	(8.08)
	(30.90)	12.24
2.03 Trade payables		
i. Total outstanding dues of micro enterprises and small enterprises	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	3.17	3.24
	3.17	3.24
2.04 Short-term provisions		
a. Provision - Others:		
i. Provision for tax	4.48	0.84
	4.48	0.84
2.05 Non-current investments (at cost)		
Other investments in equity instruments, long term, unquoted	263.24	269.31
	263.24	269.31
2.06 Cash and cash equivalents		
Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
a. Balances with banks		
i. Current accounts	42.67	1,006.15
Cash and cash equivalents	42.67	1,006.15
	42.67	1,006.15
2.07 Short-term loans and advances (Unsecured, considered good)		
a. Prepaid expenses	1.03	1.05
b. Other loans and advances	2,400.40	1,503.85
	2,401.43	1,504.90
2.08 Other current assets		
a. Interest accrued but not due	51.04	17.59
	51.04	17.59



Sreedha

Everest Building Products

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year Ended 31.03.2017 Rs./ Lakhs	Year Ended 31.03.2016 Rs./ Lakhs
2.09 Other income		
a. Interest income		
i. Other interest	35.37	18.11
	35.37	18.11
2.10 Other expenses		
a. Professional and consultancy expenses	9.07	12.88
b. Miscellaneous expenses	2.02	2.35
	11.09	15.23



Sreedhar

EVEREST BUILDING PRODUCTS

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1.1

Corporate information

Everest Building Products ('the Company') is engaged in development and growth of the business of its Holding Company in Africa /Middle East and such other territories as deemed necessary directly and through network of subsidiary or associate entities in such geographies.

Note 1.2

Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

NOTE 1.3

Significant Accounting Policies

(i) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(ii) Revenue Recognition

Revenue from sale of products is recognised, net of returns and rebates, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the despatch of goods to customers.

(iii) Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(iv) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.



Sreedhar

EVEREST BUILDING PRODUCTS

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(v) Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary and includes all applicable costs incurred in bringing goods to their present location and condition.

(vi) Retirement and other Employee Benefits

Employee benefits include provident fund, superannuation fund, and gratuity fund and compensated absences.

Short-term employee benefits

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

Post-employment benefit plans

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

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

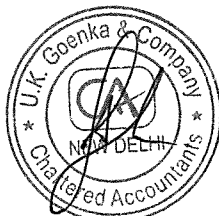
The Company's superannuation scheme is considered as defined contribution schemes. The Company's contribution paid/ payable under these schemes are recognised as expenses in the Statement of Profit and Loss during the period in which the employee renders the related service.

The Provident Fund (administered by a Trust) is a defined benefit scheme where by the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to conform to the interest rate declared by the government for the Employees Provident Fund. The Company has adopted actuary valuation based on project unit credit method to arrive at provident fund liability as at year end. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall as at the Balance Sheet date, if any, is provided for.

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

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

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



Sreedhar

EVEREST BUILDING PRODUCTS

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(vii) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(viii) Foreign Exchange Transactions

Initial recognition

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

Measurement at the balance sheet date

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

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as foreign currency translation reserve in the Balance Sheet.

Accounting for forward contracts

Premium / discount on forward exchange contracts, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of a forward exchange contract is recognised as income or as expense when the same is effected.

Derivative contracts

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

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

(ix) Taxation

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

(x) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.



Sreedhar

EVEREST BUILDING PRODUCTS

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

(xi) Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions (excluding retirement benefits) 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 disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

(xii) Leases

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

(xiii) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.



Suneel Goenka

EVEREST BUILDING PRODUCTS
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.11 Related Party Disclosures

a. List of related parties

- i. Holding Company
 - Everest Industries Limited
- ii. Subsidiary company
 - Everestind FZE (with effect from 18 December, 2013)
 - Everest Building Products LLC (with effect from 7 December, 2014)

b. Transactions with related parties during the year:

S. No.	Particulars	Year ended 31.03.2017 (Rs. /Lakhs)	Year ended 31.03.2016 (Rs. /Lakhs)
i.	Received share application money for Allotment of Shares from Everest Industries Limited	-	2,008.40
ii.	Investment in Everest Building Products LLC	-	88.56
iii.	Loan to Everestind FZE	904.15	902.82
iv.	Loan to Everest Building Products LLC	-	111.36
v.	Interest charged to Everestind FZE	29.56	12.27
vi.	Interest charged to Everest Building Products LLC	5.46	5.17

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

S. No.	Particulars	As at 31.03.2017 (Rs. /Lakhs)	As at 31.03.2016 (Rs. /Lakhs)
i.	Share capital from holding company Everest Industries Limited	2,781.63	2,781.63
ii.	Investment in Everestind FZE	176.67	180.74
iii.	Investment in Everest Building Products LLC	86.56	88.56
iv.	Loan to Everest Building Products LLC	329.69	337.29
v.	Loan to Everestind FZE	2,070.71	1,166.56
vi.	Interest receivable from Everestind FZE	40.71	12.42
vii.	Interest receivable from Everest Building Products LLC	10.33	5.10



Sreedhar

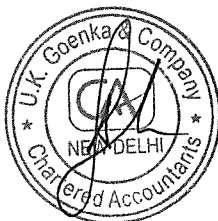
EVEREST BUILDING PRODUCTS

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.12 Earnings per Share

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
a. Number of equity shares of USD. 1. each fully paid up at the beginning of the year	4,225,000	1,225,000
b. Number of equity shares of USD. 1. each fully paid up at the year end	4,225,000	4,225,000
c. Weighted average number of equity shares used in computing earnings per share	4,225,000	1,995,492
d. Weighted average number of options granted at fair value	-	-
e. Weighted average number of options post adjustment for number of options granted at fair value	-	-
f. Net profit for the year – (Rs. / lakhs)	20.64	2.45
g. Basic earnings per share (Rupees)	0.49	0.12
h. Diluted earnings per share (Rupees)	0.49	0.12
i. Nominal value of equity shares (USD)	1.00	1.00

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



For and on behalf of the Board of Directors

Shreedhar Kabra

Shreedhar Kabra
Director

Noida
27 April, 2017