

**A A P T & ASSOCIATES**  
**(Chartered Accountants)**

103-104, First Floor  
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New Delhi – 110091  
India

Tel: 91 11 42420464,  
40204121

**C-6 Auditor's report to the Group Auditor on the audit of financial information for group audit purposes**

Name(s) of component(s): **EVEREST BUILDING PRODUCTS LLC**  
Year-end: 31 March, 2018  
Currency: INR

To: **Sanjay Vij, Engagement Partner**

As requested in your instructions in your email dated 10 April, 2018 and subsequent clarifications, we have audited, for the purpose of your audit of the group financial statements of Everest Industries Limited ("EIL" or "the Group"), the accompanying Reporting Package of **EVEREST BUILDING PRODUCTS LLC** ("the Company") as of 31 March, 2018 and for the year then ended.

**Management's responsibility for the specified forms**

Management is responsible for the preparation of the Reporting Package in accordance with the recognition and measurement principles of accounting standards generally accepted in India ("Indian GAAP") and the disclosure and presentation as required by the Group. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of the reporting package that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies that are consistent with the recognition and measurement principles of Indian GAAP and the disclosure and presentation as required by the Group; and making accounting estimates that are reasonable in the circumstances. The Reporting Package has been prepared solely to enable Group to prepare its consolidated financial statements.

**Auditor's responsibility**

Our responsibility is to express an opinion on the Reporting Package based on our audit. As instructed by you, we set the scope of and performed our procedures at the materiality of INR 25,70,000, which may be higher than that appropriate for the purpose of forming an opinion on the financial statements of the Company. We conducted our audit in accordance with International Standards on Auditing and our audit procedures also included the additional procedures outlined by you in your referral instructions, except for the use of a higher materiality level, as explained above. International Auditing Standards requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Reporting Package is free from material misstatement.

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. The conclusions reached in forming our opinion are based on the component materiality specified by you in the context of the audit of the group financial statements.

**Opinion**

In our opinion, the Reporting Package of the Company as of 31 March, 2018 and for the year then ended have been prepared, in all material respects, in accordance with the recognition and measurement principles of Indian GAAP and presentation and disclosures as required by the Group.

**Restriction on use and distribution**

The Reporting Pack has been prepared for purposes of providing information to the Group to enable it to prepare the consolidated financial statements of the group. The Reporting package may, therefore, not be suitable for any another purpose.

This report is provided to you solely for the information and use of Ernst & Young to assist you in your audit of the Group's consolidated financial statements as of and for the year ended 31 March, 2018. It should not be distributed to anyone in the Group, any of its components, or any other third party.

Noida, 19 April, 2018



For **AAPT & ASSOCIATES**  
Chartered Accountants

A handwritten signature in black ink, appearing to read "Akhil Sharma".

**Akhil Sharma**  
(Partner)

**EVEREST BUILDING PRODUCTS, LLC**  
**BALANCE SHEET AS AT 26 NOVEMBER, 2017**

Particulars	Notes Reference	As at	As at	As at
		26 November, 2017	31 March 2017	01 April 2016
		Rs. / Lakhs	Rs. / Lakhs	Rs. / Lakhs
<b>A ASSETS</b>				
<b>1 Non-current assets</b>				
Property, plant and equipment	3	-	22.30	-
Capital work in progress		-	1,367.07	-
<b>Total - Non-current assets</b>		-	<b>1,389.37</b>	-
<b>2 Current assets</b>				
Financial assets				
(i) Cash and cash equivalent	4	-	56.01	35.74
Other current assets	5	-	118.35	688.51
<b>Total - Current assets</b>		-	<b>174.36</b>	<b>724.25</b>
<b>TOTAL ASSETS</b>		-	<b>1,563.73</b>	<b>724.25</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>1 Equity</b>				
Equity share capital	6	177.67	176.60	180.63
Other Equity	7	(177.67)	(1,194.00)	(1,036.73)
<b>Total equity</b>		-	<b>(1,017.40)</b>	<b>(856.10)</b>
<b>2 Current liabilities</b>				
Financial Liabilities				
(i) Borrowings	8	-	2,443.67	1,533.22
(ii) Trade payables	9	-	7.25	12.15
(iii) Other financial liabilities	10	-	130.21	34.98
<b>Total - Current liabilities</b>		-	<b>2,581.13</b>	<b>1,580.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		-	<b>1,563.73</b>	<b>724.25</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

1-27

**For A A P T & ASSOCIATES**  
Chartered Accountants

  
**Akhil Sharma**  
Partner



**For and on behalf of the Board of Directors**  
**EVEREST BUILDING PRODUCTS, LLC**

Gautam Das  
Director



Place : Noida  
Date: 19 April, 2018

Place : Noida  
Date: 19 April, 2018



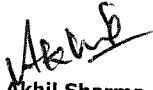
**EVEREST BUILDING PRODUCTS, LLC**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD 1 APRIL, 2017 TO 26 NOVEMBER, 2017**

	Notes Reference	For the period 1 April, 2017 to 26 November, 2017 Rs. / Lakhs	For the year ended 31 March, 2017 Rs. / Lakhs
<b>Income</b>			
Other income			
<b>Total Income</b>	11	1,252.59	0.49
		<b>1,252.59</b>	<b>0.49</b>
<b>Expenses</b>			
Employee benefits expense			
Finance costs	12	52.99	45.46
Other expenses	13	-	59.13
<b>Total Expenses</b>	14	183.30	69.39
		<b>236.29</b>	<b>173.98</b>
<b>Profit/(Loss) Before Tax</b>			
<b>Tax Expenses</b>		1,016.30	(173.49)
(a) Current tax		-	-
(b) Deferred tax		-	-
<b>Total Tax Expenses</b>		-	-
<b>Profit for the year</b>		<b>1,016.30</b>	<b>(173.49)</b>
<b>Other Comprehensive Income</b>			
(i) Items that may not be reclassified to profit and loss			
(a) Foreign currency monetary item translation difference account		-	-
(ii) Items that may be reclassified to profit and loss			
(a) Foreign currency monetary item translation difference account		0.03	16.22
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax</b>		<b>(0.03)</b>	<b>(16.22)</b>
<b>Total Comprehensive Income For The Year</b>		<b>1,016.27</b>	<b>(189.71)</b>
<b>Earnings per equity share (see note 17)</b> [Face value - AED 1000 per share]			
Basic earnings per share (Rupees)		1.02	(0.17)
Diluted earnings per share (Rupees)		1.02	(0.17)
See accompanying notes forming part of the financial statements	1-27		

In terms of our report attached

**For A A P T & ASSOCIATES**


Chartered Accountants

  
Akhil Sharma  
Partner



Place : Noida  
Date: 19 April, 2018

**For and on behalf of the Board of Directors  
EVEREST BUILDING PRODUCTS, LLC**

Gautam Das   
Director

Place : Noida  
Date: 19 April, 2018



**EVEREST BUILDING PRODUCTS, LLC**

**STATEMENT OF CASH FLOWS FOR THE PERIOD 1 APRIL, 2017 TO 26 NOVEMBER, 2017**

	<b>For the period 1 April, 2017 to 26 November, 2017</b>	<b>For the year ended 31 March, 2017</b>
	<b>Rs. / Lakhs</b>	<b>Rs. / Lakhs</b>
<b>A. Cash flow from operating activities</b>		
Profit before tax	1,016.30	(173.49)
<b>Adjustments for:</b>		
Finance costs	-	95.23
Interest income	(0.07)	(0.49)
Loss/ (profit) on sale of fixed assets (net)	(185.58)	-
Liabilities / provisions no longer required written back	(1,035.39)	-
Provision for doubtful receivables and other receivables / Doubtful trade and other receivables written off	33.45	-
Net unrealised (gain)/loss on exchange rate fluctuation	0.03	16.22
<b>Operating profit before working capital changes</b>	<b>(171.26)</b>	<b>(62.53)</b>
<b>Working capital adjustments:</b>		
(Increase)/decrease in Trade and other receivables	84.94	(26.29)
Increase/(decrease) in Trade and other Payables	6.79	(4.90)
<b>Cash generated from operations</b>	<b>(79.53)</b>	<b>(93.72)</b>
<b>Net cash flows from operating activities</b>	<b>(79.53)</b>	<b>(93.72)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	-	(792.92)
Proceeds from sale of fixed assets	1,574.94	-
Interest received	0.07	0.49
<b>Net cash flows used in investing activities</b>	<b>1,575.01</b>	<b>(792.43)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	1.07	(4.03)
Proceeds/(repayment) of short-term borrowings	(1,552.56)	910.45
<b>Net cash flows from/(used in) financing activities</b>	<b>(1,551.49)</b>	<b>906.42</b>
Net change in cash and cash equivalents	(56.01)	20.27
Cash and cash equivalents at the beginning of the year	56.01	35.74
<b>Cash and cash equivalents at year end</b>	<b>-</b>	<b>56.01</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For A A P T & ASSOCIATES**

Chartered Accountants

*Akhil Sharma*  
**Akhil Sharma**  
Partner



Place :Noida  
Date: 19 April, 2018

**For and on behalf of the Board of Directors  
EVEREST BUILDING PRODUCTS, LLC**

Gautam Das *Gautam Das*  
Director

Place :Noida  
Date: 19 April, 2018

*AK*

**EVEREST BUILDING PRODUCTS, LLC**  
**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 APRIL, 2017 TO 26 NOVEMBER, 2017**

**A. Equity Share Capital**

Particulars	Numbers of share		Amount	
			Rs. / Lakhs	
<b>Balance as at 1 April, 2016</b>				
Changes in equity share capital during the period	1,000		180.63	
<b>Balance as at 31 March, 2017</b>				
Changes in equity share capital during the period	1,000		176.60	
<b>Balance as at 26 November, 2017</b>	1,000		177.67	

**B. Other Equity**

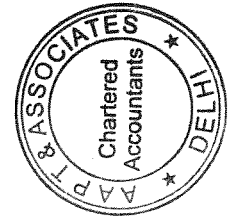
	Reserves and Surplus			
	Foreign currency monetary item translation difference	Retained earnings		Total equity
		Rs. / Lakhs	Rs. / Lakhs	
<b>As at 1 April 2016</b>				
Utilised / transferred during the year	(1.02)	(1,035.71)	(1,036.73)	
Profit/(loss) for the year	16.22	-	16.22	
Other comprehensive income	-	(173.49)	(173.49)	
<b>As at 31 March 2017</b>				
Profit for the period	15.20	(1,209.20)	(1,194.00)	
Other comprehensive income	-	1,016.30	1,016.30	
<b>As at 26 November 2017</b>	15.23	(192.90)	(177.67)	

See accompanying notes forming part of the financial statements  
In terms of our report attached

**For A P T & ASSOCIATES**  
Chartered Accountants

  
**Akhil Sharma**  
Partner

Place :Noida  
Date: 19 April, 2018



**For and on behalf of the Board of Directors**  
**EVEREST BUILDING PRODUCTS, LLC**

  
Gautam Das  
Director

Place :Noida  
Date: 19 April, 2018



**EVEREST BUILDING PRODUCTS LLC**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26**  
**November 2017**

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**1. Corporate information**

- a) Everest Building Products LLC ( 'the Company') is engaged in the manufacture of cement boards in United Arab Emirates (UAE).

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on April 19, 2018.

- b) The shareholders/partners of the Company in its meeting held on 2 August, 2017 had made an assessment of the affairs of the Company and based on reasonable grounds had decided to wind up the Company. Accordingly, the Company had applied for de registration of the Company to Ras Al Khaimah Economic Zone Authority, United Arab Emirates.

Pursuant to application filed by the Company Ras Al Khaimah Economic Zone Authority, United Arab Emirates had officially de-registered on 27 November, 2017.

- c) These financial statements have been prepared for the period 1 April, 2017 to 26 November, 2017, Hence the previous year figures are strictly not comparable.

**2. Significant accounting policies**

**a) Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March, 2017, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31 March, 2018 are the first the Company has prepared in accordance with Ind AS. Refer to note 2 (u) for information on how the Company adopted Ind AS.

Having regard to the de-registration of the Company as indicated above in para 1 (b), the Management had decided that the preparation of the financial statements of the Company on a going concern basis would not be appropriate. As a result of de-registration as on 27 November, 2017 the Company does not have any assets and liability.

Due to applicability of Ind AS on the group, Subsequent to year ended 31 March, 2017 the parent Company has got fair valuation done of the Company as on 31 March, 2016 from an independent consultant. Accordingly, based on aforementioned valuation report the Company has reinstated balance sheet as on 1 April, 2016.

**b) Basis of preparation and presentation**

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement



**EVEREST BUILDING PRODUCTS LLC**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26**  
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date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

**c) Current Vs Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalent. The Company has identified twelve months as its operating cycle.





**d) Property, Plant and Equipment**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property plant and equipment.

Property, plant & equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Such cost includes the cost of replacing part of the plant and equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of repairs and maintenance are recognised in the statement of profit and loss as incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted, if appropriate.

**e) Depreciation on Property, plant & equipment**

Lease hold improvements (LHI) & leasehold lands are amortised on straight line basis over the period of lease or useful life whichever is lower.

Depreciation on other Property, plant & equipment is provided on straight line basis at the rates based on the estimated useful life of the assets. The Company, based on management estimates, depreciates the assets over estimated useful lives which coincides with the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on Property, plant & equipment added/disposed off during the year is provided on pro-rata basis with respect to date of acquisition/ disposal.

**f) Revenue Recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Based on Ind AS 18, the Company has assumed that recovery of excise duty flows to the Company on its own account, hence revenue includes excise duty. However, sales tax/ value added tax (VAT)/goods and service tax (GST) is not received by the company on its own account, rather it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.



**EVEREST BUILDING PRODUCTS LLC**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26**  
**November 2017**

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The following specific recognition criteria must also be met before revenue is recognized

- **Sale of goods**

Revenue from sale of goods is recognized, net of returns and rebates when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which generally coincides with the despatch of goods to customers.

- **Interest**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR).

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

## **g) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Financial assets**

#### **Initial recognition and measurement**

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

#### **Subsequent measurement**

##### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, Security deposits & other receivables.



### **Investments in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries at fair value as its deemed cost on the date of transition to Ind AS.

### **Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

### **Impairment of financial assets**

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivable.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for estimated losses on the current portfolio. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

### **Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the EIR method.

#### **Other financial liabilities (Loans and borrowings)**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.



**EVEREST BUILDING PRODUCTS LLC**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26**  
**November 2017**

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The EIR amortisation is included as finance costs in the statement of profit and loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**h) 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

**i) Retirement and other Employee Benefits**

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

**Short-term employee benefits**

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

**Post-employment benefit plans**

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

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

The Company's superannuation scheme is considered as defined contribution scheme. The Company has no obligation, other than the contribution payable to the superannuation fund. The Company recognizes contribution payable to the super-annuation fund scheme as an expense, when an employee renders the related service.

The Provident Fund (administered by a Trust) is a defined benefit scheme where by the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to 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 operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, and the return on plan



**EVEREST BUILDING PRODUCTS LLC**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26**  
**November 2017**

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assets (excluding net interest), are recognised to OCI in the period in which they occur and are not reclassified to profit or loss

Benefits comprising compensated absences constitute other employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss for the period in which they are occur.

**j) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**k) Foreign Exchange Transactions and balances**

The functional currency of the company is India Rupees.

**Initial recognition**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

**Conversion**

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Nonmonetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction

**l) 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.

**m) 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.



**EVEREST BUILDING PRODUCTS LLC**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26**  
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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.

**n) Impairment of Non-financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, are recognised in the statement of profit and loss

Intangible assets with indefinite useful lives are tested for impairment annually, as appropriate and when circumstances indicate that the carrying value may be impaired.

**o) Provisions and contingencies**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement.

**p) Contingent liability**

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**q) 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.

**r) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft as they are considered an integral part of the company's cash management.



**s) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded of the nearest two decimal lakhs as per the requirement of schedule III, unless otherwise stated.

**t) Significant accounting judgments, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**• Useful Lives of Property, Plant and Equipment:**

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

**u) First time adoption of Ind AS**

These financial statements, for the period 01 April 2017 to 26 November 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with previous GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods 01 April 2017 to 26 November 2017, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the statement of financial position as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

**i. Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemption:



**Property Plant & Equipment**

As permitted by IND AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant & equipment. The same selection has been made in respect of Intangibles Assets

ii. Estimates

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies).

**Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. Since there is no adjustment from previous GAAP to Ind AS, no reconciliation provided.





**EVEREST BUILDING PRODUCTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL, 2017 TO 26 NOVEMBER, 2017**

**3 Property, plant and equipment**

Rs. / Lakhs

Particulars	Lasehold Land	Furniture and fixtures	Vehicles	Office Equipments	Total
<b>Cost or valuation</b>					
<b>As at 1 April, 2016</b>	-	-		-	-
Additions	18.89	0.10	0.04	3.44	<b>22.47</b>
Disposals	(1.16)	(0.10)	-	(0.06)	<b>(1.32)</b>
<b>As at 31 March, 2017</b>	<b>17.73</b>	-	<b>0.04</b>	<b>3.38</b>	<b>21.15</b>
Additions					-
Disposals	<b>(17.73)</b>	-	(0.04)	<b>(3.38)</b>	<b>(21.15)</b>
<b>As at 26 November, 2017</b>	-	-	-	-	-
<b>Depreciation</b>					
<b>As at 1 April, 2016</b>	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-
Disposals	(1.05)	(0.02)	-	(0.08)	<b>(1.15)</b>
<b>At 31 March, 2017</b>	<b>(1.05)</b>	<b>(0.02)</b>	-	<b>(0.08)</b>	<b>(1.15)</b>
Depreciation charge for the year	-	-	-	-	-
Disposals	<b>1.05</b>	<b>0.02</b>	-	<b>0.08</b>	<b>1.15</b>
<b>As at 26 November, 2017</b>	-	-	-	-	-
<b>Net Book Value</b>					
As at 1 April, 2016	-	-	-	-	-
At 31 March, 2017	18.78	0.02	0.04	3.46	<b>22.30</b>
<b>As at 26 November, 2017</b>	-	-	-	-	-

*[Handwritten initials]*



**EVEREST BUILDING PRODUCTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL, 2017 TO 26 NOVEMBER, 2017**

Particulars	As at 26 November, 2017 Rs. / Lakhs	As at 31 March 2017 Rs. / Lakhs	As at 01 April 2016 Rs. / Lakhs
<b>4 Cash and cash equivalent</b>			
a. Cash on hand	-	-	0.09
b. Balances with banks			
i. Current accounts	-	56.01	35.65
	<u>-</u>	<u>56.01</u>	<u>35.74</u>
<b>5 Other current assets</b>			
<b>Current</b>			
<b>Unsecured, consider good</b>			
a. Prepaid lease rental	-	10.28	-
b. Prepaid expenses	-	5.94	-
c. Advance to supplier	-	-	596.46
d. Others	-	102.13	92.05
	<u>-</u>	<u>118.35</u>	<u>688.51</u>

*[Handwritten marks]*



**EVEREST BUILDING PRODUCTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL, 2017 TO 26 NOVEMBER, 2017**

Particulars	As at	As at	As at
	26 November, 2017 Rs. / Lakhs	31 March 2017 Rs. / Lakhs	31 March 2017 Rs. / Lakhs

1 April, 2016

<b>6 Equity share capital</b>			
<b>Equity</b>			
Issued, subscribed and fully paid up (1000 equity shares of AED 1000 each)	177.67	176.60	180.63

**Notes:**

i Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	As at 26 November, 2017		As at 31 March 2017		As at 01 April 2016	
	Number of shares	Rs. / Lakhs	Number of shares	Rs. / Lakhs	Number of shares	Rs. / Lakhs
<b>Equity shares of AED 1000 each fully paid up</b>						
Opening balance	1,000	177.67	1,000	176.60	1,000	180.63
Add: Fresh issue	-	-	-	-	-	-
Add/Less; Other adjustments	-	-	-	-	-	-
Closing balance	1,000	177.67	1,000	176.60	1,000	(180.63)

ii The Company has only one class of equity shares having a par value of AED 1000 per share. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in AED. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

	As at 26 November, 2017		As at 31 March 2017		As at 01 April 2016	
	Number of shares	Rs. / Lakhs	Number of shares	Rs. / Lakhs	Number of shares	Rs. / Lakhs
<b>iii Shares held by Everest Building Products, the holding Company</b>						
Equity shares of AED 1000 each fully paid up	490	87.06	490	86.53	490	88.51
Opening balance	-	-	-	-	-	-
Add: Fresh/Redemption issue	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-

iv Details of shares held by each shareholder holding more than 5% shares:

	As at 26 November, 2017		As at 31 March 2017		As at 01 April 2016	
	Number of shares	Rs. / Lakhs	Number of shares	Rs. / Lakhs	Number of shares	Rs. / Lakhs
Everest Building Products	490	49%	490	49%	490	49%
WSY Investment LLC (formerly Rakia Investment LLC)	510	51%	510	51%	510	51%
	1,000	100%	1,000	100%	1,000	100%

**7 Other Equity**

	Rs. / Lakhs		
	Foreign currency translation reserve	Retained earnings	Total
<b>As at 1 April 2016</b>	(1.02)	(1,035.71)	(1,036.73)
Utilised / transferred during the year	16.22	-	16.22
Profit/(loss) for the year	-	(173.49)	(173.49)
Other comprehensive income	-	-	-
<b>As at 31 March 2017</b>	15.20	(1,209.20)	(1,194.00)
Profit for the period	-	1,016.30	1,016.30
Other comprehensive income	0.03	-	0.03
<b>As at 26 November 2017</b>	15.23	(192.90)	(177.67)



**EVEREST BUILDING PRODUCTS, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL, 2017 TO 26 NOVEMBER, 2017**

	As at 26 November, 2017 Rs. / Lakhs	As at 31 March 2017 Rs. / Lakhs	As at 01 April 2016 Rs. / Lakhs
<b>8 Borrowings</b>			
<b>Loans from banks at amortised cost</b>			
<b>Unsecured</b>			
<b>Current</b>			
i. Loans from others	-	2,443.67	1,533.22
	<u>-</u>	<u>2,443.67</u>	<u>1,533.22</u>
<b>9 Trade payables</b>			
(i) Total outstanding dues of micro enterprises and small enterprises*			
(ii) Total outstanding dues of trade payables other than micro enterprises and small enterprises	-	7.25	12.15
	<u>-</u>	<u>7.25</u>	<u>12.15</u>
* As per the management there are no dues outstanding of micro enterprises and small enterprises.			
<b>10 Other financial liabilities</b>			
a. Interest accrued but not due on borrowings	-	130.21	34.98
	<u>-</u>	<u>130.21</u>	<u>34.98</u>

*(Handwritten initials)*



**EVEREST BUILDING PRODUCTS, LLC**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL, 2017 TO 26 NOVEMBER, 2017**

Particulars	For the period 1 April, 2017 to 26 November, 2017	For the year ended 31 March, 2017
	Rs. / Lakhs	Rs. / Lakhs
<b>11 Other income</b>		
a. Interest income on financial assets carried at amortised cost		
i. Other interest	0.07	0.49
	<u>0.07</u>	<u>0.49</u>
b. Other non-operating income		
i. Net gain on sale of property, plant and equipment	185.58	-
ii. Liabilities / provisions no longer required written back	1,035.39	-
iii Miscellaneous income	31.55	-
	<u>1,252.52</u>	<u>-</u>
	<b><u>1,252.59</u></b>	<b><u>0.49</u></b>
<b>12 Employee benefits expense</b>		
a. Salaries and wages	42.88	44.18
b. Contributions to provident and other funds	10.06	1.28
c. Staff welfare expenses	0.05	-
	<u>52.99</u>	<u>45.46</u>
<b>13 Finance costs</b>		
a. Interest expense on borrowings	-	59.13
	<u>-</u>	<u>59.13</u>
<b>14 Other expenses</b>		
a. Repairs and maintenance		
- Building	0.89	-
b. Rent	34.71	35.16
c. Insurance	-	0.98
d. Travelling	8.87	5.12
e. Net loss on foreign currency transactions and translation	3.18	-
f. Professional and consultancy expenses	2.20	-
g. Miscellaneous expenses	133.45	28.13
	<u>183.30</u>	<u>69.39</u>



**EVEREST BUILDING PRODUCTS LLC**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26**  
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15. Estimated amount of contracts to be executed on capital account – Nil (net of advances – Nil), [previous year – Rs. 133.93 lakhs (net of advances Rs. 100.31 lakhs)].

**16. Related Party Disclosures**

**a. List of related parties**

- i. Holding Company
- M/s Everest Industries Limited
  - M/s Everest Building Products, Mauritius

**b. Transactions with related parties during the year:**

S. No.	Particulars	Period from 1.04.2017 to 26.11.2017 (Rs. /Lakhs)	Year ended 31.03.2017 (Rs. /Lakhs)
i.	Loan from Everestind FZE	28.85	918.05
ii.	Repaid loan to Everest Building Products, Mauritius	330.74	-
iii.	Repaid loan to Everestind FZE	1,252.52	-
iv.	Sale of assets to Everest Industries Limited	1,538.93	-

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

S. No.	Particulars	As at 26.11.2017 (Rs. /Lakhs)	As at 31.03.2017 (Rs. /Lakhs)
i.	Share capital from Everest Building Product, Mauritius	-	86.57
ii.	Loan from Everestind FZE	-	2,113.97
iii.	Loan from Everest Building Products, Mauritius	-	329.69

The Company has been de registered w.e.f 27 November, 2017.



**EVEREST BUILDING PRODUCTS LLC**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26**  
**November 2017**

**17. Earnings per Share**

Particulars	Period from 1.04.2017 to 26.11.2017	Year ended 31.03.2017
a. Number of equity shares of AED 1,000 each fully paid up at the beginning of the year	1,000	1,000
b. Number of equity shares of AED 1,000 each fully paid up at the year end	1,000	1,000
c. Weighted average number of equity shares used in computing earnings per share	1,000	1,000
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)	-	(173.49)
g. Basic earnings per share (Rupees lakhs)	-	(0.17)
h. Diluted earnings per share (Rupees lakhs)	-	(0.17)
i. Nominal value of equity shares (AED)	1,000.00	1,000.00

**18. First time adoption of Ind AS**

These financial statements, for the year ended 31 March 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with previous GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 26 November, 2017 together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the statement of financial position as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

**Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:



**EVEREST BUILDING PRODUCTS LLC**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26**  
**November 2017**

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**Property Plant & Equipment**

As permitted by IND AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant & equipment.

**Estimates**

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies).

19. The Company has been incorporated to engage in development and growth of the business of its Holding Company in Africa /Middle East and such other territories. Based on the information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of performance, there are no reportable segments in accordance with the requirements of Indian Accounting Standard 108-'Operating Segment Reporting', notified under the Companies (Indian Accounting Standards) Rules, 2015.
20. These financial statements are prepared only for consolidation of financial statements of Everest Building Products LLC with Everest Industries Limited (Parent/Holding Company) and are not suitable for any other purpose.
21. The Company does not have any pending litigations which would impact its financial position.
22. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
23. The Company is not registered in India. Accordingly, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company pursuant to requirement of the Companies Act, 2013.
24. **Capital Management**  

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages it's capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Company take appropriate steps in order to maintain its capital structure.
25. **Financial risk management objectives and policies**  

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include advances and cash and cash equivalents that derive directly from its operations.






**EVEREST BUILDING PRODUCTS LLC**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 26**  
**November 2017**

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26. Previous year figures were audited by another firm of chartered accountants.
27. 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**

Gautam Das   
Director  
Place: Noida  
Date: 19 April, 2018

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