

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PRACTICE ON CORPORATE GOVERNANCE

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

#### 1. BOARD OF DIRECTORS

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

##### A. Composition of Board

The Board comprises of seven Directors of which three are Executive Directors and four are Non-Executive Directors including one woman Director. All four Non-Executive Directors are Independent Directors. The Company has an appropriate size of the Board for real strategic discussion and avails benefit of diverse experience and viewpoints.

##### B. Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are paid sitting fee as well as commission within the limits prescribed under Section 197(1) of the Companies Act, 2013. No stock options were granted to Non-Executive Directors during the year under review. The Non-Executive Directors did not have any material pecuniary relationship or transactions with the Company except the payment of sitting fees to them during the year 2016-17.

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

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

##### C. Other provisions as to Board and Committees

The Board comprises of Mr A V Somani as Executive Chairman, Mr Manish Sanghi as Managing Director, Mr Y Srinivasa Rao as Executive Director and Mr M L Gupta, Mr Amitabh Das Mundhra, Mr B L Taparia and Mrs Bhavna G Doshi are Independent Directors.

During the year 2016-17, six meetings of the Board of Directors were held on 29<sup>th</sup> April, 2016, 27<sup>th</sup> July, 2016, 21<sup>st</sup> October, 2016, 1<sup>st</sup> December, 2016, 25<sup>th</sup> January, 2017 and 24<sup>th</sup> March, 2017 with clearly defined agenda, circulated well in advance before each meeting. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are members of more than 10 Committees or Chairman of more than 5 Committees across the Companies in which they are Directors. Necessary disclosures regarding Committee positions in other public Companies as on 31<sup>st</sup> March, 2017 have been made by the Directors as per Regulation 26(2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Details of attendance of Directors at Board Meetings held during the period under review and at the last Annual General Meeting held on 29<sup>th</sup> June, 2016, with particulars of their Directorships and Chairmanship/Membership of Board Committees of other public limited companies showing the position as on 31<sup>st</sup> March, 2017 are given below:

Name of Director	Particulars of attendance		No. of Directorships and Committee Membership/ Chairmanship held in other Public Companies*			Category of Directors
	Board Meetings	Last AGM	Other Directorship	Other Committee Member	Other Committee Chairman	
Mr A V Somani (Chairman)	6	Yes	2	1	-	Executive
Mr M L Gupta (Vice Chairman)	6	Yes	-	-	-	Independent Non-Executive
Mr Manish Sanghi (Managing Director)	5	Yes	1	-	-	Executive
Mr Y Srinivasa Rao (Executive Director)	6	Yes	1	-	-	Executive
Mr M L Narula**	5	Yes	-	-	-	Independent Non-Executive
Mr Amitabh Das Mundhra	3	No	3	-	1	Independent Non-Executive
Mr B L Taparia	6	Yes	1	1	-	Independent Non-Executive
Mrs Bhavna G Doshi	5	No	9	2	5	Independent Non-Executive

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

\*\* Mr M L Narula ceased to be director of the Company w.e.f. 30<sup>th</sup> January, 2017

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

No Director of the Company is related to any other Director of the Company.

#### D. Code of Conduct

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

The members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended on 31<sup>st</sup> March, 2017. The Annual Report of the Company contains a declaration by the Managing Director in terms of para D of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 based on the compliance declarations received from the Board and Senior Management.

#### E. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, leadership attribute of directors through vision and values, strategic thinking and decision making, adequacy of business strategy etc.

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

## F. Familiarization Programmes imparted to Independent Director

The Board of the Company conducts Familiarization Programme for its independent directors as and when required. The details of such programmes is available on the Company's website at the link : <http://www.everestind.com/about-us/board-directors>.

## 2. BOARD COMMITTEES

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

### 2.1 AUDIT COMMITTEE

#### A. Qualified and Independent Audit Committee

The Company complies with Section 177 of the Companies Act, 2013 as well as requirements under Listing Agreement/ Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 pertaining to the Audit Committee. The Audit Committee comprises of three Non-Executive Independent Directors. All members of the Committee are financially literate and having the requisite financial management expertise. Mr B L Taparia has been elected as the Chairman of the Audit Committee w.e.f. 26<sup>th</sup> January, 2017 in place of Mr M L Narula. The Chairman of the Audit Committee is an Independent Director. Mr M L Narula was present at the last Annual General Meeting held on 29<sup>th</sup> June, 2016.

#### B. Terms of Reference

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

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

#### C. Composition, its meetings and attendance:

The Committee comprises of Mr B L Taparia (Chairman), Mr M L Gupta (Member) and Mrs Bhavna G Doshi (Member).

During the year, seven Audit Committee Meetings were held on 29<sup>th</sup> April, 2016, 29<sup>th</sup> June, 2016, 27<sup>th</sup> July, 2016, 21<sup>st</sup> October, 2016, 1<sup>st</sup> December, 2016, 25<sup>th</sup> January, 2017 and 24<sup>th</sup> March, 2017. The number of meetings held and number of meetings attended by the Members during the year are given below:

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Mr B L Taparia	Independent Director	7	7
Mr M L Gupta	Independent Director	7	7
Mrs Bhavna G Doshi	Independent Director	7	5
Mr M L Narula*	Independent Director	6	6

\* Mr M L Narula ceased to be member of the Audit Committee w.e.f. 26<sup>th</sup> January, 2017

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

## 2.2 STAKEHOLDERS RELATIONSHIP COMMITTEE

### A. Composition

Stakeholders Relationship Committee comprises of Mr M L Gupta (Chairman), Mr A V Somani (Member) and Mr Manish Sanghi (Member).

### B. Terms of Reference

- i. To consider and resolve the grievances of Security holders of the Company
- ii. To approve applications for transfer, transmission, transposition of shares and mutation of share certificates including issue of duplicate certificates, split, sub-division or consolidation of certificates and to deal with all related matters.
- iii. To look into and redress the Shareholders / investors grievances relating to:
  - a. Transfer of shares;
  - b. Non-receipt of dividends;
  - c. Non-receipt of annual reports; and
  - d. Any other complaint concerning the Shareholders / investors
- iv. The Committee will oversee the performance of the Registrars and Share Transfer Agents of the Company.
- v. Such other matters as may from time to time be required by any statutory or regulatory authority to be attended by the Committee;
- vi. Consider other matters, as from time to time be referred to it by the Board.

### C. Meetings and attendance during the year

During the year, four meetings of the Stakeholders Relationship Committee were held on 29<sup>th</sup> April, 2016, 27<sup>th</sup> July, 2016, 21<sup>st</sup> October, 2016 and 25<sup>th</sup> January, 2017. The number of meetings held and number of meetings attended by the Members during the year are given below:

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Mr M L Gupta	Independent Director	4	4
Mr A V Somani	Non-Independent Director	4	4
Mr Manish Sanghi	Non-Independent Director	4	3

The Stakeholders Relationship Committee approved transfers etc. through resolution by circulation 13 times during the year. The Company has received one complaint from a shareholder during the year and the same was duly resolved.

## 2.3 NOMINATION AND REMUNERATION COMMITTEE

### A. Composition

The Nomination and Remuneration Committee comprises of Mr M L Gupta (Chairman), Mr Amitabh Das Mundhra (Member) and Mr B L Taparia (Member).

### B. Terms of reference

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

- a. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every Directors' performance.
- b. Formulation of the criteria for determining qualifications, positive attributes and independence of the Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- c. Determine/ review on behalf of Board of Directors of the Company the compensation package, service agreements and other employment conditions for Managing/Whole Time Director(s).
- d. Determine on behalf of the Board of Directors of the Company the quantum of annual increments/incentives on the basis of performance of the Key Managerial Personnel.
- e. Formulate, amend and administer stock options plans and grant stock options to Managing / Whole Time Director(s) and employees of the Company.
- f. Delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.
- g. Consider other matters, as from time to time be referred to it by the Board.

### C. Meetings and attendance during the year:

During the year, four meetings of Nomination and Remuneration Committee were held on 29<sup>th</sup> April, 2016, 1<sup>st</sup> December, 2016, 25<sup>th</sup> January, 2017 and 24<sup>th</sup> March, 2017.

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

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Mr M L Gupta	Independent Director	4	4
Mr Amitabh Das Mundhra	Independent Director	4	2
Mr B L Taparia	Independent Director	4	4
Mr M L Narula*	Independent Director	3	3

\* Mr M L Narula ceased to be member of the Nomination & Remuneration Committee w.e.f. 26<sup>th</sup> January, 2017.

### D. Remuneration policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Nomination, Remuneration and Board Diversity Policy of the Company is attached to the Board's Report as Annexure-5.

### E. Details of Remuneration of Executive Directors for the Financial Year 2016-17

Name and Designation	Mr A V Somani, Chairman	Mr Manish Sanghi, Managing Director	Mr Y Srinivasa Rao, Executive Director
<b>Tenure of Appointment</b>	<b>Five years ending on 20<sup>th</sup> June, 2021</b>	<b>Five years ending on 30<sup>th</sup> September, 2021</b>	<b>Five years ending on 22<sup>nd</sup> April, 2020</b>
Salary (Rs.)	1,78,66,667	1,56,80,000	1,20,49,500
Perquisites/Allowances (Rs.)	-	13,464	-
Contributions to Provident Fund/ Superannuation Fund (Rs.)	-	18,14,400	14,09,400
Perquisites value of ESOS (Rs.)	-	11,60,000	6,38,000
<b>Total</b>	<b>1,78,66,667</b>	<b>1,86,67,864</b>	<b>1,40,96,900</b>

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

No stock options were granted to Mr A V Somani, Mr Manish Sanghi and Mr Y Srinivasa Rao during the financial year 2016-17.

### F. Details of Remuneration of Non-Executive Directors for the Financial Year 2016-17

The Non-Executive Directors are entitled to sitting fee for attending the Board/ Committee Meetings. The Non-Executive Directors are paid Sitting Fees at the rate of Rs. 40,000/- for each Board Meeting; Rs. 20,000/- for each Audit Committee Meeting; Rs. 10,000/- for each Nomination and Remuneration Committee Meeting/Corporate Social Responsibility Committee Meeting and Rs. 5,000/- for each Stakeholder Relationship Committee Meeting. The sitting fee paid to the Non-Executive Directors for the year ended 31<sup>st</sup> March, 2017 is as under:

Name	Mr M L Narula*	Mr M L Gupta	Mr Amitabh Das Mundhra	Mr B L Taparia	Mrs Bhavna G Doshi
Sitting fees (Rs.)	3,50,000	4,40,000	1,40,000	4,20,000	3,00,000

\*Mr M L Narula ceased to be director of the Company w.e.f. 30<sup>th</sup> January, 2017

#### Note:

- Mr M L Gupta holds 45,000 equity shares and Mr B L Taparia holds 1,000 equity shares in the Company as on 31<sup>st</sup> March, 2017. None of the remaining Non-executive Director hold any shares of the Company.
- There has been no pecuniary relationship or transactions other than above of the Non-Executive Directors vis-à-vis the Company during the year under review.

## 2.4 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### A. Composition

The Corporate Social Responsibility Committee presently comprises of Mr A V Somani (Chairman), Mr M L Gupta (Member), Mr Manish Sanghi (Member) and Mr Y Srinivasa Rao (Member).

### B. Terms of Reference

- i. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activity or activities to be undertaken by the Company as per the Schedule VII of the Companies Act, 2013.
- ii. To recommend the amount of expenditure to be incurred on the activities related to CSR; and
- iii. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

### C. Meetings and attendance during the year

During the year, two meetings of Corporate Social Responsibility Committee (CSR) were held on 21<sup>st</sup> October, 2016 and 24<sup>th</sup> March, 2017. The number of meetings held and the number of meetings attended by the Members during the year are given below:

Name of Director	Category	Number of Meetings held	Number of Meetings attended
Mr A V Somani	Non-Independent Director	2	2
Mr M L Gupta	Independent Director	2	2
Mr M L Narula*	Independent Director	1	1
Mr Manish Sanghi	Non-Independent Director	2	2
Mr Y Srinivasa Rao	Non-Independent Director	2	2

\*Mr M L Narula ceased to be member of the Corporate Social Responsibility Committee w.e.f. 26<sup>th</sup> January, 2017

The Company has formulated CSR Policy which may be accessed on the Company's website at the link <http://www.everestind.com/corporate-social-responsibility>.

## 3. INDEPENDENT DIRECTORS MEETING

Independent Directors are regularly updated on the performance of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors Mr M L Gupta, Mr B L Taparia and Mrs Bhavna G Doshi met on 24<sup>th</sup> March, 2017 without the attendance of non independent directors and members of the management to:

- i. Review the performance of non-independent directors and the Board as a whole;
- ii. Review the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;
- iii. Assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr Amitabh Das Mundhra was granted leave of absence.

## 4. DISCLOSURES

### 4.1 SUBSIDIARY COMPANY

- i. The Company has one wholly owned subsidiary company in India viz. Everest Building Solutions Limited.
- ii. The Company has three foreign subsidiaries viz., Everest Building Products in Mauritius, Everestind FZE in Jebel Ali Free Zone, Dubai, UAE and Everest Building Products LLC in Ras Al Khaimah, UAE.

### 4.2 BASIS OF RELATED PARTY TRANSACTIONS

The particulars of transactions between the Company and its related parties are as per the Accounting Standard 18 "Related Party Disclosure" prescribed by the Companies (Accounting Standards) Rules, 2006 are disclosed in the Annual Accounts (Note No. 2.30). During the year, the Company had taken omnibus approval from Audit Committee for export of Fibre Cement Boards and Panels to its wholly owned subsidiary viz. Everestind FZE ("EFZE") in Dubai, UAE. There were no transactions with related parties during the year,

which were not in the normal course of business as well as not on an arm's length basis. Further, no related party transaction have been taken place which is materially significant or that may have potential conflict with the interests of the Company at large.

#### **4.3 DISCLOSURE OF WEBLINK OF POLICY FOR DETERMINING MATERIAL SUBSIDIARIES AND POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS**

As required by Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, web link of the website of the company where members can view or download Policy for determining Material Subsidiaries is <http://www.everestind.com/sites/default/files/pdfs/Material%20Subsidiary%20Policy.pdf> and for Policy on dealing with related party transactions is <http://www.everestind.com/sites/default/files/pdfs/Related%20Party%20Transaction%20policy%201.10.2014.pdf>

#### **4.4 RISK MANAGEMENT**

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

#### **4.5 PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES, PREFERENTIAL ISSUES ETC.**

During the Financial Year ended 31<sup>st</sup> March, 2017, the Company has not raised any money from public issues, right issues, preferential issues etc.

#### **4.6 MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

#### **4.7 VIGIL MECHANISM POLICY**

Pursuant to Section 177 of the Companies Act, 2013 and rules made thereunder and the Listing Regulations, the Company has in place a mechanism for Directors, employees, vendors and customers to report concerns about unethical behaviour, actual or suspected fraud, violation of Code of Conduct of the Company etc. The mechanism also provides for adequate safeguards against victimization of Whistle Blower who avail the mechanism and also provides for direct access to the Whistle Blower to the Chairman of the Audit Committee. Pursuant thereto, a dedicated helpline "Ethics Helpline" has been set-up which is managed by an independent professional organization. Whistle Blower can report concern through any of the following :

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

We affirm that during the financial year ended 31<sup>st</sup> March, 2017, no employee has been denied access to the Chairman of Audit Committee.

#### **4.8 COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

The Board is reported about the foreign exchange exposures on a quarterly basis. The Company has managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 2.27 to the Annual Accounts. The Company purchases commodities like chrysotile fibre, cellulose pulp, cement and various grades of steel. The Company enters into long term contracts for some of them.

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

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

**4.11** The Adoption of non-mandatory requirements under regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are reviewed by the Board from time to time and the Company has adopted non-mandatory requirement of appointing separate persons to the post of Chairman and Managing Director.

### **5. SHAREHOLDERS**

- i. The quarterly results and presentations made by the Company to analysts are put on the Company's website [www.everestind.com](http://www.everestind.com).
- ii. The Company has sent Annual Report through email to those Shareholders who have registered their email ids with Depository Participant and with the Registrar and Share Transfer Agent of the Company who are holding their shares in physical form.



## 6. MEANS OF COMMUNICATION

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

## 7. PREVENTION OF INSIDER TRADING

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

## 8. COMPLIANCE CERTIFICATE BY CEO/CFO

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The annual certificate given by the Managing Director and the Chief Financial Officer is published in this Report.

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

Year	AGM/EGM	Venue of the Meeting	Date	Time
2016	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	29 <sup>th</sup> June, 2016	11.00 A.M.
2015	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	26 <sup>th</sup> August, 2015	11.00 A.M.
2014	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	30 <sup>th</sup> July, 2014	11.30 A.M.

No other General Body Meeting held in the last three years

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

- i. At the 81<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> July, 2014, a Special Resolution was passed, approving remuneration payable to Mr A V Somani, Whole Time Director designated as Chairman of the Company.
- ii. At the 81<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> July, 2014, a Special Resolution was passed, approving remuneration payable to Mr Manish Sanghi, Managing Director of the Company.
- iii. At the 81<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> July, 2014, a Special Resolution was passed, approving remuneration payable to Mr Y Srinivasa Rao, Whole Time Director designated as Executive Director of the Company.
- iv. At the 81<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> July, 2014, a Special Resolution was passed for waiver of recovery of excess remuneration paid to Mr A V Somani, Whole Time Director designated as Chairman for the financial year 2013-14.
- v. At the 81<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> July, 2014, a Special Resolution was passed for waiver of recovery of excess remuneration paid to Mr Manish Sanghi, Managing Director for the financial year 2013-14.
- vi. At the 81<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> July, 2014, a Special Resolution was passed for waiver of recovery of excess remuneration paid to Mr Y Srinivasa Rao, Whole Time Director designated as Executive Director for the financial year 2013-14.
- vii. At the 81<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> July, 2014, a Special Resolution was passed for approval for payment of commission to Non Executive Directors of the Company for the financial year 2013-14.
- viii. At the 81<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> July, 2014, a Special Resolution was passed, for adoption of new Articles of Association of the Company.
- ix. At the 81<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> July, 2014, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2014 to the specified employees during the financial year 2014-15.
- x. At the 81<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> July, 2014, a Special Resolution was passed, authorising the Board of Directors of the Company to mortgage/ create charge on properties of the Company for securing loans and other financial assistance under Section 180(1)(a) of the Companies Act, 2013.
- xi. At 82<sup>nd</sup> Annual General Meeting held on 26<sup>th</sup> August, 2015, a Special Resolution was passed, approving re-appointment and remuneration payable to Mr Y Srinivasa Rao, Whole Time Director designated as Executive Director of the Company.
- xii. At 82<sup>nd</sup> Annual General Meeting held on 26<sup>th</sup> August, 2015, a Special Resolution was passed, approving revision in remuneration payable to Mr Aditya Vikram Somani, Whole Time Director designated as Chairman of the Company.



- xiii. At 82<sup>nd</sup> Annual General Meeting held on 26<sup>th</sup> August, 2015, a Special Resolution was passed, approving revision in remuneration payable to Mr Manish Sanghi, Managing Director of the Company.
- xiv. At the 82<sup>nd</sup> Annual General Meeting held on 26<sup>th</sup> August, 2015, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2015 to the specified employees during the financial year 2015-16.
- xv. At the 83<sup>rd</sup> Annual General Meeting held on 29<sup>th</sup> June, 2016, a Special Resolution was passed, approving re-appointment and remuneration payable to Mr Aditya Vikram Somani, Whole Time Director designated as Chairman of the Company.
- xvi. At the 83<sup>rd</sup> Annual General Meeting held on 29<sup>th</sup> June, 2016, a Special Resolution was passed, approving re-appointment and remuneration payable to Mr Manish Sanghi, Managing Director of the Company.
- xvii. At the 83<sup>rd</sup> Annual General Meeting held on 29<sup>th</sup> June, 2016, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme -2016 to the specified employees during the financial year 2016-17.

#### Postal Ballot & E-voting:

The Company successfully completed the process of Postal Ballot for obtaining approval of its Members on three special resolutions during the financial year 2016-17. The details of special resolutions along with the voting pattern are as follows:-

Particulars	Total No. of Valid Votes	Votes Assenting the Resolution	% of Assenting Votes Cast	Votes Dissenting the Resolution	% of Dissenting Votes Cast
Special Resolution for modification in tenure of payment of Managerial Remuneration of Mr Y Srinivasa Rao (DIN 01289086), Whole Time Director designated as Executive Director of the Company from 5 years to 3 years.	8505050	8503544	99.98	1506	0.02
Special Resolution for modification in tenure of payment of Managerial Remuneration of Mr Aditya Vikram Somani (DIN 00046286), Whole Time Director designated as Chairman of the Company from 5 years to 3 years.	8505040	8504435	99.99	605	0.01
Special Resolution for modification in tenure of payment of Managerial Remuneration of Mr Manish Sanghi (DIN 00088527), Managing Director of the Company from 5 years to 3 years	8504640	8504040	99.99	600	0.01

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

#### Procedure for Postal Ballot:

The Postal Ballot notice dated 25<sup>th</sup> January, 2017 was sent to Members of the Company whose names appeared in the Register of Members/List of Beneficial Owners as received from the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CSDL") as on close of working hours on 27<sup>th</sup> January, 2017 and the dispatch of notice of Postal Ballot along with postal ballot form and business reply envelope was completed on 6<sup>th</sup> February, 2017. Notice of Postal Ballot was sent through electronic means to the Members whose e-mail addresses were registered with Depositories or with the Company/RTA and through physical mode, along with Postal Ballot Form and postage prepaid self-addressed Business Reply Envelope to other Members (whose e-mail addresses were not registered).

The Company availed the services of NSDL to provide the facility to the Members for voting by electronic means.

The e-voting period begun on Tuesday, 7<sup>th</sup> February, 2017 at 09.30 am (IST) and ended on Wednesday, 8<sup>th</sup> March, 2017 at 05.00 pm (IST). The Members were requested to return the physical postal ballot form duly completed along with their assent or dissent on the proposed resolutions specified in the Notice of Postal Ballot, so as to reach the Scrutinizer on or before Wednesday, 8<sup>th</sup> March, 2017 (IST 5.00 p.m.). In case of electronic voting, Members were requested to cast their votes electronically by 5.00 p.m. (IST), Wednesday, 8<sup>th</sup> March, 2017.

The Board in its meeting held on 25<sup>th</sup> January, 2017 appointed Mr Tanuj Vohra, Partner of M/s TVA & Co. LLP, Company Secretaries, as the Scrutinizer in accordance with the provisions of the Companies Act, 2013 for conducting the postal ballot (including e-voting) process in a fair and transparent manner.

The Scrutinizer carried out the scrutiny of postal ballot forms received physically and the votes casted by the Members electronically upto 5 p.m. (IST) on Wednesday, 8<sup>th</sup> March, 2017. The Scrutinizer submitted his report dated 9<sup>th</sup> March, 2017 to the Chairman of the Company and reported that all the Special Resolutions as set out in the Postal Ballot Notice dated 25<sup>th</sup> January, 2017 have been passed with requisite majority.

Based on the Scrutinizer's Report, the Chairman declared the results of Postal Ballot on 10<sup>th</sup> March, 2017.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

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

#### 11. GENERAL SHAREHOLDER'S INFORMATION

i.	Annual General Meeting Day, Date, Time and Venue	Wednesday, 26 <sup>th</sup> July, 2017 at 12.30 p.m. at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)
ii.	Financial Year	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017
iii.	Date of Book Closure	19 <sup>th</sup> July, 2017 to 26 <sup>th</sup> July, 2017 (both days inclusive)
iv.	Posting of Annual Report	On or before 1 <sup>st</sup> July, 2017.
v.	Dividend	Rs. 1 /- per equity share of face value of Rs. 10/- each.
vi.	Dividend Payment date	Dividend, if any, declared in the forthcoming 84 <sup>th</sup> Annual General Meeting will be paid on or before 25 <sup>th</sup> August, 2017.
vii.	Unclaimed/Unpaid Dividend for the previous years.	The Company is required to transfer dividends which have remained unpaid/ unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. Unclaimed/ unpaid dividend for the year ended 31 <sup>st</sup> March, 2009 has been transferred to the Investor Education & Protection Fund established by the Government. The Company will transfer the dividend for the year ended 31 <sup>st</sup> March, 2010, which have remained unclaimed to the said fund in September, 2017.  Members who have not encashed their dividend warrants for the Financial Year 2010-2011 & onwards may approach the Company for obtaining demand draft in lieu of unpaid dividend warrant.
viii.	Financial Calendar	
	a) Unaudited Financial Results for the quarter ending 30 <sup>th</sup> June, 2017, Quarter and half year ending 30 <sup>th</sup> September, 2017, Quarter and nine months period ending 31 <sup>st</sup> December, 2017.	Within 45 days from the end of each quarter as stipulated under SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.
	b) Audited Financial Results for the quarter/ year ending March 31, 2018.	Within 60 days from the end of the last quarter/year as stipulated under SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.
ix.	Stock Exchanges on which Company's Shares are listed	BSE Limited and National Stock Exchange of India Limited  Annual Listing fees for the Financial Year 2017-18 has been paid to the respective stock exchanges within the prescribed time.
x.	Corporate Identification Number (CIN) of the Company	L74999MH1934PLC002093
xi.	Registered Office	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)

#### 12. STOCK CODE

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

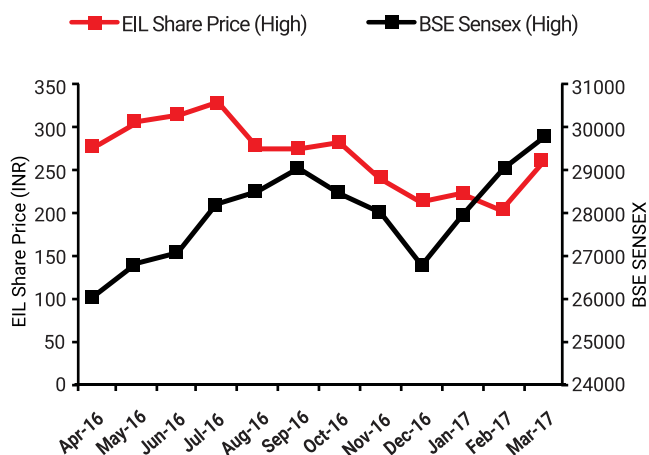
### 13. Market Price Information

- A. The reported high and low share prices during the year ended 31<sup>st</sup> March, 2017 on BSE, where your Company's shares are traded vis-à-vis BSE Sensex, are given below:

MONTH	BSE Limited*		BSE SENSEX*	
	HIGH (Rs.)	LOW (Rs.)	HIGH	LOW
April, 2016	280.00	233.00	26100.54	24523.20
May, 2016	306.90	275.10	26837.20	25057.93
June, 2016	314.90	255.20	27105.41	25911.33
July, 2016	328.00	272.00	28240.20	27034.14
August, 2016	275.00	242.20	28532.25	27627.97
September, 2016	273.55	251.10	29077.28	27716.78
October, 2016	282.30	228.10	28477.65	27488.30
November, 2016	239.80	187.30	28029.80	25717.93
December, 2016	211.95	182.00	26803.76	25753.74
January, 2017	222.00	185.00	27980.39	26447.06
February, 2017	201.00	185.10	29065.31	27590.10
March, 2017	257.00	190.00	29824.62	28716.21

\* Based on BSE website.

#### Performance in comparison to BSE SENSEX

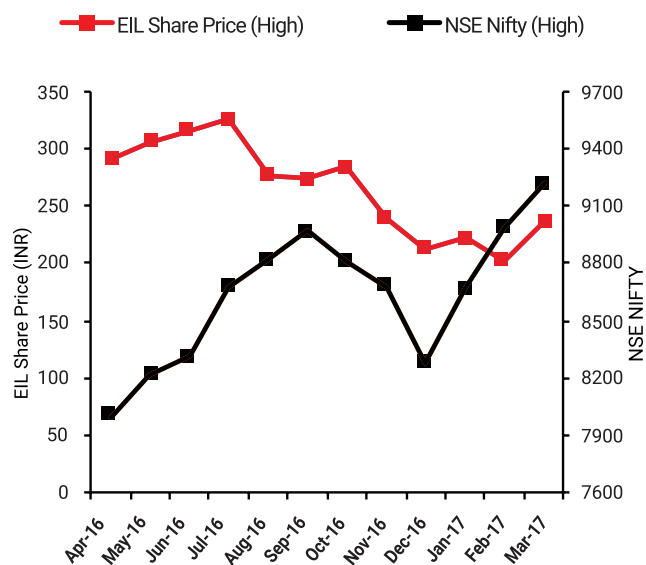


- B. The reported high and low share prices during the year ended 31<sup>st</sup> March, 2017 on the National Stock Exchange, where your Company's shares are traded vis-à-vis CNX Nifty are given below:

MONTH	National Stock Exchange of India Limited (NSE)*		CNX NIFTY*	
	HIGH (Rs.)	LOW (Rs.)	HIGH	LOW
April, 2016	290.00	229.00	7992.00	7516.85
May, 2016	305.90	274.30	8213.60	7678.35
June, 2016	314.95	281.65	8308.15	7927.05
July, 2016	327.00	272.00	8674.70	8287.55
August, 2016	276.00	247.60	8819.20	8518.15
September, 2016	274.00	252.00	8968.70	8555.20
October, 2016	285.00	228.05	8806.95	8506.15
November, 2016	238.45	187.00	8669.60	7916.40
December, 2016	212.85	180.30	8274.95	7893.80
January, 2017	223.00	185.50	8672.70	8133.80
February, 2017	201.00	182.15	8982.15	8537.50
March, 2017	238.00	189.00	9218.40	8860.10

\*Based on NSE website.

#### Performance in comparison to NSE Nifty



### 14. REGISTRAR & SHARE TRANSFER AGENT (RTA)

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

### 15. SHARE TRANSFER SYSTEM

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

## 16. PERMANENT ACCOUNT NUMBER (PAN)

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

## 17. SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2017

### A. Distribution of Shareholding as on 31<sup>st</sup> March, 2017

No. of Equity Shares	No. of shareholders	% of shareholders	Total No. of shares held	% of shareholding
1 to 500	11881	88.35	1490056	9.66
501 to 1000	930	6.91	698679	4.53
1001 to 2000	316	2.35	465253	3.02
2001 to 3000	107	0.80	270912	1.76
3001 to 4000	37	0.28	134822	0.87
4001 to 5000	48	0.35	224676	1.46
5001 to 10000	63	0.47	463258	3.00
10001 to 50000	48	0.36	1050783	6.81
50001 to 100000	8	0.06	698733	4.53
100001 and above	10	0.07	9925738	64.36
<b>Total</b>	<b>13448</b>	<b>100.00</b>	<b>15422910</b>	<b>100.00</b>

### B. Shareholding Pattern as on 31<sup>st</sup> March, 2017

Sr. No.	Category	No. of Shares held	% of shareholding
1	Promoters	7520470	48.76
2	Mutual Funds/ UTI	943021	6.11
3	Financial Institutions/ Banks	7278	0.05
4	Central Government/ State Government(s)	200	0.00
5	Insurance Companies	187	0.00
6	Foreign Institutional Investors	362557	2.35
7	Bodies Corporate	1840685	11.94
8	Individuals	4650628	30.15
9	Trusts & Foundations	850	0.01
10	NRI's	91949	0.60
11	NBFC Registered with RBI	5085	0.03
	<b>Total</b>	<b>15422910</b>	<b>100.00</b>

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

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

## 19. DEMATERIALIZATION OF SHARES

98.25% of the Equity Shares of the Company have been dematerialised as on 31<sup>st</sup> March, 2017. The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories. The Company's shares are regularly traded on BSE and NSE.

## 20. NOMINATION FACILITY FOR SHAREHOLDERS

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

**21. RECONCILIATION OF SHARE CAPITAL**

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

**22. PAYMENT OF DIVIDEND THROUGH ELECTRONIC CLEARING SERVICE**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to the Investors wherever ECS and bank details are available. Those Members who hold shares in physical form may obtain mandate form for payment of dividend through Electronic Clearing Service (ECS) from Company Secretary at D-206, Sector-63, Noida-201301 or download the same from the Company's website [www.everestind.com](http://www.everestind.com).

**23. LOCATION OF PLANTS OF THE COMPANY****Kymore Works**

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

**Kolkata Works**

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

**Lakhmapur Works**

Gat 152, Lakhmapur  
Taluka Dindori, Nashik – 422202  
Maharashtra

**Podanur Works**

Podanur P.O.  
Coimbatore – 641023  
Tamil Nadu

**Bhagwanpur Works**

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

**Somnathpur Works**

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

**Ranchi Works**

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

**Narmada Works**

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

**24. DETAILS OF SHARES HELD IN SUSPENSE ACCOUNT - NIL****25. ADDRESS FOR CORRESPONDENCE**

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

M/s MCS Share Transfer Agent Ltd. (Unit: Everest Industries Limited)  
F-65, First Floor, Okhla Industrial Area, Phase - I, New Delhi-110020.  
Tel : 011-41406149,41406151, 41406152, Fax : 011-41709881  
E-mail : [helpdeskdelhi@mcsregistrars.com](mailto:helpdeskdelhi@mcsregistrars.com)

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

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

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

**For Everest Industries Limited**

Place : Mumbai  
Date : 3<sup>rd</sup> May, 2017

**Manish Sanghi**  
Managing Director