



# **COMPLETE BUILDING SOLUTIONS**

**EVEREST INDUSTRIES LIMITED**  
**ANNUAL REPORT 2015-16**

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**Caution regarding forward-looking statements**

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise

## COMPLETE BUILDING SOLUTIONS



Everest is a credible complete building solutions provider with a strong portfolio of products and solutions. With relaxed FDI norms, increasing ease of doing business and government working towards encouraging capital investment, the India growth story is poised to further gain momentum. To keep pace with the prospering dreams, the construction industry would have to work with speed. But speed alone would not be sustainable. It has to come with strength and safety. Everest comes with the promise of delivering Strength, Speed and Safety to construction through its innovative range of complete building solutions.



EVEREST INDUSTRIES LIMITED

# THE WORLD OF EVEREST

Everest with its complete range of roofing, ceiling, wall, flooring & cladding products and steel buildings for industrial, commercial and residential applications, is one of the leading complete building solution providers in India. Backed by innovation, the Company has introduced modern products & solutions to meet the contemporary requirements of the construction industry. The Company's building products and solutions are available in more than 1,00,000 villages and 600 cities in India and also in over 35 countries globally. The Company has designed and erected more than 2,000 Pre-Engineered steel buildings across 275 cities in India.

## Our Vision

Everest will be the deepest penetrated housing and building solutions provider to deliver Strength, Speed and Safety to its customers in all its target markets.

## Our Business

The Company's businesses are broadly divided into two distinct business segments - Building Products and Steel Buildings.

Building Products segment contributes 63% to the Company's revenues and includes Fibre Cement Roofing Sheets, Fibre Cement Boards and Rapicon Wall panels.

Accounting for 37% of annual revenues, the Steel Building segment offers customized building solutions in steel such as Pre-Engineered Steel Buildings, Smart Steel Buildings, Metal Roofing and Cladding.





### Our Reach

Everest has a widespread national presence. Its products and solutions are distributed through 38 sales depots and 6,000 dealer outlets to reach more than 600 cities and 1,00,000 villages. Besides India, its range of building products is exported to more than 35 countries.

## Manufacturing Facilities

### Building Products

Location	Products	Total Capacity (MTPA)
Bhagwanpur, Uttarakhand	Fibre Cement Roofing Sheets   Boards and Panels	8,10,000
Lakhmapur, Maharashtra	Fibre Cement Roofing Sheets   Boards and Panels	
Kolkata, West Bengal	Fibre Cement Roofing Sheets	
Kymore, Madhya Pradesh	Fibre Cement Roofing Sheets	
Podanur, Tamil Nadu	Fibre Cement Roofing Sheets	
Somnathpur, Odisha	Fibre Cement Roofing Sheets	

### Steel Building

Location	Products	Total Capacity (MTPA)
Bhagwanpur, Uttarakhand	Pre Engineered Buildings   Smart Steel Buildings	72,000
Dahej, Gujarat	Pre Engineered Buildings   Smart Steel Buildings	
Ranchi, Jharkhand	Metal Roofing	

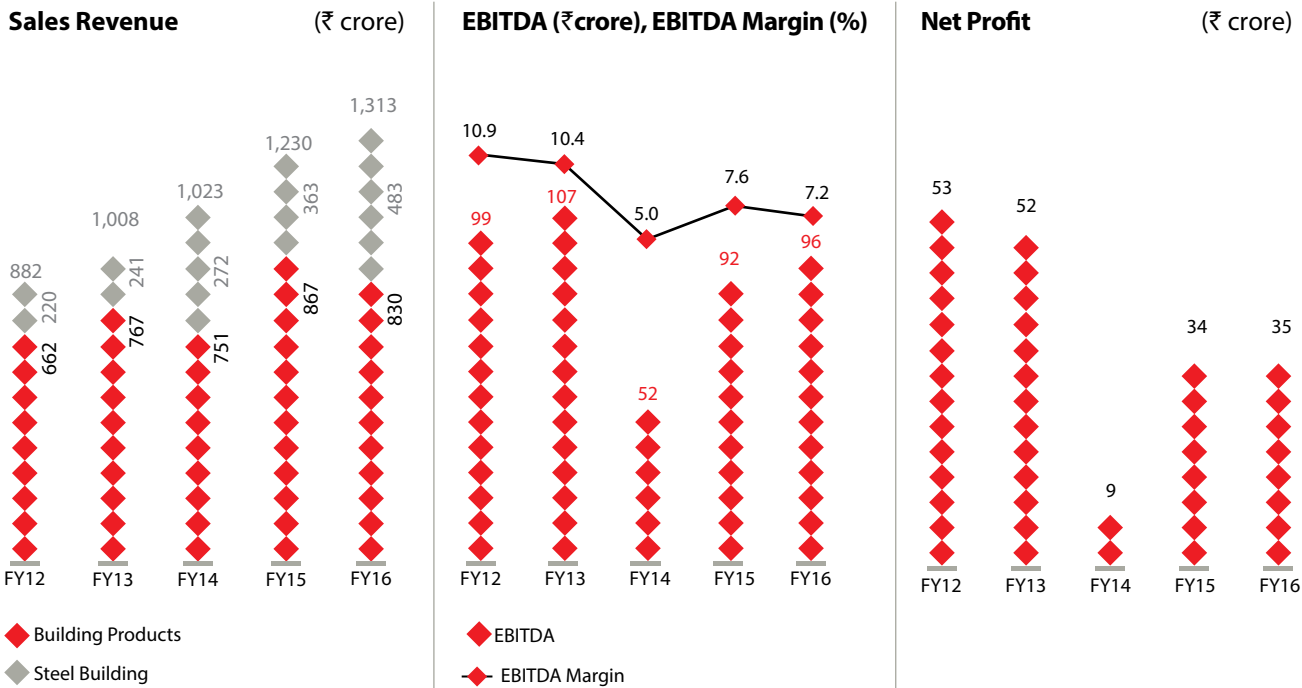


# BUSINESS HIGHLIGHTS

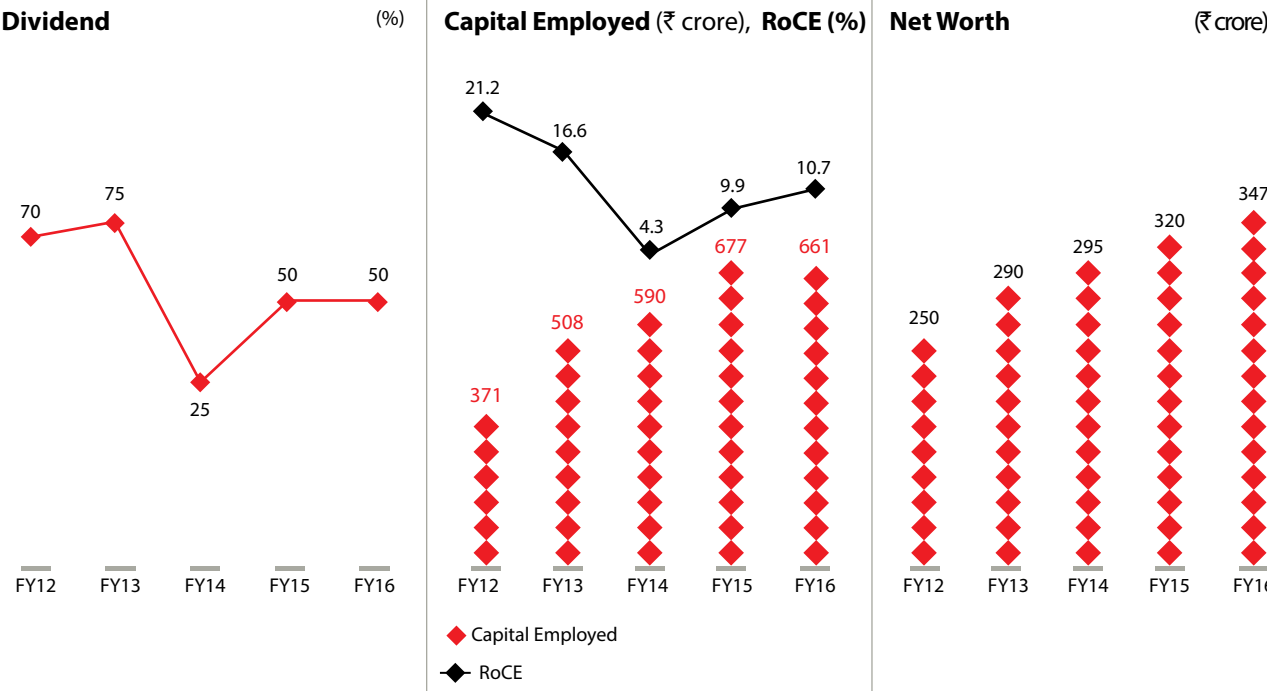
## OPERATIONAL HIGHLIGHTS

- ◆ Boards & Panels domestic business registered 35% growth which is highest in 5 years
- ◆ Repositioning of the roofing products communication to increase customer connect
- ◆ Completed some of the prestigious PEB projects

## FINANCIAL HIGHLIGHTS



\*Graphs not to scale



\*Graphs not to scale



# AN ACTION-PACKED DECADE

Launched Metal Roofing  
Sheets; delivered 500<sup>th</sup>  
Pre-Engineered Building



Launched Cement Planks;  
introduced Smart Steel  
Buildings; upgraded the  
Roofing Plant at Kolkata



Initiated Fibre Cement  
Roofing and Boards  
Plant at Bhagwanpur,  
Uttarakhand

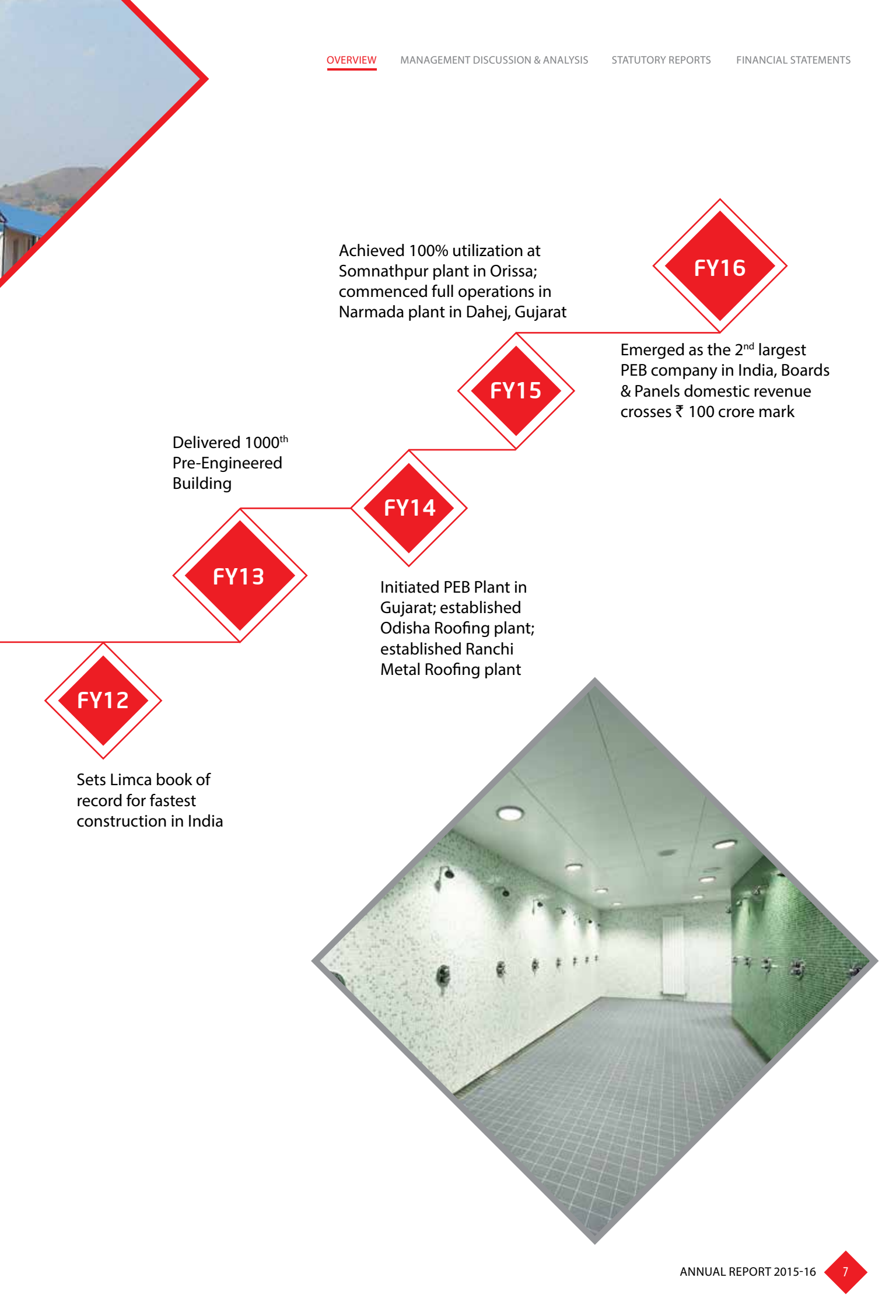


Launched Roof  
Light-Polycarbonate Roofing  
Sheets; initiated  
Pre-Engineered Steel Building  
Plant at Bhagwanpur,  
Uttarakhand



Launched EPDM  
washers; upgraded  
the oldest Roofing  
Plant at Kymore







# DRIVEN BY SPEED

“The arduous task was achieved in record time of 180 days, achieving 50% savings in time for the customer”

## The Challenge

One of India's leading operator of exhibition centers had a requirement of constructing 4.5 Lac Sq. Ft. of permanent area with large expanses spread across 6 halls to host the Auto Expo 2016 in NOIDA. The time left for building the space was very short. Also there was a need for controlling the heat load in order to reduce cooling cost for such a large space.

## The Solution

The challenge of time was met with intelligent use of innovative technology and skilled manpower. Over 200 workmen, 4 boom lifts and 8 mobile cranes were pressed into action, facilitating construction at many work fronts simultaneously. High standards of project management were maintained through continuous monitoring of the project using project management system embedded in Everest Speed ERP. High tensile steel was used for the project where all components were factory made, ensuring least onsite work and stringent quality control measures. Team Everest also addressed the challenge of escalating cooling costs for such vast spaces with fully insulated buildings.

## The Result

This arduous task was achieved in record time of 180 days, achieving 50% savings in time for the customer. By using PUF panels on the roof and walls heat load was also reduced by 20% making it environment friendly as well as helping the customer control expenses. The building has successfully hosted Auto Expo 2016 and the client has been very appreciative of the work. The project stands tall as a testimonial to the Company's speedy execution capabilities.



# SWACCH RAIGAD

“Villagers have now started advocating for rural sanitation solutions from Everest”

## The Challenge

The Government announced the ‘Swacch Bharat Abhiyan’ which aims to provide toilet facilities to every household across India by 2019. One of the country’s leading Non-Governmental Foundation, which has been working for past few years towards providing rural sanitation facilities, has taken on the mission to make the villages in Raigad District of Maharashtra as Open - Defecation Free villages. The immediate target set by the foundation was to come up with 1,000 rural sanitation units within 3 months time. The terrain was difficult due to lack of proper approach roads, water scarcity and no public transport. With the set stringent timeline, it was a daunting task. The foundation had earlier tried and tested different execution partners to build rural sanitation units but faced the challenges of executing it fast and in cost effective way. Also there was a need for technically sound products to impart the required strength to the structures to sustain in difficult climatic conditions. Additionally, it was a challenge to convince the end users on the strength and stability of the sanitation units.





### The Solution

Team Everest came up with fast to erect and most cost effective solution of making sanitation units with 50mm Everest Rapicon Panels for walls and Everest Hitech Roofing for the roof. To ensure acceptance of the units, team Everest set up on site mock ups wherein the women of the house were asked to test the strength and stability of the units. As prescribed by the foundation and the respective grampanchayat, the women at home acted as “Architects” who would specify and certify the units. Everest assurance of voluntarily monitoring the work, taking onus of the project added on to the trust of the foundation as well as the grampanchayats. Everest deployed four teams of authorized project associates on the job and ensured a turnkey delivery of the project which included soakpit, w/c, plumbing, tile finishing and painting in addition to the walls and roofs. This saved on both time and cost.

### The Result

Total 650 rural sanitation units were completed in the first phase within 5 months and the second phase of the project for remaining units would be starting soon. The highly satisfied villagers have now started advocating for rural sanitation solutions from Everest creating further demand from other villages.



# SKILL INDIA

“Evaluation of the first phase of the program shows considerable increase in income among the beneficiaries post training”

## The Challenge

India is the fastest growing economy in the world and going through massive industrialization and infrastructure development. Contrary to this, the country is facing severe shortfall in skilled manpower. As per National Skill Development Council estimates, in the Building & Construction sector alone, there would be a shortfall of 33 million skilled workforce by 2022. Being a leader in the Roofing industry, Everest identified the skill gap in a segment of construction workers who are majorly associated with Fabrication & Erection of Roofing Sheet. There has not been any specific training program available for this segment of construction workers. It was observed that enhancing skill of these marginal construction workers would lead to an increase of 40% to 60% in their daily wages. However, the major challenge was that there was no existing training module and a completely new training program was to be devised. Additionally, as it is an unorganized segment, mobilization of these marginal workers was a critical task.



## The Solution

Team Everest tied up with Construction Industry Development Council to develop a training program for the Roofing Sheet Fabrication & Erection workers. The program covers technical training in Brick masonry, carpentry, fabrication, Roof Sheet Erection, health & safety measures and soft skills. Four plant locations of Everest – Kymore, Balasore, Bhagwanpur and Lakhmapur were identified in the first phase to set up the training centres. Team Everest used its well spread marketing and distribution network to mobilize the workers. Additionally, partnerships with local grass root NGOs were established to identify and engage the workers, to enroll them into the program. In order to address the financial constraints of the workers, Everest also compensated their daily wages for the entire training period. Local contractors were roped in to further provide job assistance to the trained workers.

## The Result

In 5 months, 227 marginal workers have been trained under the program in total 10 batches across 4 locations. Evaluation of the first phase of the program shows considerable increase in income among the beneficiaries post training. In Balasore, the average earning of the workers was ₹ 200/ day for an average 20 days of work per month. After the training, it has gone up to ₹ 310/ day. The program has started gaining momentum with the trained roofers now advocating it further amongst their peers.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. A. V. Somani	<i>Chairman</i>
Mr. M. L. Gupta	<i>Vice Chairman</i>
Mr. M. L. Narula	<i>Director</i>
Mr. Amitabh Das Mundhra	<i>Director</i>
Mr. B. L. Taparia	<i>Director</i>
Mrs. Bhavna G. Doshi	<i>Director</i>
Mr. Manish Sanghi	<i>Managing Director</i>
Mr. Y. Srinivasa Rao	<i>Executive Director</i>

## COMPANY SECRETARY

Mr. Neeraj Kohli

## AUDITORS

M/s Deloitte Haskins & Sells  
Chartered Accountants, Gurgaon

## BANKERS

State Bank of India  
ICICI Bank Limited  
Axis Bank Limited  
HDFC Bank Limited  
Kotak Mahindra Bank Limited  
DBS Bank Limited

## REGISTERED OFFICE

Gat 152, Lakhmapur, Taluka Dindori,  
Nashik - 422 202, Maharashtra

## REGISTRAR AND SHARE TRANSFER AGENTS

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



# MANAGEMENT DISCUSSION & ANALYSIS

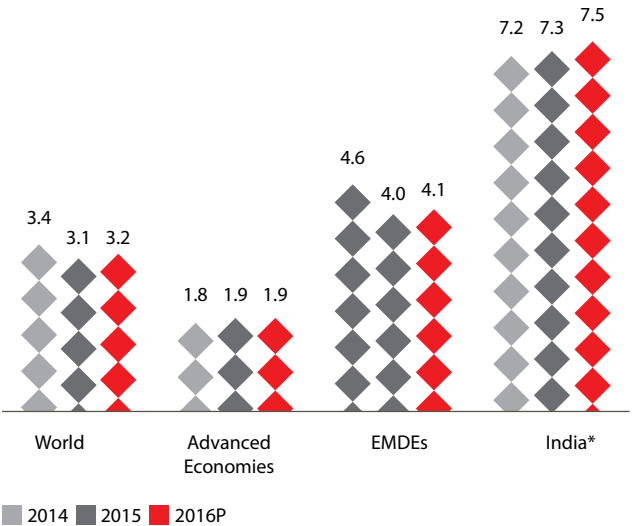


## Economic Review

### Global Economy

The global economic growth as per International Monetary Fund's (IMF) World Economic Outlook is estimated at 3.1% in 2015 as against 3.4% in 2014. There has been major fall in global commodity prices such as Crude Oil, Steel, Base Metals, Iron Ore, Coal etc. This has augured well for countries which are net importers of commodities. Economic growth in Advanced Economies (AEs) has been stable, however, major Emerging Markets & Developing Economies (EMDEs) other than India continue to witness slowdown in growth. Going forward the IMF's report has projected that global GDP growth will stabilize around current levels and is projected to be 3.2% in 2016 and 3.5% in 2017.

Exhibit 1: Global Economic Growth, %



Source: IMF's World Economic Outlook, April 2016  
\* For India the data is for Fiscal Year

### Indian Economy

Indian economy during the year 2015-16 has remained resilient in facing global headwinds. The GDP growth stands at 7.6% for 2015-16 (base 2011-12) as per Central Statistical Office's (CSO) estimates as against 7.2% in 2014-15. The year has also witnessed a growth in foreign direct investment which stood at USD 29.4 billion for April-Dec 2015.

The fall in the crude oil prices has further helped the economy, leading to a fall in inflation with WPI remaining in the negative territory for the complete year 2015-16. With inflation well in control, during the year (from April 2015 to April 2016) the Reserve Bank of India has reduced Repo Rate by 100bps. This is expected to further provide support to the economic growth.

Two consecutive years of deficit rainfall due to El Nino effect had a negative impact on the rural economy. However, the recent forecast of good monsoon by Indian Meteorological Department (IMD) augurs well for the economy. The budget for the year 2016-17 has increased allocation for rural economy which is expected to contribute towards growth in rural income. The central government has started a number of initiatives such as Make in India, Smart Cities, Enhancing ease of doing business etc. to boost the economic growth in India.

## Industry Review

### Housing Segment

With increased urbanization in India there is a growing demand for affordable houses. The Urban population in India is estimated to reach a staggering 600 million by 2031 from 377 million in 2011. Along with addressing the issues of infrastructure there is a huge need to address the growing shortfall in the housing segment.

The total urban housing shortfall is estimated at 18.78 million units as per the 12<sup>th</sup> five year plan. The major chunk of the shortfall is amongst the Economically Weaker Section and Low Income Group contributing 96% to the shortfall.

The total housing shortage in the rural India is estimated at 43.67 million units. Of this shortfall, more than 90% households are below poverty line (BPL).

The Government has launched a scheme "Pradhan Mantri Awas Yojana" for bridging the housing gap in rural India and for the urban poor population. Under the Pradhan Mantri Awas Yojana-Gramin scheme one crore households would be provided assistance for construction of pucca house. The estimated expenditure involved in implementing the project over 2016-2019 is ₹ 81,975 crore.

### Business Segment Review

#### Building Products Segment

##### Roofing Industry Overview

Fibre Cement Roofing Sheets are majorly used in the rural housing segment along with applications in warehousing and logistics.

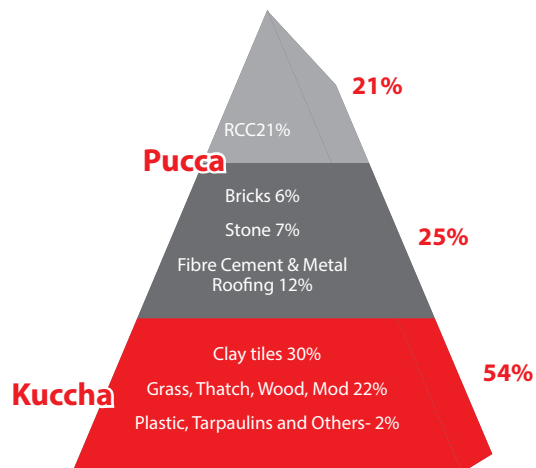
The industry is estimated to grow at 8-10% in the coming years driven by sustainable growth in the domestic economy.

### Growth Drivers:-

**Housing for All:** The "Housing for All by 2022" initiative was started to reduce the - shortfall in-demand and supply of affordable houses in India. It has set a target of building 20 million houses by 2022. The "Housing for All" scheme covers initially 500 class I cities and will be implemented in three phases.

**Rural Growth:** After two consecutive years of bleak monsoon, the recent prediction of upbeat monsoon by the IMD for the year 2016 has ignited the spirits across many sectors. The above normal monsoon is likely to push up the consumption in rural India. The good agricultural output will increase the employment and development of new urban centres which will improve the demand for Fibre cement roofing.

Exhibit 2: Type of houses and material used



Source: As per Census 2011

**Upgradation to Pakka Roof:** There are still a large number of people living under kuccha roof who are gradually migrating towards pakka roof with growing rural income levels. As per 2011 Census, 54% of population is still living under temporary roof made out of clay tile, grass thatch etc. With the improving product reach and upward moving rural income, a faster upgradation of this set of population to permanent roofing like Fibre Cement Roofing and Metal Roofing is expected to happen. With Fibre Cement Roofing sheets being the most economical, strong and comfortable alternative to temporary roofing, acceptance of the product amongst this set of new customers would be high.

### Everest Roofing Solutions

Everest has a wide range of roofing products including Everest Fibre Cement Roofing Sheets, Everest Hi-Tech, Everest Durasteel Roofs, Everest Decorroof and Everest Rooflight. The Fibre Cement Roofing Sheets is the most extensively used roofing product throughout the country. Everest Hi-Tech is high impact resistant non-asbestos corrugated fibre cement roofing sheet. During the year, the Company has launched a new marketing campaign





for fibre cement sheets “Baahar Mazbooti, Andar Aaraam”. The campaign is focused at educating consumers on the advantages of Fibre Cement Roofing Sheets viz. low heat, no noise and no leakage roofing and hence explaining the consumers on how Everest Fibre Cement Roofing Sheets provide comfort to the consumers in addition to providing strength.

The year 2015-16 has witnessed below normal monsoon impacting rural demand significantly which had an adverse impact on the roofing product segment. Also, the fall in steel prices has led customers to shift to metal roofing sheets, this has affected the realization for the fibre cement roofing sheets. The overall industry demand has remained slack during the year. Despite this, Everest has been able to maintain steady volumes during the year 2015-16. This is expected to improve with a likelihood of a better monsoon & government's focus towards improving rural economy followed by a major drive by the Company to expand its distribution base.

### Boards & Panels Industry Overview

The Indian Boards & Panels industry is dominated by wood based products like plywood, MDF, particle boards and gypsum boards etc. The industry size for Board & Panels in India is estimated at ₹ 35,000 crore. The industry is witnessing high growth due to the ease and convenience which it offers vis-a-vis the traditional methods of construction. The major contributors to the growth among the non-wood alternatives are Gypsum plaster boards and Fibre cement boards. The Fibre cement boards market in India has almost doubled in the last 2 years owing to increasing demand for the modern quick-to-install building materials.

### Growth Drivers

**Fast Paced Execution:** The requirement for fast construction would continue to increase the share of Fibre Cement Boards and Dry Wall systems in all infrastructure projects, hospitality and sanitation projects, prefab construction as well as modern realty projects.

**Affordable Cost:** The difference in the cost of construction between on-site and readily installable materials has been becoming narrower and readily installable modern construction technique using Fibre Cement Board products are becoming popular.

**Labour Efficient Modular Construction:** The shortage of available labour has been a growing concern in the construction industry leading more people to adopt to sustainable construction methods which are less labour intensive and are readily available at affordable prices.

**Smart Cities:** The Smart Cities initiative is taken by the government to enhance the life of citizens of India by providing basic infrastructure and amenities for the individuals. The mission lies in creating a better, smarter and greener India. The Boards & Panels segment can add immensely to accomplishing the dream of Smart Cities. The unveiling of the smart cities will improve the infrastructure activity fueling growth for new age ready to install and green building products.

### Everest Boards and Panels solutions

Everest offers a wide range of Fibre Cement Boards and Panels with range of applications such as for Ceilings, Flooring, Cladding and Walls. The Fibre Cement Board is suitable for modern & conventional construction and also helps in garnering LEED points for green eco-friendly construction.

Exports contribute to a sizeable amount of the Board's and Panels revenue where Middle East is one of the biggest markets for the Company. The difficult business scenario due to geo-political tension in that region had an adverse impact on this segment during the year. The Oil prices have plummeted affecting local economies there. The Company is working towards increasing the applications and offering complete solutions to boost sales in that region.

### Building Products Manufacturing Facilities

The Company has six building products manufacturing facilities of which two facilities also manufacture Boards and Panels. The total capacity as of 31<sup>st</sup> March, 2016 stood at 810,000 MTPA.

The manufacturing facilities are located at Kymore (Madhya Pradesh), Podanur (Tamil Nadu), Kolkata (West Bengal), Bhagwanpur (Uttarakhand), Lakhmapur (Maharashtra) and Balasore (Odisha). Of the six, Bhagwanpur (Uttarakhand) and Lakhmapur (Maharashtra) also manufacture Boards and Panels.

### Financial Highlights for Building Products

During the year 2015-16, Revenue decreased by 4.3% to ₹ 83,004 lacs as compared to ₹ 86,718 lacs in the previous year.

### Outlook

The government has significantly increased its focus towards enhancing the economic growth in the rural sector in India. The number of government schemes such as MNREGA, Pradhan Mantri Gram Sadak Yojana, Rural electrification, Pradhan Mantri Krishi Sinchai Yojana etc is likely to generate employment and lead to increase in income levels. The IMD's projection of an above normal monsoon for 2016 should give a fillip to the rural economy. This augurs well for the building products segment of the Company. The Company with its large distribution network is well placed to leverage this growing opportunity.

## Steel Building Segment

### Industry Overview

With the new policy initiatives by the central government the industrial segment has witnessed early signs of revival. The central government has significantly increased its impetus on removing bottlenecks in industrial infrastructure development and also wants the industry to implement new means to reduce time & cost of project completion.

Pre-Engineered Buildings (PEBs) is one such means of construction which has brought significant cost effectiveness and speed to construction. This mode of construction is now well accepted across various industries like Logistics, FMCG, Automobiles, Pharma, Capital Goods, Power, Manufacturing etc. Also there is increasing demand from Airports, Metro Stations, multi-storey buildings, stadiums, etc.

The PEBs sector, although is still in its infancy stage, has become an integral part of the construction industry in India. The industry over the last few years has been witnessing a double digit growth and the total estimated size is close to ₹ 5,000 crore.

### Growth Drivers

#### Make in India

The “Make in India” initiative by the government with thrust on making India a global manufacturing hub has led to adoption of alternative and innovative technologies. The initiative seems to be gaining momentum with many foreign companies announcing to set-up or increase their manufacturing capacities in India. The initiative has also led to growth in the FDI inflow in India. The “Make in India” initiative will potentially pave way for infrastructure and industrial boom which will create robust demand for the PEBs

#### E-Commerce Boom

With rapid digitalization and availability of affordable smartphones and internet services, E-Commerce in India is witnessing a robust growth. As per Knight Frank, the share of e-commerce in the total retail segment is expected to grow from 2% to 11% by 2019. This will lead to a significant growth in other related services including warehousing and logistics. As per CBRE, The retail distribution hub will be largely concentrated around major metro cities like Delhi NCR, Mumbai and Bangalore; while Pune and Chennai are likely to see healthy demand for industrial warehousing.

#### Cost and Time Effective

PEBs are most cost effective as they reduce the total cost incurred in establishing vis a vis the traditional construction methods. It

also saves lot of time required to complete the project avoiding the risks involved such as projects overruns etc.

### Everest Steel Building Solutions

The growing prominence of the Pre-Engineered buildings as an innovative and cost effective method has found acceptance within the construction industry. Everest has been consistent with its quality and ability to deliver complex structures on time and has been a leading operator in this segment. The softening of steel prices augurs well for the Company.

The Company has consistently delivered projects across various industries without any time and cost overruns. During the year, the Company has witnessed robust growth in the segment and developed some of the prominent steel structures.

### Some key projects executed during the year

- 4.5 Lac Sq.ft Exhibition Centre to host Auto Expo 2016 - constructed in record 180 days
- Largest rooftop extension project in India, at Mumbai. Total area 2,200 Sq. mtr.
- One of the tallest PEB structure in India with a height of 49 meters for Goa Shipyard

### Manufacturing Capacities

The Company has three Pre-Engineered building manufacturing facilities; one each at Dahej (Gujarat), Bhagwanpur (Uttarakhand) and Ranchi (Jharkhand). The Company's total installed capacity for Steel Buildings as of 31<sup>st</sup> March, 2016 stood at 72,000 MTPA.

### Financial Highlights

During the year 2015-16, Revenue increased by 33.03% to ₹ 48,332 lacs as compared to ₹ 36,332 lacs in the previous year.

### Outlook

The government is working towards increasing the ease of doing business in India and also towards making India an export hub through its “Make in India” program. The e-commerce boom in India has increased the demand for well maintained warehouses. Hence, the demand for Pre-Engineered building segment remains robust in India. The Company has built a strong brand in this segment by delivering large as well as some of the complex projects without any time or cost overrun. Hence, the Company is very well placed to make the most of the growing demand.



# Financial Statement

## SOURCE OF FUNDS

### a. Share Capital

The share capital comprises of only one class of shares – equity shares of face value of ₹ 10 each. The authorized share capital is ₹ 1,700 lacs, divided into 170 lacs equity shares of ₹ 10 each. The issued, subscribed and fully paid up share capital increased to ₹ 1,538.89 lacs as at 31 March, 2016 from ₹ 1,529.11 lacs in the previous year on account of shares issued to the employees of the Company pursuant to the Employees Stock Option Schemes.

### b. Reserves and Surplus

#### Capital Reserve

Capital Reserve remained unchanged during the year at ₹ 30.00 lacs.

#### Securities Premium

An amount of ₹ 164.45 lacs was added to the securities premium account. This was on account of premium received on issuance of 97,755 shares to the employees of the Company pursuant to the Employees Stock Option Schemes, taking the closing balance to ₹ 631.84 lacs as at 31 March, 2016.

#### General Reserve

An amount of ₹ 360.00 lacs was transferred to the general reserve.

#### Profit and Loss Account

The balance retained in the profit and loss account as at 31 March, 2016 was ₹ 22,694.79 lacs, after providing for dividends, dividend distribution tax and transfer to general reserve. The total amount of profits appropriated to dividend including dividend distribution tax was ₹ 931.54 lacs compared to ₹ 917.42 lacs in the previous year.

### c. Shareholders' Fund

The total shareholders' fund increased to ₹ 34,744.43 lacs as at 31 March, 2016 compared to ₹ 31,971.10 lacs as at 31 March, 2015, primarily on account of the profits of the Company for the year net of taxes and proposed dividends and the proceeds of the shares issued to the employees of the Company pursuant to the Employees Stock Option Schemes.

### d. Loan Funds

Company's borrowings decreased from ₹ 28,048.75 lacs as at 31 March, 2015 to ₹ 23,073.70 lacs in 31 March, 2016. The decrease was mainly on account of lower utilization of cash credit facilities of the Company to the extent of ₹ 5,489.67 lacs. Other short term borrowings decreased by ₹ 1,830.74 lacs, where as the long term loans recorded a net increase of ₹ 2,345.36 lacs.

### e. Long-term Provisions

Long-term provisions stood at ₹ 452.89 lacs as at 31 March, 2016 compared to ₹ 598.83 lacs in the last year. For the current year, this comprise of the provision for compensated absences.

### f. Deferred Tax Assets/ Liabilities

Deferred tax liability increased from ₹ 2,951.13 lacs as at the beginning of the year to ₹ 3,226.35 lacs as at the end of the year. The increase was primarily on account of tax on the difference of depreciation allowable as per taxation laws and

the depreciation charged in the books of account amounting to ₹ 222.29 Lacs. Balance being a decrease in the deferred tax liability is on account of timing difference on taxability of other routine items.

### g. Current Liabilities (other than short-term borrowings)

Current liabilities increased to ₹ 31,924.87 lacs as at 31 March, 2016 against ₹ 31,433.35 lacs as at 31 March, 2015.

## APPLICATION OF FUNDS

### a. Fixed Assets

The gross block (including tangible and intangible assets) increased to ₹ 59,766.50 lacs as at 31 March, 2016 against ₹ 54,568.48 lacs in the last year.

### b. Non-current Investments

During the year, the Company invested ₹ 2,008.40 lacs equivalent to \$ 3.00 million to acquire 30,00,000 equity shares of the face value of \$ 1 each in its wholly owned subsidiary M/s Everest Building Products, Mauritius to take its total holding to 42,25,000 shares or \$ 4.225 millions.

The Company further acquired 40,500 equity shares of ₹ 10 each of M/s Everest Building Solutions Ltd for a sum of ₹ 4.05 lacs to take its holding to 50,000 equity shares of ₹ 10 each and thereby making the investee company a wholly owned subsidiary of the Company.

### c. Long-term Loans and Advances

The amount of long-term loans and advances as at 31 March, 2016 stood at ₹ 6,098.11 lacs against ₹ 8,710.05 lacs in previous year. This decrease is mainly on account of reduction in (i) advance tax by ₹ 1,997.90 lacs, (ii) Capital advances by ₹ 392.15 lacs, (iii) security deposits by ₹ 114.99 lacs & (iv) minimum alternative tax credit entitlement by ₹ 106.90 lacs.

### d. Current Assets

#### Trade Receivables

Trade receivables amounted to ₹ 11,311.05 lacs as at 31 March, 2016 compared to ₹ 10,431.41 lacs as at the end of the previous year. The average collection period stood at 29.9 days as compared to 29.7 days in the previous year.



**e. Cash and Cash Equivalents**

Cash and cash equivalents stood at ₹ 5,211.18 lacs as at 31 March, 2016 compared to ₹ 6,363.21 lacs as at the end of the previous year. The decrease is mainly on account of reduction in the money held in fixed deposits.

**f. Short-term Loans and Advances**

The amount of short-term loans and advances increased to ₹ 7,199.69 lacs as at 31 March, 2016 compared to ₹ 5,980.55 lacs as at the end of the previous year mainly on account of higher advances to suppliers by ₹ 1,006.28 Lacs.

**g. Other Current Assets**

Other current assets decreased to ₹ 86.61 lacs as at 31 March, 2016 as compared to ₹ 102.66 lacs in the previous year.

**INCOME STATEMENT**

**a. Revenues**

Total revenue of the Company increased to ₹ 1,31,336 lacs in 2015-16 compared to ₹ 1,23,050 lacs in 2014-15, an increase of 6.7%. The Building products segment contributed ₹ 83,004 lacs in 2015-16 compared to ₹ 86,718 lacs in the previous year. The steel buildings contributed ₹ 48,332 lacs in 2015-16 compared to ₹ 36,332 lac in the previous year.

**b. Operating Expenditure**

Operating expenditure comprising of cost of raw material consumed, changes in inventories of finished goods, work in progress, purchases of stock in trade, employee benefit expenses and other expenses increased from ₹ 1,14,856 lacs in 2014-15 to ₹ 1,23,018 lacs in 2015-16.

**c. Operating Profit**

The operating profit increased from ₹ 8,193 lacs in 2014-15 to ₹ 8,317 lacs in 2015-16 a growth of 1.5%. The operating profit margin decreased from 6.7% in 2014-15 to 6.3% in 2015-16.

**d. Finance Cost**

The total interest cost from all the loans was ₹ 1,910 lacs in 2015-16 compared to ₹ 1,869 lacs in 2014-15.

**e. Depreciation and Amortization Expense**

The Depreciation & Amortization Expense stood at ₹ 2,563 lacs in 2015-16 compared to ₹ 2,542 lacs in 2014-15.

**f. Tax Expenses**

The Company's tax expense for the year 2015-16 was ₹ 1,604 lacs compared to ₹ 1,407 lacs in 2014-15.

**g. Net Profit After Tax**

The net profit was ₹ 3,531 lacs in 2015-16 compared to ₹ 3,421 lacs in 2014-15. There was YoY growth rate of 3.2%. The net profit margin was 2.7% compared to 2.8% in the previous year.

**h. Earnings Per Share**

The earnings per share stood at ₹ 23.00 in 2015-16 compared to ₹ 22.45 in 2014-15.

## Risk Management

The business is prone to many challenges both external and internal which can have negative impact. Hence, it becomes imperative to have a sound risk management strategy. Cognizant of this fact, the Company has a robust risk management framework in place. Some of the key strategies to mitigate risk are explained below:

**Raw Material**

Majorly used raw materials are steel, cement and chrysotile fibre. The volatility in the prices and the availability can affect the production.

- The Company has in place inventory management system which helps in maintaining adequate level of inventory to mitigate delays due to transportation and shipments
- The Company has agreement with material suppliers both at domestic and global level to ensure timely supply of raw materials
- The sizeable growth in volumes over last five years has also increased the leveraging capabilities of the Company

**Volatility in Foreign Exchange**

The highly volatile currencies can put the Company's profitability at risk as the Company imports fibre and pulp. The fluctuating currencies also impact the Company as it has External Commercial Borrowings.

- The Company monitors regularly the foreign exchange rates and has a robust hedging policy to remove any significant negative impact

**Quality**

Everest being a niche player has built a strong reputation for the quality of its products. Any deviation from the promised quality would have a negative impact on the reputation and credibility.

- The manufacturing facilities at Nashik, Coimbatore, Kolkata, Kymore and steel building production facility at Bhagwanpur are ISO-9001 and ISO-14001 certified providing assurance that the Company adheres to high standards and quality
- The R&D at Nashik for building products develops innovative and high quality products consistently
- The Company manufactures products, provide services and solutions to reputed institutions and corporations. The contracts are renewed and the clients give repeat order reflecting acceptance of the Company's high quality and technical capabilities
- The Company has in place qualified quality personnel in each facility to inspect the raw material and continuously monitors the quality till finished goods
- Measures for speedy resolutions of customer complaints have been put in place

**Price**

The rising input costs and highly competitive prices among the peers are a concern. The price increase cannot always be passed to the customers because of competitive environment.

- The loyalty of customers build over years backed by high quality of product has allowed Everest the price premium in the markets it serves. Better quality and service has allowed the Company to hold onto its prices even under volatile market conditions



- Promotion of the products through right channel and local advertising helps in explaining the price rise to the customer

#### Credit

Tight market conditions and illiquidity delays the receivables impacting the cash flows.

- Everest is not liberal with credit facility. Credit facilities for distributors are backed by security deposits. The Company minimizes the time lag boosting the cash conversion cycle
- The Company keeps track of the credit worthiness of its customers and distributors through ERP

## Health & Safety

At Everest, health and safety is paramount to all our business operations. We take special care of health and safety of all employees, associates and customers of the Company. We take adequate safety measures at Pre-Engineering Building sites during installation. Further, safe work place practices are followed strictly at all our plant locations and erection sites.

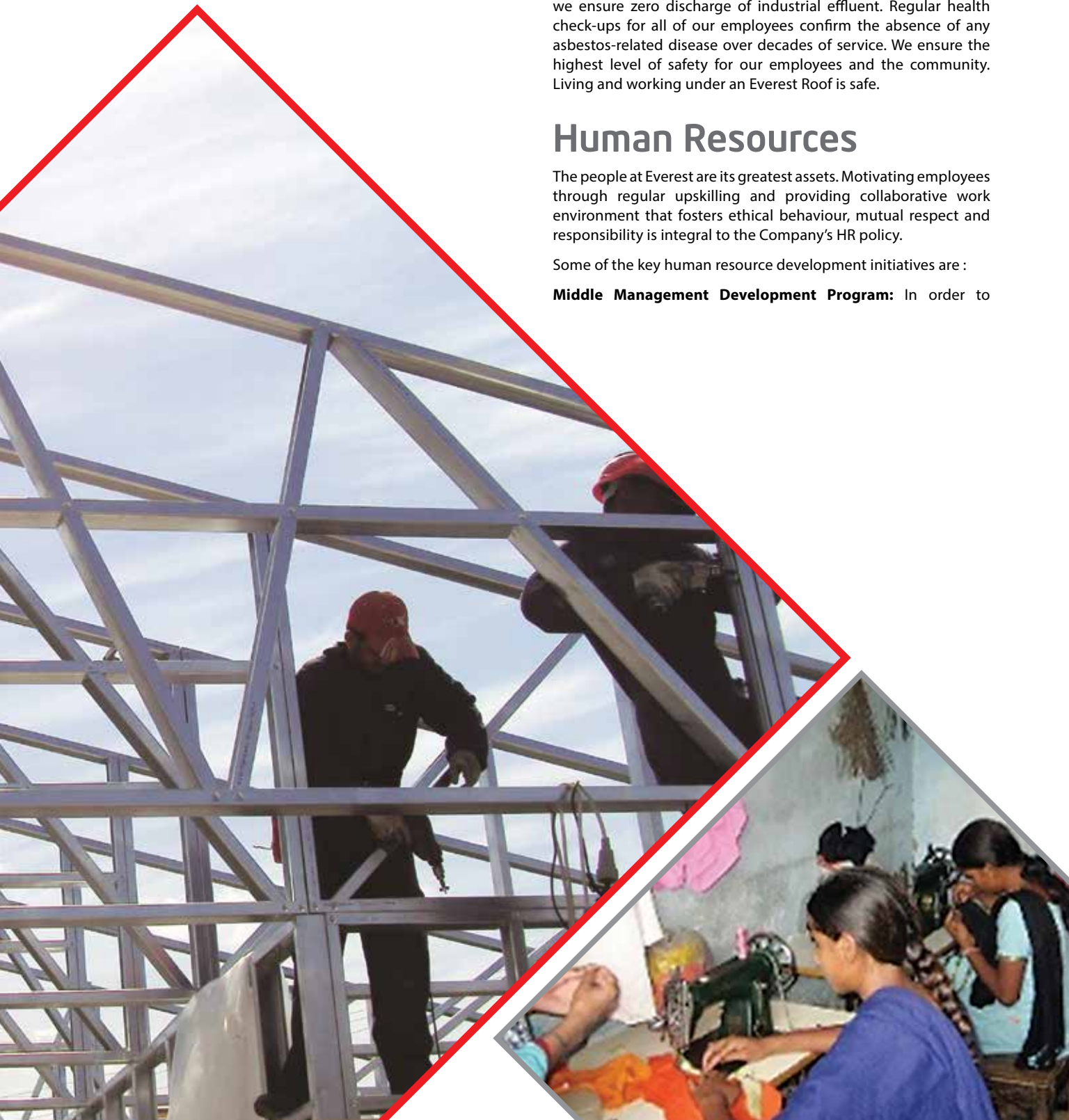
There are many misconceptions about one of our raw materials, asbestos. We use white asbestos (Chrysotile) fibre bound in a cement matrix while manufacturing AC Roofing. Chrysotile is naturally occurring mineral, mined and imported in pallets. Since it is not sprayed, fibre emission is fully controlled. Fibre concentration at our production facilities is better than international norms and we ensure zero discharge of industrial effluent. Regular health check-ups for all of our employees confirm the absence of any asbestos-related disease over decades of service. We ensure the highest level of safety for our employees and the community. Living and working under an Everest Roof is safe.

## Human Resources

The people at Everest are its greatest assets. Motivating employees through regular upskilling and providing collaborative work environment that fosters ethical behaviour, mutual respect and responsibility is integral to the Company's HR policy.

Some of the key human resource development initiatives are :

**Middle Management Development Program:** In order to





identify and develop junior management resources in their career progression a Middle Management Program titled “Everest Pratibha” was started during the year 2015-16 in association with IIT – Delhi. 19 highly talented employees qualified for the program.

**Performance and Goal Management System:** Human resources development at Everest is driven towards enhancing performance and individual development. A new performance management and goal management system on SAP-Succesfactor platform has been introduced at Everest.

**Employee Engagement:** Participation in various competitions within and outside the Company such as 5-S activities, Kaizen improvements and Quality Circle activities are encouraged. Team members are involved in a number of work related projects, learning clubs, inter-corporate and inter-zone cricket matches and recreation activity which helps them engage with other employees and build trust.

**Rewards:** The Employee Stock option Scheme for senior management grants them the option to acquire shares of the Company. The employees are also rewarded for achieving targets under Everest’s Excellence Bonus Scheme and Everest Champions Scheme.

## Corporate Social Responsibility

Everest Industries strongly believes in giving back to the community and contributing to society. Everest particularly endeavours in the well being of the community in the surrounding areas of operations. During the year 2015-16 Everest established Everest Foundation to carry forward its CSR initiatives with greater focus.

**Individual Social Responsibility:** Everest encourages every individual to take up social responsibility. Every officer in the organization is committed to allocate 4 hours in every calendar for social service. There has been a positive impact of this initiative and the budget allocated for the CSR activities has provided positive results because of the individual involvement.

**Flood Relief:** Everest and its employees contributed generously to support the families who were affected by devastating flood in Chennai. The Company provided saris and bed sheets to the affected families and approximately 2,500 families were benefited from this drive.

**Skill Development:** Everest is actively involved in various skill development activities in various locations. The vocational training programs like Computer training centers and sewing centers were started at Kymore and Bhagwanpur for local youth and women in partnership with NIIT Foundation. This was implemented to empower them and make them self-reliant and employable. A total number of 467 people got benefited from these centers directly.

**Roofing Training:** With increase in industrialization and growing demand for skilled workers, Everest has initiated an innovative ‘Roofers Skill Development Program’. This program provides training to marginal construction workers in Brick masonry, Carpentry, Fabrication, Advanced roofing, Health & Safety and Soft skills. These programs were conducted near the facilities of Bhagwanpur, Kymore, Balasore and Lakhmapur and a total of 227 semi-skilled workers were trained by Construction Industry Development Council (CIDC).

**Health and Sanitation:** Everest collaborated with Swades Foundation and supported construction of 1,000 individual toilets in Raigarh district of Maharashtra. The Company in collaboration with Salaam Mumbai Foundation carried out Tobacco Control Program in Dindori Block of Nasik. This initiative has benefited more than 2,000 people. Everest has organised General Health camp for local community in Dahej (Gujarat) where 197 people has access to health services by quality doctors. Various others activities are carried out such as HIV/AIDS awareness programs and blood donation camps.

**Sports Development:** Everest has good sports facilities in its plant locations which are used to promote sports in rural areas to encourage sporting talent. The Company initiated ‘Everest Sportsmen Development Program’ in Podanur and Kymore. A total of 113 kids were part of regular coaching and more than 500 kids were benefited through various tournaments in these locations. Everest partnered with Salaam Bombay Foundation, which helps in building life skills amongst underprivileged children in Maharashtra, to send a group of kids from Mumbai slums for international training in cricket. The Company supported them with all financial needs.

In addition to this, Everest supported the district administration in Balasore for Aahar Yojana of Odisha Govt., wherein 1,600 people were provided daily meal for one month. Everest also supports community projects for tribal families like construction of classrooms, roofs, parking sheds at schools and colleges etc.

## NOTICE

**Notice** is hereby given that the Eighty Third Annual General Meeting (AGM) of the Members of Everest Industries Limited will be held at the Registered Office of the Company at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra) on Wednesday, the 29th June, 2016 at 11.00 a.m. to transact the following businesses:

### ORDINARY BUSINESS

1. To consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended 31st March, 2016 including the reports of the Board of Directors and Auditors' thereon.
2. To declare dividend on Equity Shares for the Financial Year ended 31st March, 2016.
3. To appoint a Director in place of Mr. Manish Sanghi (DIN 00088527), who retires by rotation at this Annual General Meeting and being eligible, has offered himself for re-appointment.
4. To consider the appointment of statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 ("the Rules") [including any statutory modification(s) or re-enactment thereof for the time being in force] and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Registration No.301003E), who have confirmed their eligibility to be appointed as Auditors in terms of Section 141 of the Act and the Rules, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the 88th AGM, to be held in the financial year ending 2021 (subject to ratification of the appointment by the members at every AGM held after this AGM) at the remuneration to be determined by the Board of Directors of the Company."

### SPECIAL BUSINESS

5. To approve the re-appointment of Mr. Aditya Vikram Somani (DIN 00046286) as Whole Time Director designated as Chairman of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force] and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors, the Company hereby approves the re-appointment of Mr. Aditya Vikram Somani (DIN 00046286) as Whole Time Director designated as Chairman of the Company for a period of five years with effect from 21st June, 2016 to 20th June, 2021 at such remuneration and on such other terms and conditions as set out in the draft Agreement submitted to this meeting and signed by a Director for the purpose of identification, the details of the same are mentioned below:

Particulars	Amount
Salary	₹ 15,00,000/- per month (in the grade of ₹ 12,50,000 – 1,50,000 – 22,00,000)
Commission	Upto 2% of the net profits of the Company

RESOLVED FURTHER THAT upon recommendation by Nomination and Remuneration Committee, the Board of Directors may alter and vary the terms and conditions of the said re-appointment and/or the agreement in such manner as may be agreed to between the company and Mr. Aditya Vikram Somani.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Aditya Vikram Somani, the Company has no profits or its profits are inadequate, the Company will pay remuneration as per Schedule V of the Companies Act, 2013 and in case the Company pays in excess of the said limits as specified in the Schedule V during the stated period, then the payment of excess remuneration shall be subject to the approval of Central Government (Ministry of Corporate Affairs).

RESOLVED FURTHER THAT Mr. Aditya Vikram Somani shall be liable to retire by rotation and if re-appointed, the same shall not be treated as break in the service as Whole Time Director.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit, including but not limited to the filing of application to the Central Government for obtaining necessary approvals as may be necessary and desirable to give effect to this resolution."

6. To approve the re-appointment of Mr. Manish Sanghi (DIN 00088527) as Managing Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force] and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors, the Company hereby approves the re-appointment of Mr. Manish Sanghi (DIN 00088527) as Managing Director of the Company for a period of five years with effect

from 1st October, 2016 to 30th September, 2021 at such remuneration and on such other terms and conditions as set out in the draft Agreement submitted to this meeting and signed by a Director for the purpose of identification, the details of the same are mentioned below:

Particulars	Amount
Basic Salary	₹ 5,60,000/- per month (in the grade of ₹ 5,00,000-60,000-11,20,000)
Perquisites	125% of Basic Salary
Provident Fund, Superannuation/ Annuity Fund/NPS	As per Company's Rules
Performance Incentive	As may be decided by the Board of Directors and Nomination and Remuneration Committee of the Board
Interest subsidy	As per Company's Rules

RESOLVED FURTHER THAT upon recommendation by Nomination and Remuneration Committee, the Board of Directors may alter and vary the terms and conditions of the said re-appointment and/or the agreement in such manner as may be agreed to between the Company and Mr. Manish Sanghi.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Manish Sanghi, the Company has no profits or its profits are inadequate, the Company will pay remuneration as per Schedule V of the Companies Act, 2013 and in case the Company pays in excess of the said limits as specified in the Schedule V during the stated period, then the payment of excess remuneration shall be subject to the approval of Central Government (Ministry of Corporate Affairs).

RESOLVED FURTHER THAT Mr. Manish Sanghi shall be liable to retire by rotation and if re-appointed, the same shall not be treated as break in the service as Managing Director.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as are incidental thereto or as may be deemed necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit, including but not limited to the filing of application to the Central Government for obtaining necessary approvals as may be necessary and desirable to give effect to this resolution."

- To appoint Mr. M.L. Gupta (DIN 00088685) Non-Executive Director as Independent Director of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149,150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment thereof for the time being in force] and pursuant to the recommendation of Nomination & Remuneration Committee and the Board of Directors, Mr. M.L. Gupta (DIN 00088685), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 29th April, 2016 to 30th September, 2019 and whose office shall not be liable to retire by rotation"

- To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2017 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force], the remuneration of ₹4,80,000/-payable to M/s. Chandra Wadhwa & Co., Cost Accountants (Firm Registration Number 00239), appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- To authorise Board for further issue of shares to employees under employees stock option scheme and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder [including any statutory modification(s) or re-enactment thereof], the provisions of Articles of Association and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable laws for the time being in force and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee or such other Committee which the Board might constitute, to exercise its powers, including the powers conferred by this resolution), the consent of the Members be and is hereby accorded to the Board to grant options to such employees (including Managing /Whole-time Director(s) of the Company), as may be decided by the Board in its sole discretion, as are in the permanent employment of the Company in the management staff, at the time when the grant is

made, equity stock options (the "Options") not exceeding 180,000 (One Lac Eighty Thousand) Options under the Employees' Stock Option Scheme 2016 (ESOS-2016) during the financial year 2016-2017 (the "Scheme") each such Option being convertible into one equity share of face value of ₹ 10/- each on payment of such exercise price as may be decided by the Board and to issue and allot to such employees such number of equity shares of the Company, at such price, in such manner, during such period, in one or more tranches and on such terms and conditions, as the Board may decide, provided that the equity shares so allotted shall not in the aggregate exceed 180,000 (One Lac Eighty Thousand) Equity Shares in the Company.

RESOLVED FURTHER THAT the equity shares so issued or allotted shall rank pari passu in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to determine the form and terms of the issue, the issue price and all other terms and matters connected therewith, and to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, proper or desirable for such purpose, including steps for listing of the equity shares allotted under the Scheme, and to make and accept any modifications in the proposal, including to withdraw, suspend or revive the Scheme from time to time, as may be required by the authorities entrusted with the power to regulate such issues and to settle any questions or difficulties that may arise in regard to the issue of equity shares under the Scheme and seek modifications, alterations or revisions are not detrimental to the interests of the employees.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division and other corporate actions, the Board is authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the employees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred herein to Nomination and Remuneration Committee or such other Committee, with power to further delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

By Order of the Board  
For Everest Industries Limited

Neeraj Kohli  
Company Secretary & Head-Legal  
Membership No. FCS 3089

Mumbai, 29<sup>th</sup> April, 2016

Regd. Office: Gat 152, Lakhmapur, Taluka Dindori  
Nashik- 422202, Maharashtra  
Tel : 02557-250375/462, Fax : 02557-250376  
CIN: L74999MH1934PLC002093  
E-mail : compofficer@everestind.com

#### NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT PROXY, TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.**  
**A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
3. Corporate Members intending to send their authorized representative to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
4. Members, Proxies and Authorised representatives are requested to bring to the Meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DP ID and Client ID/Folio No.

5. The dividend as recommended by the Board of Directors, if approved by the Shareholders at the 83rd Annual General Meeting, shall be paid to those members whose names stand on the Register of Members of the Company on 23rd June, 2016. The dividend in respect of shares held in dematerialized form in the depository system will be paid to the beneficial owners of the shares as on the closing hours of business on 22nd June, 2016 as per the list provided by the respective Depositories for this purpose.
6. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends from time to time on due dates to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 26th August, 2015 (date of last Annual General Meeting) on the website of the Company ([www.everestind.com](http://www.everestind.com)), as also on the website of the Ministry of Corporate Affairs.
7. A brief resume of Directors to be re-appointed, nature of their expertise in specific functional areas, disclosure of relationship between directors inter-se, names of Companies in which the person holds the directorship and the membership of Committees of the board and shareholding of non-executive directors as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the explanatory statement and annexure to this Notice.
8. Copy of the Annual Report 2015-16 is being sent by electronic mode to the members whose email addresses are registered with the Company/ Depository Participant(s), unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report 2015-16 are being sent by the permitted mode.
9. The Certificates received from the Auditors of the Company that Employee Stock Option Schemes i.e. ESOS 2010, ESOS 2011, ESOS 2012, ESOS 2014 and ESOS 2015 have been implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolutions passed at the relevant Annual General Meeting of the Company are open for inspection at the registered office of the Company between 11.00 A.M. to 1.00 P.M. on any working day upto the date of AGM.
10. Members are informed that in case of joint holders attending the meeting, only such joint holder who is first in the order of names will be entitled to vote.
11. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
12. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
13. The Company is providing facility for voting by electronic means and the business may be transacted through such voting.
14. The facility for voting through ballot or polling paper will also be available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting will be able to exercise their right at the meeting.
15. The members who would have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
16. Members may also note that the Notice of the 83rd AGM and the Annual Report for the Financial Year 2015-16 will also be available on the Company's website [www.everestind.com](http://www.everestind.com). The physical copies of the documents will also be available at the Registered Office for inspection between 11.00 a.m. to 1.00 p.m. on any working day up to the date of AGM.

#### **17. Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 83rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Service. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 25th June, 2016 at 9:00 am and ends on 28th June, 2016 at 5:00 pm. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd June, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. If a person was a Member on the record date but has ceased to be a Member on the cut-off date, he/she shall not be entitled to vote and attend the AGM. Such person should treat this Notice for information purpose.
- VI. Members can opt for only one mode of voting i.e. either by Ballot Form or remote e-voting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.



VII. The process and manner for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
- (i) Open email and open PDF file viz; "Everest Industries e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of Everest Industries Limited.
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [everestscrutinizer@gmail.com](mailto:everestscrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
- (i) EVEN (E Voting Event Number), USER ID and PASSWORD/PIN are enclosed in a separate sheet sent alongwith AGM notice.
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VIII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

Members may also send their queries relating to e-voting to Mr. Rajiv Ranjan , Asst. Manager, NSDL at:

Email Id.: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/[rajivr@nsdl.co.in](mailto:rajivr@nsdl.co.in)

Toll free No.: 1800-222-990

Tel. No. 022-24994738

- IX. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- X. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- XI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd June, 2016.
- XII. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 22nd June, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- XIII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIV. Mr. Tanuj Vohra, Company Secretary (Membership No. 5621) of M/s. TVA & Co. LLP, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting at AGM and remote e-voting process in a fair and transparent manner.
- XV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- XVI. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVII. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.everestind.com](http://www.everestind.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him and the same shall be communicated to BSE and NSE.
18. Members are requested to support the "Green Initiative" by registering their Email address with the Company, if not already registered. Those members who have changed their Email ID are requested to register their new Email ID with the Company in case the shares are held in physical form and with the Depository Participant where shares are held in Demat mode.
19. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to maintain Bank details of its Members for the purpose Payment of Dividend etc. Members are requested to register/ update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode, to enable expeditious credit of the dividend to their bank accounts electronically.

### EXPLANATORY STATEMENT

The following Explanatory Statement in terms of Section 102 of the Companies Act, 2013 is annexed to and forms part of the Notice convening the 83rd Annual General Meeting:

#### Item No. 5

The tenure of appointment of Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman of the Company will expire on 20th June, 2016. The Nomination and Remuneration Committee in their meeting held on 29th April, 2016 have recommended the re-appointment of Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman of the Company for a further period of five years to the Board of Directors for approval. The Board of Directors in their meeting held on 29th April, 2016 have re-appointed Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman of the Company for a further period of five years with effect from 21st June, 2016 to 20th June, 2021 at the salary of ₹15,00,000/- p.m. in the salary grade of ₹12,50,000-1,50,000 - 22,00,000, subject to the approval of the members of the Company.

Mr. Aditya Vikram Somani was first appointed in the Board of the Company on 7th November, 2005 and his last drawn salary was ₹ 14,50,000/- P.M. in the salary grade of ₹ 12,50,000 – 1,00,000 – 20,50,000.

Mr. Aditya Vikram Somani has done MBA from University of Pittsburgh, USA, a PG Diploma in Business Management from S P Jain Institute of Management and Research, Mumbai and a degree in Masters of Commerce (Banking & Finance) from Sydenham College of Commerce and Economics, Mumbai University.

Mr. Aditya Vikram Somani has twenty five years of varied experience in the business of real estate, construction, building products, textile and information management. Mr. Aditya Vikram Somani is also involved in various social services, philanthropic and educational activities in Rajasthan and Maharashtra.

The terms of re-appointment and remuneration payable to Mr. Aditya Vikram Somani, inter alia, contain the following principal terms and conditions:

- (i) Salary : ₹15,00,000/- p.m.  
(in the grade of ₹ 12,50,000-1,50,000 - 22,00,000)

The annual increments will be effective from 1st April each year and will be decided by the Nomination and Remuneration Committee and the Board of Directors of the Company on the basis of merit and performance of the Company.

- (ii) Perquisites

In addition to salary, Mr. Aditya Vikram Somani shall also be entitled to perquisites like medical reimbursement for treatment of self and family in India/ abroad, club membership and fees, personal accident insurance and medical insurance for self and family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Aditya Vikram Somani.

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

Further, Mr. Aditya Vikram Somani will also be entitled to the following in the course of discharge of his duties and responsibilities, which will not form part of his remuneration:

- Reimbursement of expenses incurred for Company's business including travel, hotel and other related expenses incurred in India and abroad on submission of supporting documents/ declaration as per Company's policy.
- Car with driver and communication facilities.

- (iii) Commission

In addition to salary and perquisites, Mr. Aditya Vikram Somani shall be entitled to a commission upto 2% of net profits of the Company which shall be payable at the end of each financial year, subject to the overall ceiling stipulated in Section 197 of

the Companies Act, 2013 as recommended by the Nomination and Remuneration Committee and as decided by the Board of Directors.

(iv) Minimum Remuneration

Where in any financial year during the currency of the tenure of the Chairman, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the provisions of Schedule V of the Companies Act, 2013.

The terms and conditions of Mr. Aditya Vikram Somani's remuneration may be varied, altered, increased, enhanced or widened from time to time by the Nomination and Remuneration Committee/ Board as it may in its discretion deem fit, within the maximum amount payable in accordance with the provisions of the Companies Act, 2013 or any amendments thereto made hereafter in this regard.

In compliance with the provisions of the Companies Act, 2013, alongwith relevant schedules so far as it may be applicable, the terms of payment of remuneration as specified in the agreement are now being placed before the Members in general meeting for their approval as Special Resolution set out at Item no. 5 of the Notice.

The draft Agreement to be entered into between the Company and Mr. Aditya Vikram Somani is open for inspection at the registered office of the Company between 11.00 A.M. to 1.00 P.M. on any working day upto the date of AGM.

The Board commends the Special Resolution set out at Item No.5 of the Notice for approval by the members.

Except Mr. Aditya Vikram Somani, None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

**Item No. 6**

The tenure of appointment of Mr. Manish Sanghi as Managing Director of the Company will expire on 30th September, 2016. The Nomination and Remuneration Committee in their meeting held on 29th April, 2016 have recommended the re-appointment of Mr. Sanghi as Managing Director for a further period of five years to the Board of Directors for approval. The Board of Directors in their meeting held on 29th April, 2016 have re-appointed Mr. Sanghi as Managing Director of the Company for a further period of five years with effect from 1st October, 2016 to 30th September, 2021 at the basic salary of ₹ 5,60,000/- P.M. in the salary grade of ₹ 5,00,000-60,000-11,20,000, subject to the approval of the Members of the Company.

Mr. Manish Sanghi was first appointed in the Board of the Company on 8th July, 2002 and his last drawn basic salary was ₹ 5,60,000/- P.M. in the salary grade of ₹ 4,50,000-60,000-11,00,000.

Mr. Manish Sanghi is a Mechanical Engineer and a Post Graduate from the Indian Institute of Management, Ahmedabad. Mr. Sanghi joined the Company in 2001 as Marketing Director. Mr. Sanghi has 30 years experience in various reputed organizations.

The terms of re-appointment and remuneration payable to Mr. Sanghi, inter alia, contain the following principal terms and conditions:

- (i) Basic Salary : ₹5,60,000/- p.m.  
(in the grade of ₹ 5,00,000-60,000 - 11,20,000)

The annual increments will be effective from 1st April each year and will be decided by the Nomination and Remuneration Committee and the Board of Directors of the Company on the basis of merit and performance of the Company.

(ii) Perquisites & Allowances

In addition to salary, Mr. Sanghi shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and the Managing Director, aggregate of perquisites and allowances will be subject to a maximum of 125% of the basic salary per month.

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

Further, Mr. Manish Sanghi will also be entitled to the following in the course of discharge of his duties and responsibilities, which will not form part of his remuneration :

1. Reimbursement of expenses incurred for Company's business including travel, hotel and other related expenses incurred in India and abroad on submission of supporting documents/ declaration as per Company's policy.
2. Provision of Car with driver and communication facilities shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Mr. Sanghi shall also be entitled to medical insurance for self & family and personal accident insurance.

(iii) Provident Fund, Superannuation/Annuity Fund/NPS

Mr. Sanghi shall be entitled to the Company's contribution to Provident Fund, Superannuation or Annuity Fund or NPS and Gratuity payable as per the rules of the Company.

(iv) Performance Incentive

Remuneration by way of performance incentive in addition to the salary, perquisites and allowances shall be payable for each financial year of an amount as may be determined by the Nomination and Remuneration Committee and as decided by the Board of Directors of the Company in their sole discretion, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount payable to Mr. Sanghi will be decided by the Board and the Nomination and Remuneration Committee of the Board entirely at its discretion.

(v) Interest Subsidy

Mr. Sanghi shall also be entitled to interest subsidy as per Company's Housing Loan Assistance Scheme.

(vi) Minimum Remuneration

Where in any financial year during the currency of the tenure of Mr. Sanghi, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the provisions of Sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013.

(vii) Annual Leave

Thirty (30) days for every completed year of service. Encashment of leaves will not be included in the computation of the ceiling on perquisites.

The terms and conditions of Mr. Sanghi's appointment as Managing Director may be varied, altered, increased, enhanced or widened from time to time by the Nomination and Remuneration Committee/ Board as it may in its discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Companies Act, 2013 or any amendments thereto made hereafter in this regard.

In compliance with the provisions of the Companies Act, 2013, alongwith relevant schedules so far as it may be applicable the terms of payment of remuneration as specified in the agreement are now being placed before the Members in general meeting for their approval as Special Resolution set out at Item no. 6 of the Notice.

The draft Agreement to be entered into between the Company and Mr. Manish Sanghi is open for inspection at the registered office of the Company between 11.00 A.M. to 1.00 P.M. on any working day upto the date of AGM.

The Board commends the Special Resolution set out at Item No.6 of the Notice for approval by the members.

Except Mr. Manish Sanghi, none of the other Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

**Item No. 7**

Mr. M.L. Gupta is presently Non-Executive Director designated as Vice-Chairman of the Company since 1st October, 2010. He was Managing Director of the Company from 8th July, 2002 to 30th September, 2010. Mr. M.L Gupta was rendering the services of professional nature to the Company from 1st October, 2010 till 30th September, 2013 for which he was getting remuneration from the Company. As per the provisions of Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a person can become an Independent Director, inter-alia, if he had no pecuniary relationship with the Company during the two immediately preceding financial years or during the current financial year. As Mr. M.L. Gupta is meeting the aforesaid criteria, he is now eligible to be appointed as Independent Director. Mr. M.L. Gupta has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Mr. M.L. Gupta, an Engineer from Indian Institute of Technology, Kharagpur, was with The Associated Cement Companies Limited (ACC) since 1968, and has held many important positions of Management, before retiring as President – Corporate Affairs from ACC.

The Nomination and Remuneration Committee in their meeting held on 29th April, 2016 have recommended the appointment of Mr. M.L. Gupta as Independent Director of the Company w.e.f. 29th April, 2016 to 30th September, 2019 to the Board of Directors for approval. The Board approved the appointment of Mr. M.L. Gupta as Independent Director of the Company in their meeting held on 29th April, 2016, subject to the approval of the members of the Company.

Mr. M.L. Gupta was first appointed in the Board of the Company on 8th July, 2002. He has received ₹ 8.7 Lacs as remuneration from the Company by way of sitting fee and commission during the financial year 2015-2016 in his capacity as Non – Executive Director of the Company

In the opinion of the Board, Mr. M.L. Gupta fulfills the criteria specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. M.L. Gupta as Independent Director is now being placed before the Members in general meeting for their approval.

Copy of the draft letter of appointment of Mr. M.L. Gupta as Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day upto the date of the AGM.

Except Mr. M.L. Gupta, None of the Directors, Key Managerial Personnel of the Company/ their respective relatives are in any way concerned or interested, financially or otherwise in the Resolution set out at Item No. 7 of the Notice.



The Board commends the Ordinary Resolution set out at Item Nos. 7 of the Notice for approval by the members.

#### Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Chandra Wadhwa & Co., Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017.

In accordance with the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

#### Item No. 9

The Nomination & Remuneration Committee and Board of Directors of your Company have approved an Employees' Stock Option Scheme for the Financial Year 2016-2017 (ESOS-2016) (the "Scheme") in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as "SEBI Regulations") with the objective of strengthening employee bonds with the Company and creating a sense of ownership. Your Board felt it appropriate to extend ESOS to permanent employees in the management staff, including Managing Director and Whole-time Director(s) in order to motivate and retain the best talent. Further, fresh Equity Shares are proposed to be issued under ESOS 2016 by the Company and the Scheme will be managed directly by the Company.

Section 62(1)(b) of the Companies Act, 2013 and regulation 6(1) of SEBI (Share Based Employee Benefits) Regulations, 2014 requires the approval of the Company's shareholders by means of a Special Resolution for allotment of shares to employees of the Company under ESOS. The Special Resolution is set out at Item No. 9 of the Notice.

The salient features of ESOS 2016 are as under:

##### a) Total number of Options to be granted

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

The Options granted to the employees shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

##### b) Class of employees eligible for ESOS – 2016

Such employees as are in the permanent employment of the Company in the management staff including the Managing/Whole-time Director(s) at the time when the grant is made and as may be decided by the Board, are eligible to participate in the said Scheme.

The persons not eligible for grant of Options:

- An employee who is a promoter or belongs to the promoter group; or
- A director, who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company at the time of grant of options; or
- Independent Directors

##### c) Requirements & Period of Vesting

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

##### d) Maximum period within which the options shall be vested

All the Options granted will vest at the end of one year from the date of grant of Options.

##### e) Exercise period and process of exercise

The exercise period shall commence from the date of expiry of vesting period and will expire after four years from the date of expiry of vesting period. Special provisions shall apply in case of resignation, death, disability, retirement or misconduct of any employee. Any eligible employee may exercise the Options vested in him/her during the exercise period by submitting an application in writing.

##### f) Exercise Price

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

g) Appraisal process for determining the eligibility of employees to the ESOS

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

h) Maximum number of Options to be granted per employee

An employee may be granted Options not exceeding 30,000 (Thirty Thousand) Options.

i) Adjustments in case of Corporate Actions

A fair and reasonable adjustment shall be made by the Board to the number of Options and to the exercise price in case of corporate actions such as Rights Issue, Bonus Issue, Merger, Demerger and others between the date of grant of Options and the exercise of the Options.

j) The Company shall conform to the accounting policies specified in the said SEBI Regulations, as may be applicable.

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

l) The difference between the employee compensation cost computed on the basis of the intrinsic value method and the employee compensation cost calculated on the basis of the fair value method for the Options and also the impact of this difference on the profits and on earnings per share (EPS) of the Company, shall be disclosed in the Board's Report.

### MONITORING AND ADMINISTRATION

The Board has already in place a Compensation Committee referred to as 'Nomination and Remuneration Committee' which shall be responsible for monitoring and administration of the scheme.

The decision of the Board / Nomination and Remuneration Committee of Directors on all matters/issues pertaining to said ESOS-2016 Scheme shall be final and binding on the eligible employees of the Company.

Section 62(1)(b) of the Companies Act, 2013 and 6(1) of SEBI (Share Based Employee Benefits) Regulations, 2014 provides that allotment of Equity Shares to Employees under a Scheme of Employee Stock Options shall require approval of the Members in General Meeting. The consent of the Members is, therefore, sought to authorize the Board of Directors to issue the equity shares under the Scheme in the manner set out in the Special Resolution at Item No.9 of the Notice. The Special Resolution proposed to be passed is as per and in accordance with the said SEBI Regulations.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval of the Members.

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested in the Resolution set out at Item No. 9 to the extent of the equity shares / options already held by them and the options which may be granted to them under the ESOS 2016.

By Order of the Board  
For Everest Industries Limited

Neeraj Kohli  
Company Secretary & Head-Legal  
Membership No. FCS 3089

Mumbai, 29<sup>th</sup> April, 2016

Regd. Office: Gat 152, Lakhmapur, Taluka Dindori  
Nashik- 422202, Maharashtra  
Tel : 02557-250375/462, Fax : 02557-250376  
CIN: L74999MH1934PLC002093  
E-mail : compofficer@everestind.com

**ANNEXURE TO THE NOTICE DATED 29<sup>TH</sup> APRIL, 2016 – ITEM NOS. 5, 6 & 7****DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 & SECRETARIAL STANDARD 2]**

Name of Director	Mr. Aditya Vikram Somani	Mr. Manish Sanghi	Mr. M.L. Gupta
Date of Birth	04.11.1973	04.02.1963	03.02.1941
Age	42 years	53 years	75 years
Experience	25 years	30 years	53 years
Date of appointment	7.11.2005	8.7.2002	8.7.2002
Expertise in specific functional areas	Business Management.	Marketing	Technical and General Management
Qualifications	MBA, PGDBM, M.Com	B.E. (Mech.), PGDM(IIM-A)	B.Tech (Hons.)
Names of other entities in which the person also holds the directorship.	<ul style="list-style-type: none"> <li>Falak Investment Private Ltd.</li> <li>Bajaj Corp Ltd.</li> <li>Salaam Bombay Foundation</li> <li>White Knight Constructions (I) Pvt. Ltd.</li> <li>Centre For Advancement of Philanthropy</li> <li>Evinco Exim Ltd.</li> </ul>	Everest Building Solutions Limited	None
Names of other entities in which the person also holds membership of Committees of the board;	Bajaj Corp Ltd. – Audit Committee, Nomination & Remuneration Committee and Management Committee	None	None
Shareholding in the Company as on 31st March, 2016	500 Shares	70922 Shares	50000 Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the company,	N.A	N.A	N.A
Number of Meetings of Board attended during the year	5	5	5

## BOARD'S REPORT

### To The Members of

### Everest Industries Limited

Your Directors are pleased to present the Eighty Third Annual Report together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2016.

## FINANCIAL RESULTS

(₹ in lacs)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Net Revenue from operations & Other Income	132,626.01	124,095.26	132,630.20	124,172.28
Profit before Depreciation & Finance Costs	9,607.52	9,239.09	9,521.46	9,241.84
Less : Depreciation	2,562.70	2,542.36	2,562.70	2,542.36
- Finance Costs	1,910.26	1,869.47	1,910.28	1,869.47
Profit before Tax	5,134.56	4,827.26	5,048.48	4,830.01
Tax Expense	1,603.92	1,406.63	1,604.35	1,407.04
<b>Profit for the year</b>	<b>3,530.64</b>	<b>3,420.63</b>	<b>3,444.13</b>	<b>3,422.97</b>
Add: Balance in Profit & Loss Account	20,455.69	18,302.48	20,445.16	18,289.61
Profit Available for Appropriation	23,986.33	21,723.11	23,889.29	21,712.58
<b>Appropriations:</b>				
General Reserve	360.00	350.00	360.00	350.00
Dividend	771.67	764.55	771.67	764.55
Tax on dividend	159.87	152.87	159.87	152.87
<b>Closing Balance</b>	<b>22,694.79</b>	<b>20,455.69</b>	<b>22,597.75</b>	<b>20,445.16</b>

## DIVIDEND

The Board of Directors have recommended a dividend of 50% i.e. ₹ 5/- per equity share of ₹ 10/- each for the Financial Year ended 31<sup>st</sup> March, 2016 subject to approval of the members. The total outgo on account of dividend including tax on dividend will be ₹ 931.54 lacs as against ₹ 917.42 lacs for the previous financial year.

## PERFORMANCE REVIEW

The Indian economy has certainly performed creditably compared to most developed and emerging markets of the world in the past year. The macroeconomic condition is stable and consumer price inflation is well under control. Even as the economy has made progress, this has yet to show a positive impact on significant demand revival and improved corporate earnings. Two consecutive weak monsoon seasons along with stalled reforms due to political discord remain concerns. Despite the constraints, the Company has achieved mile stone in turnover of more than ₹ 1,300 crores. The Highlights of the Company's standalone performance are as under:

1. Driven by growth in Steel Building segment the Revenue from operations during the year at ₹ 1,31,335.63 lacs was up 6.73% as compared with ₹ 1,23,049.54 lacs in 2014-15. Top line in building products segment recorded a degrowth of 4.28% whereas in the steel building segment the same recorded a growth of 33.03%.
2. Production volume in the two business segments were as follows:
  - a. In building products segment the production at 7,09,433 MT was lower by 4.67% over 7,44,164 MT in 2014-15.
  - b. In steel buildings segment the production at 47,347 MT was up by 48.10% over 31,969 MT in 2014-15.
3. Operating Profit (EBIDTA) at ₹ 8,317.14 lacs was up by 1.51% over ₹ 8,193.37 lacs in 2014-15
4. Improved operating performance increased Profit before Tax by 6.37% to ₹ 5,134.56 lacs compared to ₹ 4,827.26 lacs in the earlier year.
5. Cash profit was ₹ 6,368.56 lacs as compared to ₹ 6,155.53 lacs in the previous year.

b. In steel buildings segment the production at 47,347 MT was up by 48.10% over 31,969 MT in 2014-15.

3. Operating Profit (EBIDTA) at ₹ 8,317.14 lacs was up by 1.51% over ₹ 8,193.37 lacs in 2014-15
4. Improved operating performance increased Profit before Tax by 6.37% to ₹ 5,134.56 lacs compared to ₹ 4,827.26 lacs in the earlier year.
5. Cash profit was ₹ 6,368.56 lacs as compared to ₹ 6,155.53 lacs in the previous year.

The consolidated revenue from operations of the Company for the year ended 31<sup>st</sup> March, 2016 was ₹ 1,31,337.34 lacs up by 6.67% from ₹ 1,23,126.43 lacs in the previous year.

The consolidated operating profits before other income and depreciation at ₹ 6,318.32 lacs as compared to ₹ 6,326.52 lacs in the previous year. Profit after tax was at ₹ 3,444.13 lacs as against ₹ 3,422.97 lacs in the previous year.

## TRANSFER TO RESERVES

The Company proposes to transfer ₹ 360 lacs to the general reserves for the Financial Year ended March 31, 2016.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have



been followed and there are no material departures from the same;

- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2016 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 ('Act') for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act, Mr. Manish Sanghi, Managing Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

The Board of Directors in their meeting held on 29<sup>th</sup> April, 2016 have re-appointed Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman of the Company for a further period of five years w.e.f. 21<sup>st</sup> June, 2016 to 20<sup>th</sup> June, 2021 and Mr. Manish Sanghi as Managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> October, 2016 to 30<sup>th</sup> September, 2021 subject to the approval of the shareholders of the Company. The resolutions pertaining to their re-appointment are set out in Item nos. 5 & 6 respectively of the Notice of the forthcoming Annual General Meeting.

The Nomination and Remuneration Committee in their meeting held on 29<sup>th</sup> April, 2016 have recommended the appointment of Mr. M.L. Gupta, a Non-Executive Director of the Company, as Independent Director of the Company w.e.f. 29<sup>th</sup> April, 2016 to 30<sup>th</sup> September, 2019 to the Board of Directors for approval. The Board, in their meeting held on 29<sup>th</sup> April, 2016, has approved the appointment of Mr. M.L. Gupta as Independent Director of the Company subject to the approval of the members. Mr. M.L. Gupta has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The resolution pertaining to his appointment as Independent Director is set out at item no. 7 of the Notice of the forthcoming Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

## BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (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. A structured questionnaire was prepared after circulating the drafts forms, covering various aspects of the Board's functioning such

as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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.

## SUBSIDIARIES

The Company has one subsidiary in India viz. Everest Building Solutions Limited and three subsidiaries outside India 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. Everest Building Solutions Limited has become subsidiary of the Company w.e.f. 1<sup>st</sup> August, 2015. In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed Form AOC-1, which forms part of the Board's Report as **ANNEXURE - 1**.

## DEPOSITS

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

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India ('SEBI'). A separate Report on Corporate Governance along with Certificate from M/s. TVA & Co., LLP, Company Secretaries on compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is provided as part of this Annual Report.

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the year, the Company has not entered into any contract/ arrangement with a related party as specified under section 188 of the Companies Act, 2013. Therefore, disclosure in Form AOC-2 is not required. The Policy on materiality of related party transactions and dealing with related party transactions is available on the Company's website at the link: <http://www.everestind.com/about-us/share-holderinformation>.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report.

The Corporate Social Responsibility Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at the link: <http://www.everestind.com/corporate-social-responsibility>. The Company has identified five focus areas of engagement which are as under:

1. Environmental sustainability
2. Employment enhancing vocational skills
3. Health, hygiene & sanitation

4. Promotion of education
5. Promotion of sports

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act. During the year, the Company has spent ₹ 106.13 lacs on CSR activities. The financial data pertaining to the Company's CSR activities for the Financial Year 2015-16 is attached in the prescribed format in **ANNEXURE - 2** to the Board's Report. The Company is undertaking the CSR activities through its trust 'Everest Foundation'.

## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

## EMPLOYEES' STOCK OPTION SCHEMES

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter alia, administers and monitors the Employees' Stock Option Schemes of the Company in accordance with the applicable SEBI Regulations.

The applicable disclosures as stipulated under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2016 with regard to the Employees' Stock Option Schemes (ESOS) are provided in **ANNEXURE - 3** to the Board's Report.

The Company has received certificates from the Statutory Auditors of the Company that the Schemes have been implemented in accordance with the SEBI Regulations and the resolution passed by the members. The certificates would be placed at the Annual General Meeting for inspection by the members.

## STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company, who were appointed by the Members of the Company at the 81<sup>st</sup> Annual General Meeting ('AGM') of the Company, held on 30<sup>th</sup> July, 2014 from the conclusion of 81<sup>st</sup> AGM till the conclusion of 84<sup>th</sup> AGM to be held in the year 2017. M/s. Deloitte Haskins & Sells vide their letter dated 15<sup>th</sup> April, 2016 have informed that they do not wish to offer themselves for re-appointment as statutory auditors of the Company for the financial year ending 31<sup>st</sup> March, 2017.

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, vide their letter dated 18<sup>th</sup> April, 2016 have expressed their willingness to be appointed as Statutory Auditors of the Company and to the effect that their appointment, if made, would be within the prescribed limits under section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment. The Board in their meeting held on 29<sup>th</sup> April, 2016, based on recommendation of Audit Committee, has recommended the appointment of M/s S.R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company in the forthcoming Annual General Meeting. The members are requested to appoint M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, as statutory auditors of the Company as set out at Item no. 4 of the Notice of the forthcoming Annual General Meeting.

## AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s Deloitte Haskins & Sells, Statutory Auditors of the Company, in their report for the financial year ended March 31, 2016. The Statutory Auditors have not reported any incident of fraud to the Audit Committee or to the Board of the Company in the year under review.

## COST AUDITORS

As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company has been carrying out audit of cost records.

The Board of Directors on the recommendation of Audit Committee has appointed M/s. Chandra Wadhwa & Co., Cost Accountants as Cost Auditor to audit the cost records of the Company for the financial year 2016-17. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the forthcoming Annual General Meeting.

## SECRETARIAL AUDITOR

The Board has appointed M/s Tanuj Vohra & Associates, Practicing Company Secretaries to conduct the Secretarial Audit of the Company for the financial year 2015-16 as required under Section 204 of the Act and Rules made thereunder. The Secretarial Audit Report for the financial year 2015-16 is attached as **ANNEXURE - 4** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## DISCLOSURES

### AUDIT COMMITTEE

The Audit Committee of the Board comprises of Mr. M.L. Narula (Chairman), Mr. M.L. Gupta (Member), Mr. B.L. Taparia (Member) and Mrs. Bhavna G Doshi (Member). For details, please refer to Corporate Governance Report attached to this report. The Board has accepted all the recommendation made by the Audit Committee.

### NOMINATION AND REMUNERATION COMMITTEE

The Committee oversees and administers executive compensation, operating under the policy adopted by the Board.

The Nomination and Remuneration Committee of the Board comprises of Mr. M.L. Narula (Chairman), Mr. M.L. Gupta (Member), Mr. Amitabh Das Mundhra (Member) and Mr. B.L. Taparia (Member). For details, please refer to Corporate Governance Report attached to this Annual Report.

The Nomination and Remuneration Committee has framed the Nomination, Remuneration and Board Diversity Policy. A copy of Nomination, Remuneration and Board Diversity Policy is attached as **ANNEXURE - 5** to the Board's Report.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has laid out the Company's policy on Corporate Social Responsibility (CSR), and the CSR activities of the Company are carried out as per the instructions of the Committee.

The CSR Committee of the Board comprises of Mr. A.V. Somani (Chairman), Mr. M.L. Gupta (Member), Mr. M.L. Narula (Member), Mr. Manish Sanghi (Member) and Mr. Y. Srinivasa Rao (Member). For details, please refer to Corporate Governance Report attached to this report. The CSR Policy is available on Company's website at the link: <http://www.everestind.com/corporate-social-responsibility>.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee reviews and ensures redressal of investor grievances. For details, please refer to Corporate Governance Report attached to this report.

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

## VIGIL MECHANISM POLICY

The Vigil Mechanism Policy of the Company, which also incorporates a Whistle Blower Policy in terms of the Listing Agreement/ SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for directors and employees to report concerns about unethical behavior, actual or suspected fraud. Protected disclosures can be made by a whistle blower in writing to the Ombudsman and under the said mechanism, no person has been denied direct access to the chairperson of the Audit Committee.

The Vigil Mechanism Policy may be accessed on the Company's website at the link: <http://www.everestind.com/about-us/shareholder-information>.

## 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 Board Meetings.

## INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

## NUMBER OF MEETINGS OF THE BOARD

The Board met five times during the financial year 2015-16, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and Listing Agreement/ SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are disclosed in the Note No. 2.10 to the Standalone Financial Statement. The Company has not given any loans and guarantees under Section 186 of the Act during the Financial Year 2015-16.

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

The required particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required are attached as **ANNEXURE - 6** to the Board's Report.

## EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3) (a) of the Companies Act, 2013, and Extract of Annual Return in the prescribed format is attached as **ANNEXURE - 7** to the Board's Report.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in **ANNEXURE - 8** to the Board's Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the **ANNEXURE - 9** to the Board's Report.

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company and its future operations.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## HUMAN RESOURCES

The Company has continuously adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities. Everest's people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspiration during the year.

## INDUSTRIAL RELATIONS

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

## ACKNOWLEDGEMENT

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

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

### For and on behalf of the Board

**Manish Sanghi**

Managing Director

Delhi, 29<sup>th</sup> April, 2016

**Y. Srinivasa Rao**

Executive Director

Mumbai, 29<sup>th</sup> April, 2016

## ANNEXURE 1

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES OF THE COMPANY

(Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014-AOC-1)

#### PART A: SUBSIDIARIES

(₹ in Lacs)

Name of the subsidiary	Everest Building Products LLC*	Everest Building Products	Everestind FZE	Everest Building Solutions Limited
1. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2015 To 31.03.2016	01.04.2015 To 31.03.2016	01.04.2015 To 31.03.2016	01.04.2015 To 31.03.2016
2. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	AED ₹ 18.05	USD ₹ 66.33	AED ₹ 18.05	₹
3. Share capital	180.63	2,781.63	180.74	5.00
4. Reserves & surplus	(1.01)	12.24	(62.97)	(1.15)
5. Total assets	1,759.97	2,528.64	1,298.57	8.76
6. Total Liabilities	1,580.35	4.08	1,180.80	4.91
7. Investments	-	269.31	-	-
8. Turnover	-	18.11	44.86	1.72
9. Profit before taxation	-	2.88	(52.65)	(1.15)
10. Provision for taxation	-	0.43	-	-
11. Profit after taxation	-	2.45	(52.65)	(1.15)
12. Proposed Dividend	-	0	-	-
13. % of shareholding	49%	100%	100%**	100%

\* Everest Building Products LLC is Company's subsidiary as the Company controls the composition of its Board of Directors.

\*\*Everestind FZE is the wholly owned subsidiary of the Company's wholly owned subsidiary i.e. Everest Building Products, Mauritius.

#### PART B: ASSOCIATES AND JOINT VENTURES: Not Applicable

##### Notes :

- Everest Building Products, Mauritius was incorporated on 9<sup>th</sup> September, 2013, Everestind FZE in Jebel Ali Free Zone, Dubai, UAE was incorporated on 18<sup>th</sup> December, 2013 and Everest Building Products LLC in Ras Al Khaimah UAE was incorporated on 7<sup>th</sup> December, 2014.
- Everest Building products LLC is yet to commence its Business operations.
- Everest Building Solutions Limited has become wholly owned subsidiary of the Company with effect from 1<sup>st</sup> August, 2015.

##### For and on behalf of the Board

**Manish Sanghi**  
Managing Director  
Delhi, 29<sup>th</sup> April, 2016

**Y. Srinivasa Rao**  
Executive Director  
Mumbai, 29<sup>th</sup> April, 2016

**Rakesh Kumar Gupta**  
Chief Financial Officer  
Mumbai, 29<sup>th</sup> April, 2016

**Neeraj Kohli**  
Company Secretary  
Mumbai, 29<sup>th</sup> April, 2016



## ANNEXURE 2

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

[Pursuant to Section 135 of the Companies Act, 2013 &amp; Rules made thereunder]

1.	A brief outline of the company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes.	<p>The Corporate Social Responsibility (CSR) policy has been developed in consonance with Section 135 of the Companies Act 2013 and in accordance with the CSR Rules notified thereof by the Ministry of Corporate Affairs, Government of India and shall apply to all CSR projects undertaken by Everest Industries Limited ('EIL') as per Schedule VII of the Act, within the geographical limits of India only, for the benefit of marginalized, disadvantaged, poor or deprived sections of the community and the environment with objective of engaging organizational resources and capacity to improve the social, economical and environmental conditions of the community at large through sustainable development and imbibing the societal values in stakeholders.</p> <p>The activities that the Company has undertaken under the CSR Policy are relating to Environmental sustainability, Employment enhancing vocational skills, Health, hygiene &amp; sanitation and Promotion of education &amp; sports etc. The web link of CSR Policy is <a href="http://www.everestind.com/corporate-social-responsibility">http://www.everestind.com/corporate-social-responsibility</a></p>										
2.	The composition of the CSR Committee	<table><tr><td>Mr. A.V. Somani</td><td>- Chairman</td></tr><tr><td>Mr. M.L. Gupta</td><td>- Member</td></tr><tr><td>Mr. M.L. Narula</td><td>- Member</td></tr><tr><td>Mr. Manish Sanghi</td><td>- Member</td></tr><tr><td>Mr. Y. Srinivasa Rao</td><td>- Member</td></tr></table>	Mr. A.V. Somani	- Chairman	Mr. M.L. Gupta	- Member	Mr. M.L. Narula	- Member	Mr. Manish Sanghi	- Member	Mr. Y. Srinivasa Rao	- Member
Mr. A.V. Somani	- Chairman											
Mr. M.L. Gupta	- Member											
Mr. M.L. Narula	- Member											
Mr. Manish Sanghi	- Member											
Mr. Y. Srinivasa Rao	- Member											
3.	Average Net Profit of the company for last 3 financial years	₹ 4669.09 lacs										
4.	Prescribed CSR expenditure (2% of amount)	₹ 93.38 lacs										
5.	Details of CSR activities/projects undertaken during the year:											
	a) total amount to be spent for the financial year	₹ 93.38 lacs										
	b) amount un-spent, if any	NA										
	c) manner in which the amount spent during financial year, is detailed below:	Details given below:										

S. No.	Name of the CSR Project	Activities relating to one of the items of Schedule VII in which the Projects / programs falls or is related to	Geographical Location (District & State)	Amount Outlay (Budget) (₹ in Lacs)	Amount spent on projects/ Programmes (₹ in Lacs)	Projects implementation details; direct or through implementation Agency (IA)
I	Health, Hygiene & Sanitation	Individual Sanitation Program (Construction of household toilets) (Schedule VII (i) promoting preventive health care & sanitation)	Raigarh (Maharashtra)	10.05	15.00	By Everest Foundation & Swadesh Foundation
		Construction of toilets in Police Station (Schedule VII (i) promoting preventive health care & sanitation)	Mumbai		7.04	Everest Foundation
		Tobacco Control Program (Schedule VII (i) Promoting preventive health)	Nashik (Maharashtra)	10.85	10.82	Salaam Mumbai Foundation

S. No.	Name of the CSR Project	Activities relating to one of the items of Schedule VII in which the Projects / programs falls or is related to	Geographical Location (District & State)	Amount Outlay (Budget) (₹ in Lacs)	Amount spent on projects/ Programmes (₹ in Lacs)	Projects implementation details; direct or through implementation Agency (IA)
		General Health camps for mother & child (Schedule VII (i) Promoting preventive health)	Dahej (Bharuch, Gujarat), Nashik (Maharashtra)	6.40	0.15	Everest Foundation
II	Vocational training and skilling enhancement	Training on computers (Schedule VII (ii) enhancing vocational skills)	Bhagwanpur (Haridwar, Uttrakhand), Kymore (Katni, M.P.)	15.00	14.52	Everest Foundation
		Training- Sewing Center (Schedule VII (ii) enhancing vocational skills)	Bhagwanpur (Haridwar, Uttrakhand)	0.50	0.79	Everest
		Training on Roof Sheet Erection (Schedule VII (ii) enhancing vocational skills)	Bhagwanpur (Haridwar, Uttrakhand), Kymore (Katni, M.P.), Somnathpur (Balasore, Odisha), Lakhmapur (Nashik, Maharashtra)	45.10	30.36	Everest Foundation & Construction Industry Development Council
III	Environment Sustainability	Plantation Drive at Govt. lands. Awareness on Ecological balance Promoting green environment through retaining park in cities (Schedule VII (iv) environment sustainability and ecological balance)	Somnathpur (Balasore, Odisha), Dahej (Bharuch, Gujarat), New Delhi, Mumbai	13.50	Nil	Project could not carried out
IV	Promoting Sports	Promoting national sport in rural areas. (Schedule VII (vii) Promoting rural and national sports)	Podanur (Coimbatore, T.N.), Kymore (Katni, M.P.)	8.00	4.27	Everest Foundation
V	Eradicating Hunger & Poverty	Providing food to underprivileged families (Schedule VII (i) Eradicating hunger, poverty and malnutrition)	Somnathpur (Balasore, Odisha)	2.00	6.36	By CSR team
VI	Disaster support	Support for Chennai flood relief. (Schedule VII (viii) contribution to PM National Relief Fund)	Chennai	Nil	3.01	Everest Foundation
VII	Promoting Education	Support to organization for promoting education (Schedule VII (ii) Promoting education including special education and employment enhancing vocational skills)	Dahej (Bharuch, Gujarat),	8.00	8.00	Adiwasi Pragati Mandal, Bharuch

S. No.	Name of the CSR Project	Activities relating to one of the items of Schedule VII in which the Projects / programs falls or is related to	Geographical Location (District & State)	Amount Outlay (Budget) (₹ in Lacs)	Amount spent on projects/ Programmes (₹ in Lacs)	Projects implementation details; direct or through implementation Agency (IA)
VIII	Community Development	Support provided to various community based organizations towards Constructing classrooms, tribal houses etc . (Schedule VII (X) Rural Development Projects)	Somnathpur (Balasore, Odisha)	6.00	0.76	BY CSR team
<b>Total - Direct Expense</b>				<b>125.40</b>	<b>101.08</b>	
<b>*Total- Indirect Expense</b>				<b>6.27</b>	<b>5.05</b>	
<b>Grand Total</b>				<b>131.67</b>	<b>106.13</b>	

\*Though Total indirect CSR expense is ₹ 9.78 lakhs, however as per the notification of MCA dated 27<sup>th</sup> February, 2014, indirect expenses have been kept at 5 per cent of total direct expense.

6.	In case the company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board's Report	Not Applicable
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#### RESPONSIBILITY STATEMENT

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and CSR Committee monitors the implementation of the CSR Projects and activities in compliance with our CSR objectives.

#### For and on behalf of the Board

**Manish Sanghi**

Managing Director

Delhi, 29<sup>th</sup> April, 2016

**A.V. Somani**

Chairman, CSR Committee

Mumbai, 29<sup>th</sup> April, 2016

## ANNEXURE 3

### STATEMENT PURSUANT TO REGULATION 14 (DISCLOSURE IN THE BOARD'S REPORT) OF SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014

Pursuant to the Special Resolutions passed by the shareholders in the Annual General Meetings of the Company held on 29.7.2010, 22.7.2011, 24.7.2012, 30.7.2014 and 26.8.2015, the Nomination and Remuneration Committee (earlier known as Remuneration Committee) of the Directors have granted Stock Options to eligible employees and Managing Director/Whole Time Director for the financial years 2010-2011, 2011-12, 2012-13, 2014-15 and 2015-16 respectively. The Company in its Annual General Meeting held on 26<sup>th</sup> July, 2013 had passed a Special Resolution approving Employees' Stock Option Scheme 2013, however, no options have been granted by the Company in the financial year 2013-14. The employees are entitled to get one equity share per option. The shares given pursuant to options exercised are by way of fresh allotment. The details of the Stock Options are given here below:

Sl. No.	Description	Particulars of ESOS-2010	Particulars of ESOS-2011	Particulars of ESOS-2012	Particulars of ESOS-2014	Particulars of ESOS-2015
A.	Options granted	1,47,705 options were granted to the employees and Wholetime Directors of the Company on 18.01.2011.	1,50,720 options were granted to the employees and Wholetime Directors of the Company on 24.01.2012.	1,60,945 options were granted to the employees and Wholetime Directors of the Company on 22.01.2013.	1,40,000 options were granted to the employees and Wholetime Directors of the Company on 21.01.2015.	1,70,000 options were granted to the employees and Wholetime Directors of the Company on 13.1.2016.
B.	Pricing formula	@₹ 174/-	@₹ 126/-	@₹ 268/-	@₹ 336/-	@₹ 262/-
		Being the average closing price of the share during the two weeks preceding the date of grant of options or closing price of the Company's share on the Exchange on the date prior to the date of grant of options, whichever is less.				
		Accordingly, the exercise price has been determined at ₹ 174/- per share. The closing price on BSE on January 17, 2011 was ₹ 173.35.	Accordingly, the exercise price has been determined at ₹ 126/- per share. The closing price on NSE on January 23, 2012 was ₹ 125.93.	Accordingly, the exercise price has been determined at ₹ 268/- per share. The closing price on NSE on January 21, 2013 was ₹ 267.45.	Accordingly, the exercise price has been determined at ₹ 336/- per share. The closing price on NSE on January 20, 2015 was ₹ 335.40.	Accordingly, the exercise price has been determined at ₹ 262/- per share. The closing price on NSE on January 12, 2016 was ₹ 261.20.
C.	Options vested	77,560	69,195	1,27,365	1,40,000	NIL
D.	Options exercised	60,290	21,885	15,580	NIL	NIL
E.	The total number of shares arising as a result of exercise of options.	60,290	21,885	15,580	NIL	NIL
F.	Options Lapsed	17,270	2,545	8,400	10,035	NIL
G.	Variation of terms of options	NIL	NIL	NIL	NIL	NIL
H.	Money realized by exercise of options.	₹ 1,04,90,460	₹ 27,57,510	₹ 41,75,440	NIL	NIL
I.	Total number of options in force.	NIL	44,765	1,03,385	1,29,965	1,70,000
J.	Details of options granted to:					
	(i) Senior Managerial Personnel :					
	(a) Mr. Manish Sanghi, Managing Director	20,000	20,000	20,000	20,000	20,000
	(b) Mr. Y. Srinivasa Rao, Executive Director	15,000	15,000	15,000	15,000	15,000
	(c) Mr. Manish Garg, President & Chief Executive (SBS)	7,000	10,000	10,000	7,000	7,000
	(d) Mr. Rakesh Kumar Gupta, CFO	7,500	7,500	5,250	3,000	None
	(e) Mr. Rahul Chopra, Sr. Vice President & Head Roofing Business	3,000	3,000	5,000	4,500	5,250
	(f) Mr. Neeraj Kohli, Company Secretary	None	None	None	None	1750
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	None	None	None	None	None



Sl. No.	Description	Particulars of ESOS-2010	Particulars of ESOS-2011	Particulars of ESOS-2012	Particulars of ESOS-2014	Particulars of ESOS-2015
	iii) Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	None	None	None	None	None
K.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 Earnings Per Share.	₹ 23				
L	i. Method of calculation of employee compensation cost.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for stock-based compensation cost for the financial year 2015-16.				
	ii. Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options.	The employee compensation cost would have increased by ₹ 195.35 Lakhs				
	iii. The impact of this difference on Profits and on EPS of the Company.	The effect of adopting the fair value method on the net income and earnings per share is presented below:				(₹ in lacs)
		Net Income reported				3530.64.
		Add: Intrinsic Value Compensation Cost				-
		- Employees Stock Option Scheme 2014 & 2015				
		Less: Fair value Compensation Cost (Black Scholes Model)				195.35
		- Employees Stock Option Scheme 2014 & 2015				3335.28
		Adjusted Net Income				
		Earning Per share				Basic (₹ ) Diluted (₹ )
		As reported				23.00 23.00
		As adjusted				21.72 21.72
M.	Weighted average exercise price and weighted average fair value of Options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹ 174.00 Weighted average fair value: ₹ 66.18	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹ 126.00 Weighted average fair value: ₹ 48.69	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹ 268.00 Weighted average fair value: ₹ 95.59	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹ 336.00 Weighted average fair value: ₹ 151.01	Options whose exercise price is equal to the market price: Weighted average exercise price: ₹ 262.00 Weighted average fair value: ₹ 100.11
N.	A description of the method and significant assumptions used during the year to estimate the fair values of options :	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions	The fair value of each options estimated using the Black Scholes Options Pricing Model after applying the following key assumptions
	(i) risk free interest rate:	8.06%	8.13%	7.91%	7.72%	7.88%
	(ii) expected life:	5 years	5 years	5 years	5 years	5 years
	(iii) expected volatility:	44.50%	40.22%	35.32%	41.72%	42.16.%
	(iv) expected dividends:	2.60%	3.42%	2.60%	0.75%	2%
	v) the price of the underlying share in market at the time of option grant:	₹ 173.35	₹ 131.45	₹ 269.40	₹ 333.40	₹ 250.00

## For and on behalf of the Board

Manish Sanghi

Managing Director

Delhi, 29<sup>th</sup> April, 2016

Y. Srinivasa Rao

Executive Director

Mumbai, 29<sup>th</sup> April, 2016

**ANNEXURE 4****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Everest Industries Limited  
CIN: L74999MH1934PLC002093  
Gat No 152, Lakhmapur, Taluka Dindori  
Nashik-422202, Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Everest Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Everest Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Everest Industries Limited for the Financial Year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

(vi) Other laws as specifically applicable on the Company:

- a) The Petroleum Act, 1934 and Rules made thereunder;
- b) The Explosives Act, 1884 and Rules made thereunder;
- c) The Electricity Act, 2003 and Rules made thereunder;
- d) The Boilers Act, 1923 and Rules made thereunder;
- e) Fire Prevention and Fire Safety act and Indian Standard Code of practice for selection, installation and maintenance of portable first aid fire extinguishers; and
- f) The Bureau of Indian Standards Act, 1986 and Rules and Regulations made thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the company with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

We further report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No change in the composition of the Board of Directors took place during the period under review.

We further report that adequate notice is given to all directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions carried through by the Board do not have any dissenting views and hence, no relevant recordings were made in the minutes book maintained for the purpose.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, having a major bearing on the Company's affairs.

**For Tanuj Vohra & Associates**  
Company Secretaries

**Tanuj Vohra**

Delhi, 29 April, 2016

M. No.: F5621, C.P. No.: 5253

## ANNEXURE 5

### NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

#### 1. Introduction

The Board of Directors ("Board") of Everest Industries Limited ("Company") has adopted the following

- Policy for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees.
- Policy on Board Diversity

#### 2. Policy Objective

- To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down.
- To lay down criteria for determining qualification, positive attributes and Independence of a Director;
- To lay down criteria, relating to remuneration of directors, key managerial personnel and other employees.

#### 3. Definitions

- "Board of Directors" means the "Board of Directors" of Everest Industries Limited.

"Company" means Everest Industries Limited.

"Independent Director" means a Director who satisfies the criteria of independence as prescribed under the Companies Act 2013 and the Listing Agreement with the Stock Exchanges.

"Key Managerial Personnel" or KMP means key managerial personnel as defined under the Companies Act, 2013 & includes:-

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- Company Secretary; and
- Chief Financial Officer
- Such other officer as may be prescribed

"Nomination & Remuneration Committee" means "Nomination & Remuneration Committee" constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 and the Listing Agreement with the Stock Exchanges.

"Policy" means the Nomination, Remuneration and Board Diversity Policy.

"Other employees" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

"Senior Management Personnel" means, the personnel of the Company who are members of its core management team excluding Board of Directors and KMPs comprising of Mr. Manish Garg, President and Chief Executive (ESBS) and Mr. Rahul Chopra, Sr. Vice President & Head Roofing Business.

#### 4. Constitution

- The Board shall determine the membership of the Nomination & Remuneration Committee.
- The Committee shall comprise of at least three non- executive directors, of which not less than one-half shall be independent directors.

Provided that the Chairperson of the Company (whether executive or non executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

- Chairman of the committee shall be an Independent Director.

#### 5. Policy

This policy is divided into three parts:

##### 5.1 Appointment & Removal

- Criteria for identifying persons who are qualified to be appointed as a Director / KMP / Senior Management Personnel / Other Employees of the Company:
  - The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
  - The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.



- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
  - iv. Independent Director shall be appointed as per the criteria laid down under Section 149(6) of the Companies Act, 2013.
  - v. The other employees shall be appointed and removed as per the policy and procedure of the Company.
- b. Term / Tenure:
- The Term/Tenure of the Directors/ KMP's/Senior Management Personnel and other employees shall be as per the Company's prevailing policy subject to the provisions of the Companies Act, 2013 and rules made thereunder and Listing agreement as amended from time to time.
- c. Removal:
- Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations and Listing Agreement.
- d. Retirement:
- The director, KMP, senior management & other employees shall retire as per the applicable provisions of the Companies Act, 2013 along with the rules made thereunder and the prevailing policy of the Company. The Board will have the discretion to retain the director, KMP, & senior management personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 5.2 Remuneration

The level and composition of remuneration to be paid to the Managing Director, Whole-Time Director(s), Non-Executive Director(s), KMP's, Senior Management Personnel and other employees shall be reasonable and sufficient to attract, retain and motivate directors, KMP's, Senior Management and other employees of the company. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- i. Director/ Managing Director  
Besides the above Criteria, the Remuneration/ Compensation/ Commission / Bonus etc. to be paid to Director/ Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- ii. Non-Executive Directors  
The Non-Executive Independent Directors will be paid commission as decided by the Board of Directors subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder.  
  
The Non-Executive Independent Director will receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. Independent Directors shall not be entitled to stock option.
- iii. Senior Management Personnel / KMPs  
The Remuneration to be paid to Senior Management Personnel / KMP's shall be based on the experience, qualification and expertise of the related personnel and shall be decided by the Managing Director & CEO of the Company.
- iv. Other Employees  
The power to decide structure of remuneration for other employees has been delegated to the Managing Director & CEO of the Company or any other employee that the Managing Director & CEO may deem fit.

## 5.3 Diversity

The Board shall at all times promote and welcome diversity, equal opportunities and gender mix in its composition with due recognition and weightage to the skills, experience and business acumen of the directorship candidatures.

- a. The Board will review the appropriate skills, experience and knowledge required of the Board members, in the context of the needs of the Company's and the Group's businesses and strategies.
- b. The Board will review its composition and size from time to time to ensure its appropriateness and the fulfillment of the gender diversity representation.

## 6. Disclosures

This Remuneration policy and criteria of making payments to non-executive director's shall be disclosed in the Board's report.

## 7. Amendment(s)

The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.

## ANNEXURE 6

### PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014.

#### A) Conservation of Energy:

##### i. Steps Taken or Impact on Conservation of Energy:

- (a) Energy Audits
- (b) Audit of Harmonics generated and control
- (c) Compressed Air Utilization and Leakage Audits
- (d) Installation of LED Lightings in place of conventional Lightings
- (e) Motors Healthiness Audit to identify and replace in-efficient motors with energy efficient motors

##### ii. Steps taken by the company for utilizing alternate sources of energy:

- (a) Podanur Works consumes 500 KW Solar Power from third party
- (b) Lakhmapur Works consumes Renewable Wind Power from third party.
- (c) Installation of 1100 KW Solar Power Plant at Lakhmapur Works through third party is in progress.

##### iii. Capital Investment on Energy conservation equipments:

During the year, Company invested Rs. 11.5 Lacs in energy conservation equipment.

#### B) Technology Absorption :

##### i. The efforts made towards technology absorption

- (a) New technology adopted for production of Supercolour Roofing Sheets at Bhawanpur Works, Podanur Works and Somnathpur Works.
- (b) Additional process adopted for improving of Boards Quality at Bhagwanpur Works and Lakhmapur Works.

##### ii. Benefits derived like Product Improvement and product development.

- (a) Developed and launched Everest Supercolour Roofing Sheets in market.
- (b) Improved Quality of Boards and aesthetics of designer boards.

##### iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year ) following information may be furnished : None

##### iv) Expenditure incurred on Research and Development :

(₹ in lacs)		
Particulars	Current Year	Previous Year
(I) Capital	1.10	1.46
(II) Recurring	132.28	104.21
(III) Total	133.38	105.67
(IV) Total R & D expenditure as a percentage of total turnover	0.10%	0.09 %

#### C) Foreign Exchange Earnings and Outgo

(₹ in lacs)		
Particulars	Current Year	Previous Year
Foreign Exchange Earnings	6,125.33	9,690.14
Foreign Exchange Used	22,816.30	25,724.57

For and on behalf of the Board

**Manish Sanghi**

Managing Director

Delhi, 29<sup>th</sup> April, 2016

**Y. Srinivasa Rao**

Executive Director

Mumbai, 29<sup>th</sup> April, 2016

ANNEXURE 7

FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN

As on the Financial year ended on 31st March, 2016  
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L74999MH1934PLC002093
2.	Registration Date	3.4.1934
3.	Name of the Company	Everest Industries Limited
4.	Category / Sub-Category of the Company	Public Company/ Limited by shares
5.	Address of the Registered Office and contact details	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202, Maharashtra Tel +91 2557 250375/462 Fax +91 2557 250376
6.	Whether listed company	Yes
7.	Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	M/s MCS Share Transfer Agent Ltd. F-65, First Floor, Okhla Industrial Area, Phase - I, New Delhi-110020. Ph. No.: 011-41406149, 41406151 Fax No.: 011-41709881

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10 % or more of the total turnover of the company are as follows:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1.	Building Products	23959 & 26956	63.20%
2.	Steel Building	41003	36.80%

\* As per NIC 2008

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Everest Building Products 365, Royal Road, Rose Hill, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
2.	Everestind FZE Jebel Ali Free Zone, Dubai, UAE	N.A.	Subsidiary	100*	2(87)(ii)
3.	Everest Building Products LLC Ras Al Khaimah, UAE.	N.A.	Subsidiary	49**	2(87)(ii)
4.	Everest Building Solutions Limited GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202, Maharashtra	U45201MH2007PLC171720	Subsidiary	100	2(87)(ii)

\* Everestind FZE is the wholly owned subsidiary of the Company's wholly owned subsidiary i.e. Everest Building Products, Mauritius.

\*\* Everest Building Products LLC is Company's subsidiary as the Company controls the composition of its Board of Directors.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Sl. No.	Category of shareholder	No. of shares held at the beginning of the year (As on 01/04/2015)				No. of shares held at the end of the year (As on 31/03/2016)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	Shareholding of Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	7520470	0	7520470	49.18	7520470	0	7520470	48.87	-0.31
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	7520470	0	7520470	49.18	7520470	0	7520470	48.87	-0.31
(2)	Foreign		0				0			
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7520470	0	7520470	49.18	7520470	0	7520470	48.87	-0.31
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds/ UTI	2165164	1000	2166164	14.17	2386873	1000	2387873	15.52	1.35
(b)	Financial Institutions/ Banks	1025	50	1075	0.01	1575	50	1625	0.01	0.00
(c)	Central Government/ State Government(s)	0	200	200	0.00	0	200	200	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	187	187	0.00	0	187	187	0.00	0.00
(f)	Foreign Institutional Investors	0	1275	1275	0.01	33000	1275	34275	0.22	0.21
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other	0	0	0	0.00		0		0.00	0.00
	Sub-Total (B)(1)	2166189	2712	2168901	14.18	2421448	2712	2424160	15.75	1.57
(2)	Non-institutions									
(a)	Bodies Corporate	694855	5327	700182	4.58	658138	5327	663465	4.31	-0.27
(b)	Individuals -									



Sl. No.	Category of shareholder	No. of shares held at the beginning of the year (As on 01/04/2015)				No. of shares held at the end of the year (As on 31/03/2016)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	i. Individual shareholders holding nominal share capital up to ₹1 lakh.	2949139	287463	3236602	21.17	3017226	272363	3289589	21.38	0.21
	ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh.	1197516	0	1197516	7.83	1349125	0	1349125	8.76	0.93
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
I	Trust & Foundations	336903	50	336953	2.20	925	50	975	0.01	-2.19
ii	Cooperative Societies	0	0	0	0.00	0	0	0	0.00	0.00
iii	Educational Institutions	0	0	0	0.00	0	0	0	0.00	0.00
iv	Non Resident Individual	129871	600	130471	0.85	140466	600	141066	0.92	0.07
v	Foreign Companies	0	0	0	0.00	0	0	0	0.00	0.00
vi	OCBs	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>5308284</b>	<b>293440</b>	<b>5601724</b>	<b>36.63</b>	<b>5165880</b>	<b>278340</b>	<b>5444220</b>	<b>35.38</b>	<b>-1.25</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>7474473</b>	<b>296152</b>	<b>7770625</b>	<b>50.82</b>	<b>7587328</b>	<b>281052</b>	<b>7868380</b>	<b>51.13</b>	<b>0.31</b>
	<b>TOTAL (A)+(B)</b>	<b>14994943</b>	<b>296152</b>	<b>15291095</b>	<b>100.00</b>	<b>15107798</b>	<b>281052</b>	<b>15388850</b>	<b>100.00</b>	<b>0.00</b>
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0	0.00	0	0	0	0.00	0.00
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>14994943</b>	<b>296152</b>	<b>15291095</b>	<b>100.00</b>	<b>15107798</b>	<b>281052</b>	<b>15388850</b>	<b>100.00</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01/04/2015)			Shareholding at the end of the year (As on 31/03/2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Falak Investment Private Limited	7383470	48.28	0	7383470	47.97	0	-0.31*
2	Trapu Cans Private Limited	137000	0.90	0	137000	0.90	0	0.00
		<b>7520470</b>	<b>49.18</b>	<b>0</b>	<b>7520470</b>	<b>48.87</b>	<b>0</b>	<b>-0.31</b>

\* Decrease in the percentage of shareholding of Falak Investment Private Limited is due to allotment of shares to the employees under Employee Stock Options Schemes during the Financial Year 2015-16.

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

There is no change in promoter's shareholding during the Financial Year 2015-16.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016)	
		No. of Shares at the beginning 01/04/2015/ end of the year 31/03/2016	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	SBI Tax Advantage Fund Series I	0	0.00	01.04.2015				
				19.02.2016	617	Transfer	617	0.00
				26.02.2016	430062	Transfer	430679	2.80
		430679	2.80	31.03.2016			430679	2.80
2	SBI Equity Opportunities Fund Series I	300000	1.95	01.04.2015				
				26.02.2016	75000	Transfer	375000	2.44
		375000	2.44	31.03.2016			375000	2.44
3	HDFC Small & Midcap Fund	0	0.00	01.04.2015				
				23.10.2015	375000	Transfer	375000	2.44
		375000	2.44	31.03.2016			375000	2.44
4	HDFC Trustee Company Limited - HDFC Infrastructure Fund	330885	2.15	01.04.2015	0	Nil Movement During the year		
		330885	2.15	31.03.2016			330885	2.15
5	Raj Kumar Mittal	0	0.00	01.04.2015				
				19.02.2016	336478	Transfer	336478	2.19
				18.03.2016	-8500	Transfer	327978	2.13
		327978	2.13	31.03.2016			327978	2.13
6	Sbi Equity Opportunities Fund Series II	177147	1.15	01.04.2015	0			
				19.06.2015	44599	Transfer	221746	1.44
				26.06.2015	9038	Transfer	230784	1.50
				26.02.2016	69216	Transfer	300000	1.95
		300000	1.95	31.03.2016			300000	1.95
7	HSBC Progressive Themes Fund	196500	1.28	01.04.2015		Nil movement during the year		
		196500	1.28	31.03.2016			196500	1.28
8	HDFC Trustee Company Limited - HDFC Prudence Fund	0	0.00	01.04.2015	0			
				01.05.2015	129709	Transfer	129709	0.84
				15.05.2015	3488	Transfer	133197	0.87
				17.07.2015	30000	Transfer	163197	1.06
				07.08.2015	9200	Transfer	172397	1.12
		172397	1.12	31.03.2016			172397	1.12
9	Shubhamangal Credit Capital Private Limited	0	0.00	01.04.2015				
				05.02.2016	150000	Transfer	150000	0.97
		150000	0.97	31.03.2016			150000	0.97
10.	HSBC Midcap Equity Fund	132308	0.86	01.04.2015				
				23.10.2015	-23260	Transfer	109048	0.71
		109048	0.71	31.03.2016			109048	0.71

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01/04/2015 to 31/03/2016)	
		No. of shares at the beginning (01/04/2015/ end of the year 31/03/2016)	% of total shares of the Company				No. of shares	% of total shares of the company
1.	A. V. Somani (Chairman)	500	0.00	01/04/2015	0	Nil movement during the year		
		500	0.00	31/03/2016			500	0.00
2.	M.L. Gupta (Vice-Chairman)	60000	0.39	01/04/2015		Transfer		
				29/05/2015	-10000		50000	0.32
		50000	0.32	31/03/2016			50000	0.32
3.	Manish Sanghi (Managing Director)	50922	0.33	01/04/2015		ESOS Allotment		
				06/05/2015	20000		70922	0.46
		70922	0.46	31/03/2016			70922	0.46
4.	B.L. Taparia (Director)	1000	0.00	01/04/2015	0	Nil movement during the year		
		1000	0.00	31/03/2016			1000	0.00
5.	Y. Srinivasa Rao (Executive Director)	7150	0.05	01/04/2015		ESOS Allotment		
				02/12/2015	7471		14621	0.10
				22/12/2015	-128	Transfer	14493	0.09
				23/12/2015	-1000	Transfer	13493	0.09
				24/12/2015	-476	Transfer	13017	0.08
				28/12/2015	-3300	Transfer	9717	0.06
				30/12/2015	-400	Transfer	9317	0.06
				30/12/2015	-600	Transfer	8717	0.06
				19/01/2016	11529	ESOS Allotment	20246	0.13
		20246	0.13	31/03/2016			20246	0.13

The following Directors/Key Managerial Personnel did not hold any shares during the financial year 2015-16

- M. L. Narula - Director
- Amitabh Das Mundhra - Director
- Bhavna G. Doshi - Director
- Rakesh Kumar Gupta - KMP
- Neeraj Kohli - KMP

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ In Lacs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01/04/2015)</b>				
i) Principal Amount	30077.95	-	-	30077.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	125.68	-	-	125.68
<b>Total (i+ii+iii)</b>	<b>30203.63</b>	-	-	<b>30203.63</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	4500.00	-	-	4500.00
• Reduction	9028.47	-	-	9028.47
<b>Net Change</b>	<b>(4528.47)</b>	-	-	<b>(4528.47)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	25571.62	-	-	25571.62
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	103.54	-	-	103.54
<b>Total (i+ii+iii)</b>	<b>25675.16</b>	-	-	<b>25675.16</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ In Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		A.V.Somani	Manish Sanghi	Y.Srinivasa Rao	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	162.00	138.33	108.29	408.62
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.10	0.13	-	0.23
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	24.93	20.74	45.67
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	11.00	-	-	11.00
	- others	-	5.00	4.50	9.50
5.	Others (PF & Superannuation)	Nil	16.20	12.64	28.84
	<b>Total (A)</b>	<b>173.10</b>	<b>184.59</b>	<b>146.17</b>	<b>503.86</b>
	Ceiling as per the Act	₹ 564.76 lacs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013).			

### B. Remuneration to other Directors:

(₹ In Lacs)

Sl. No.	Particulars of Remuneration	Name of Non-Executive Directors					Total Amount
		M.L. Gupta	M.L. Narula	Amitabh Das Mundhra	B.L. Taparia	Bhavna G Doshi	
1.	<b>Independent Directors</b>						
	Fee for attending board / committee meetings	-	2.40	1.30	3.10	2.80	9.60
	Commission	-	8.00	3.00	5.50	5.50	22.00
	Others						
	<b>Total (1)</b>	-	<b>10.40</b>	<b>4.30</b>	<b>8.60</b>	<b>8.30</b>	<b>31.6</b>
2.	<b>Other Non-Executive Directors</b>						
	Fee for attending board / committee meetings	3.20	-	-	-	-	-
	Commission	5.50	-	-	-	-	-
	Others	-	-	-	-	-	-
	<b>Total (2)</b>	<b>8.70</b>	-	-	-	-	<b>8.70</b>
	<b>Total (1+2)</b>	<b>8.70</b>	<b>10.40</b>	<b>4.30</b>	<b>8.60</b>	<b>8.30</b>	<b>40.30</b>
	Overall Ceiling as per the Act	₹ 56.48 lacs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					

C. Remuneration to Key Managerial Personnel other than MD / Manager/WTD

(₹ In Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		C.E.O.	Company Secretary (Neeraj Kohli)	C.F.O. (Rakesh Kumar Gupta)	
1.	Gross salary	Not Applicable			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		15.86	57.29	73.15
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		-	0.30	0.30
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission				
	- as % of profit		-	-	-
5.	Others (PF & Superannuation)		1.35	3.31	4.66
	Total		17.21	60.90	78.11

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority[RD/ NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding			NONE		
B. DIRECTORS Penalty Punishment Compounding			NONE		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NONE		



## ANNEXURE 8

### STATEMENT PURSUANT TO RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016.

Employed for full year and in receipt of remuneration of not less than ₹ 60,00,000/- per year

Sl. No.	Name	Designation	Qualification	Age (Years)	Experience (Years)	Remuneration Gross (₹ In lacs)	Date of commencement of Employment	Previous Employment	% of shares held in the Company
1.	A.V. Somani	Chairman	MBA, PGDM, M.Com.	42	25	173.10	21.6.2010	White Knight Constructions India Pvt. Ltd. (Director)	0.00*
2.	Manish Sanghi	Managing Director	B.E. (Mech), PGDM (IIM-A)	53	30	184.59	16.01.2001	Delphi Automotive Systems Ltd. (General Manager-Marketing & Planning)	0.46
3.	Y. Srinivasa Rao	Executive Director	B.Sc. Engg. (Mech)	52	30	146.17	20.08.1997	Samcor Glass Ltd. (Manager)	0.13
3.	Manish Garg	President & Chief Executive (SBS)	Diploma in Engineering, AMIE	43	25	124.96	20.04.2007	Interarch Building Products P. Ltd. (General Manager-Marketing)	0.05
4.	Rakesh Kumar Gupta	Sr. Vice President (Finance)	B.Com (H), CA, ICWA	56	31	60.90	01.10.2007	G4S Corporate Services Pvt. Ltd. (CFO)	None

\* Mr. A.V. Somani is holding 500 shares in the Company

#### Notes:

- No employee of the Company was in receipt of remuneration aggregating not less than ₹ 5,00,000/- per month and employed for part of the Financial Year.
- Gross Remuneration shown above is subject to tax and comprises of salary, allowances, monetary value of perquisites, company's contribution to provident fund, officer's superannuation fund, performance incentives/commission.
- All the above employments are contractual in nature except that of Mr. Manish Garg & Mr. Rakesh Kumar Gupta.
- None of the above employees are related to any Director of the Company.

#### For and on behalf of the Board

**Manish Sanghi**

Managing Director

Delhi, 29<sup>th</sup> April, 2016

**Y. Srinivasa Rao**

Executive Director

Mumbai, 29<sup>th</sup> April, 2016

ANNEXURE 9

PARTICULARS OF REMUNERATION

Information as per Rule 5 (1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel ) Rules, 2014

(A) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Non-Executive Directors	Ratio to Median Remuneration
M.L. Gupta	1:3
M.L. Narula	1:4
Bhavna G. Doshi	1:3
Amitabh Das Mundhra	1:1.59
B.L. Taparia	1:3
Executive Directors	
A.V. Somani	1:64
Manish Sanghi	1:68
Y. Srinivasa Rao	1:54

(B) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of Person	Remuneration (₹in lacs)		% Increase in remuneration
	2014-15	2015-16	
M.L. Gupta	8.80	8.70	(1.14)
M.L. Narula	11.20	10.40	(7.14)
Bhavna G. Doshi	7.30	8.30	13.70
Amitabh Das Mundhra	4.20	4.30	2.38
B.L. Taparia	7.70	8.60	11.69
A.V. Somani	201.65	173.10	(14.16)
Manish Sanghi	182.52	184.59	1.13
Y. Srinivasa Rao	148.64	146.17	(1.66)
Rakesh Kumar Gupta	58.59	60.90	3.94
Neeraj Kohli	13.08	17.21	31.57

Percentage in brackets represents negative percentage.

(C) The percentage increase in the median remuneration of employees in the financial year

8%.

(D) The number of permanent employees on the rolls of Company.

1734

(E) The explanation on the relationship between average increase in remuneration and company performance.

On an average, employees received an increase of 8%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

**(F) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;**

Particulars	(₹ in Lacs)
Remuneration of Key Managerial Personnel during financial year 2015-16 (aggregated)	262.70
Total Revenue	1,32,626.01
Remuneration (as % of revenue)	0.20%
Profit before tax (PBT)	5134.56
Remuneration (as % of PBT)	5.12%

**(G) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies.**

Particulars	Unit	As at 31st March 2016	As at 31st March 2015	Variation (%)
Closing rate of share at BSE	₹	237.30	319.40	(25.70)
EPS (Consolidated)	₹	22.61	22.46	0.66
Market Capitalization	₹/Lacs	36,517.74	48,839.76	(25.23)
Price earnings ratio	Ratio	10.50	14.22	(26.16)

**(H) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average increase in salaries of employees other than managerial personnel in 2015-16 was 8%. Percentage increase in the managerial remuneration for the year was -5.44 %.

**(I) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company**

Particulars	Managing Director	Chief Financial Officer	Company Secretary
Remuneration	184.59	60.90	17.21
Revenue	132626.01	132626.01	132626.01
Remuneration (as % of revenue)	0.14%	0.05%	0.01%
Profits before tax (PBT)	5134.56	5134.56	5134.56
Remuneration (as % of PBT)	3.60%	1.19%	0.33%

**(J) The key parameters for any variable component of remuneration availed by the Directors;**

Payment of Commission/Performance Incentive to Executive Directors is within the ceiling of 10% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013. The Performance Incentive payable to Managing Director and Executive Director is based on their performance evaluation and performance of the Company.

Payment of commission to the Non-Executive Directors is within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on performance evaluation which is based on attendance and contribution at the Board and certain committee meetings, as well as the time spent on operational matters other than at meetings.

**(K) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.**

Not applicable.

**(L) Affirmation that the remuneration is as per the remuneration policy of the Company**

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavors to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

**For and on behalf of the Board**

**Manish Sanghi**  
Managing Director

Delhi, 29<sup>th</sup> April, 2016

**Y. Srinivasa Rao**  
Executive Director

Mumbai, 29<sup>th</sup> April, 2016

# 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 stakeholder value. Good Corporate Governance leads to long term stakeholder 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 present Board of the Company consists of eight Directors of which three are Executive Directors and five are Non-Executive Directors including one woman Director. Out of five Non-Executive Directors, four 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 and commission to them during the year 2015-16.

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 as Non Executive Director. Mr. M.L. Narula, Mr. Amitabh Das Mundhra, Mr. B.L. Taparia and Mrs. Bhavna G. Doshi are Independent Directors.

During the year 2015-16, five meetings of the Board of Directors were held on 22<sup>nd</sup> April, 2015, 15<sup>th</sup> July, 2015, 20<sup>th</sup> October, 2015, 13<sup>th</sup> January, 2016 and 30<sup>th</sup> March, 2016 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, 2016 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 26<sup>th</sup> August, 2015, 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, 2016 are given below:

Name of Director	Particulars of attendance		No. of Directorships and Committee Membership/ Chairmanship held in other Companies*			Category of Directors
	Board Meetings	Last AGM	Other Directorship	Other Committee Member	Other Committee Chairman	
Mr. A.V. Somani (Chairman)	5	Yes	2	1	-	Executive
Mr. M.L. Gupta** (Vice Chairman)	5	Yes	-	-	-	Non-Executive
Mr. M.L. Narula	4	Yes	-	-	-	Independent Non-Executive
Mr. Amitabh Das Mundhra	3	No	4	-	2	Independent Non-Executive
Mr. B.L. Taparia	5	Yes	2	1	-	Independent Non-Executive
Mrs. Bhavna G. Doshi	5	Yes	8	3	4	Independent Non-Executive
Mr. Manish Sanghi (Managing Director)	5	Yes	1	-	-	Executive
Mr. Y. Srinivasa Rao (Executive Director)	5	Yes	1	-	-	Executive

\* Other directorships do not include 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. Gupta has become Independent Director of the Company with effect from 29.04.2016 subject to the approval of shareholders in the forthcoming Annual General Meeting.

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, 2016. 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. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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 for Board Members

Periodic presentations are made at the Board and Committee Meetings of Board, on business and performance updates of the Company. The Familiarization Programme Module and details of Familiarisation Programme organised during the financial year 2015-2016 are 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 presently consists of four Non-Executive Directors, out of which three are Independent Directors. All members of the Committee are financially literate and having the requisite financial management expertise. The Chairman of the Audit Committee is an Independent Director. The Chairman of the Audit Committee was present at the last Annual General Meeting held on 26<sup>th</sup> August, 2015.

### (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. M.L. Narula (Chairman), Mr. M.L. Gupta (Member), Mr. B.L. Taparia (Member) and Mrs. Bhavna G Doshi (Member).

During the year, four Audit Committee Meetings were held on 22<sup>nd</sup> April, 2015, 15<sup>th</sup> July, 2015, 20<sup>th</sup> October, 2015 and 13<sup>th</sup> January, 2016. 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. Narula	Independent Director	4	3
Mr. M.L. Gupta	Non-Independent Director	4	4
Mr. B.L. Taparia	Independent Director	4	4
Mrs. Bhavna G. Doshi	Independent Director	4	4

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.

## 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

- To consider and resolve the grievances of Security holders of the Company
- 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.
- To look into and redress the Shareholders / investors grievances relating to:
  - Transfer of shares;
  - Non-receipt of dividends;
  - Non-receipt of annual reports; and
  - Any other complaint concerning the Shareholders / investors
- The Committee will oversee the performance of the Registrars and Share Transfer Agents of the Company.
- Such other matters as may from time to time be required by any statutory or regulatory authority to be attended by the Committee;
- 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, two meetings of the Stakeholders Relationship Committee were held on 15<sup>th</sup> July, 2015 and 13<sup>th</sup> January, 2016.

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	Non-Executive Director	2	2
Mr. A.V. Somani	Non-Independent Director	2	2
Mr. Manish Sanghi	Non-Independent Director	2	2

The Stakeholders Relationship Committee approved transfers etc. through resolution by circulation 19 times during the year. During the year, the Company has not received any complaint from the shareholders.

## 2.3 NOMINATION AND REMUNERATION COMMITTEE

### (A) Composition

The Nomination and Remuneration Committee comprises of Mr. M.L. Narula (Chairman), Mr. M.L. Gupta (Member), 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:

- 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.
- 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.
- 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).
- 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.
- Formulate, amend and administer stock options plans and grant stock options to Managing / Whole Time Director(s) and employees of the Company.
- Delegate any of its power/ function as the Committee deems appropriate to Senior Management of the Company.
- 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, three meetings of Nomination and Remuneration Committee were held on 22<sup>nd</sup> April, 2015, 13<sup>th</sup> January, 2016 and 30<sup>th</sup> March, 2016.

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. Narula	Independent Director	3	2
Mr. M.L. Gupta	Non-Executive Non-Independent Director	3	3
Mr. Amitabh Das Mundhra	Independent Director	3	1
Mr. B.L. Taparia	Independent Director	3	3

**(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 2015-16**

Name and Designation	Mr. A.V. Somani, Chairman	Mr. Manish Sanghi, Managing Director	Mr. Y. Srinivasa Rao, Executive Director
Tenure of Appointment	Three years ending on 20 <sup>th</sup> June, 2016	Three years ending on 30 <sup>th</sup> September, 2016	Five years ending on 22 <sup>nd</sup> April, 2020
Salary (₹)	1,62,00,000	60,00,000	46,80,000
Perquisites/Allowances (₹)	10,000	75,00,000	58,50,000
Commission (₹)	11,00,000	-	-
Performance Incentive (₹)	-	5,00,000	4,50,000
Contributions to Provident Fund/Superannuation Fund (₹)	-	16,20,000	12,63,600
Other (₹)	-	3,46,797	2,99,000
Perquisites value of ESOS (₹)	-	24,93,000	20,74,478
<b>Total (₹)</b>	<b>1,73,10,000</b>	<b>1,84,59,797</b>	<b>1,46,17,078</b>

Notice period for termination of appointment of Executive Director is three months on either side.

Mr. Manish Sanghi and Mr. Y. Srinivasa Rao were granted 20,000 and 15,000 options respectively under Employees Stock Option Scheme 2016 on 13.01.2016 @ ₹ 262 per option at the market price. The vesting period is one year from the date of grant of options and exercise period shall be four years from the date of expiry of vesting period.

**(F) Details of Remuneration of Non-Executive Directors for the Financial Year 2015-16**

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 ₹ 40,000/- for each Board Meeting; ₹ 20,000/- for each Audit Committee Meeting; ₹ 10,000/- for each Nomination and Remuneration Committee Meeting/Corporate Social Responsibility Committee Meeting and ₹ 5,000/- for each Stakeholder Relationship Committee Meeting. The Non-Executive Directors are also paid commission up to 1% of the net profit of the Company as decided by the Board of Directors. The sitting fee and Commission paid to the Non-Executive Directors for the year ended 31<sup>st</sup> March, 2016 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 (₹)	2,40,000	3,20,000	1,30,000	3,10,000	2,80,000
Commission (₹)	8,00,000	5,50,000	3,00,000	5,50,000	5,50,000
<b>Total (₹)</b>	<b>10,40,000</b>	<b>8,70,000</b>	<b>4,30,000</b>	<b>8,60,000</b>	<b>8,30,000</b>

**Note:**

- Mr. M.L. Gupta holds 50,000 equity shares and Mr. B.L. Taparia holds 1,000 equity shares in the Company as on 31<sup>st</sup> March, 2016.
- 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 comprises of Mr. A.V. Somani (Chairman), Mr. M.L. Gupta (Member), Mr. M.L. Narula (Member), Mr. Manish Sanghi (Member) and Mr. Y. Srinivasa Rao (Member).

### (B) Terms of Reference

- 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.
- To recommend the amount of expenditure to be incurred on the activities related to CSR; and
- 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 15<sup>th</sup> July, 2015 and 30<sup>th</sup> March, 2016. 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	Non-Independent Director	2	2
Mr. M.L. Narula	Independent Director	2	2
Mr. Manish Sanghi	Non-Independent Director	2	2
Mr. Y. Srinivasa Rao	Non-Independent Director	2	2

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. Narula, Mr. B. L. Taparia and Mrs. Bhavna G. Doshi met on 30<sup>th</sup> March, 2016 without the attendance of non independent directors and members of the management to:

- Review the performance of non-independent directors and the Board as a whole;
- Review the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;
- 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

- The Company has one wholly owned subsidiary company in India viz. Everest Building Solutions Limited.
- 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. 2.32). 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 Board Meetings.

#### 4.5 Proceeds From Public Issues, Right Issues, Preferential Issues Etc.

During the Financial Year ended 31<sup>st</sup> March, 2016, 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

The Vigil Mechanism of the Company, which also incorporates a Whistle Blower Policy in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for directors and employees to report concerns about unethical behaviour, actual or suspected fraud. Protected disclosures can be made by a whistle blower in writing to the Ombudsman and under the said mechanism no person has been denied direct access to the chairperson of the Audit Committee.

The Company has introduced a Vigil Mechanism helpdesk on "E-connect" which is Company's Intranet wherein employees of the Company can raise their complaints on E-connect which will directly go to Ombudsman. The Whistle Blower has the option to keep his identity confidential on vigil mechanism helpdesk.

#### 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. 2.28 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. The Company has appointed 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 The BSE Limited and to The 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). Official press releases, 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/	Venue of the Meeting	Date	Time
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.
2013	AGM	GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)	26 <sup>th</sup> July, 2013	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

- At the 80<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> July, 2013, a Special Resolution was passed, authorising the Board of Directors of the Company to issue and allot shares under Employees' Stock Option Scheme (ESOS)-2013 to the specified employees during the financial year 2013-14.
- 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.
- 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.
- 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.
- 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 waiver of recovery of excess remuneration paid to Mr. A.V. Somani, Whole Time Director designated as Chairman for the financial year 2013-14.
- 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 waiver of recovery of excess remuneration paid to Mr. Manish Sanghi, Managing Director for the financial year 2013-14.
- 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.
- 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 for the financial year 2013-14.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.

During the year, no approval of shareholders was taken through Postal Ballot. 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, 29 <sup>th</sup> June, 2016, at 11.00 a.m. at GAT 152, Lakhmapur, Taluka Dindori, Nashik-422202 (Maharashtra)
ii)	Financial Year	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016
iii)	Dates of Book Closure	23 <sup>rd</sup> June, 2016 to 29 <sup>th</sup> June, 2016 (both days inclusive)
iv)	Posting of Annual Report	On or before 4 <sup>th</sup> June, 2016.
v)	Dividend	₹ 5/- per equity share of face value of ₹ 10/- each.
vi)	Dividend Payment date	Dividend, if any, declared in the forthcoming 83 <sup>rd</sup> Annual General Meeting will be paid on or before 15 <sup>th</sup> July, 2016.
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 31 <sup>st</sup> March, 2008 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, 2009, which have remained unclaimed to the said fund in September, 2016.  Members who have not encashed their dividend warrants for the Financial Year 2009-2010 & 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, 2016, Quarter and half year ending 30 <sup>th</sup> September, 2016, Quarter and nine months period ending 31 <sup>st</sup> December, 2016.	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, 2017.	Within 60 days from the end of the last quarter/year as stipulated under SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.
viii)	Listing of Equity Shares	BSE Limited & The National Stock Exchange of India Limited at Mumbai. The Listing fees for the Financial Year 2015-16 has been paid to the Exchanges.
ix)	Corporate Identification Number (CIN) of the Company	L74999MH1934PLC002093

#### 12. STOCK CODE

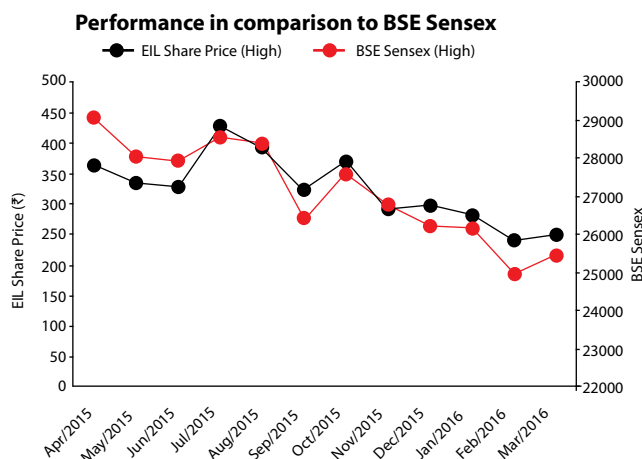
BSE Limited	-	508906
National Stock Exchange of India Limited	-	EVERESTIND
ISIN of the Company	-	INE295A01018

#### 13. Market Price Information

- A. The reported high and low share prices during the year ended 31<sup>st</sup> March, 2016 on BSE, where your Company's shares are traded vis-à-vis BSE Sensex, are given below:

MONTH	BSE Limited*		BSE SENSEX*	
	HIGH (₹)	LOW (₹)	HIGH	LOW
April, 2015	364.70	291.40	29,094.61	26,897.54
May, 2015	336.10	305.00	28,071.16	26,423.99
June, 2015	329.70	297.30	27,968.75	26,307.07
July, 2015	430.00	316.00	28,578.33	27,416.39
August, 2015	395.00	295.10	28,417.59	25,298.42
September, 2015	325.10	279.00	26,471.82	24,833.54
October, 2015	371.00	283.60	27,618.14	26,168.71
November, 2015	294.00	266.50	26,824.30	25,451.42
December, 2015	299.00	258.40	26,256.42	24,867.73
January, 2016	283.00	218.20	26,197.27	23,839.76
February, 2016	242.30	193.00	25,002.32	22,494.61
March, 2016	252.00	210.00	25,479.62	23,133.18

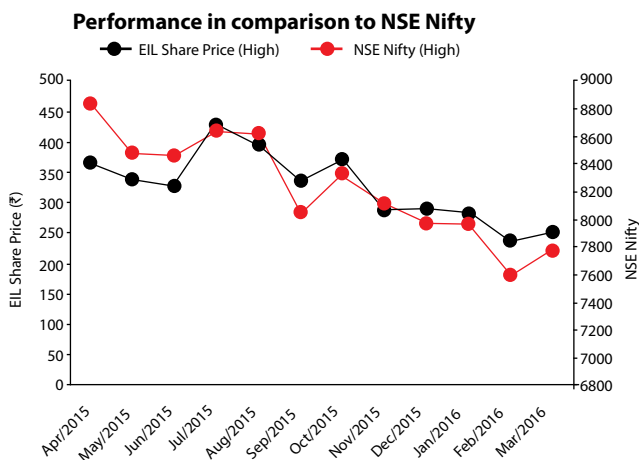
\* Based on BSE website.



- B. The reported high and low share prices during the year ended 31<sup>st</sup> March, 2016 on the National Stock Exchange, where your Company's shares are traded vis-à-vis CNX Nifty are given below:

MONTH	The National Stock Exchange of India Limited (NSE)*		CNX NIFTY*	
	HIGH (₹)	LOW (₹)	HIGH	LOW
April, 2015	366.90	292.35	8844.80	8144.75
May, 2015	340.00	307.20	8489.55	7997.15
June, 2015	329.05	299.00	8467.15	7940.30
July, 2015	429.00	318.10	8654.75	8315.40
August, 2015	396.00	292.00	8621.55	7667.25
September, 2015	338.40	281.00	8055.00	7539.50
October, 2015	371.70	284.05	8336.30	7930.65
November, 2015	290.05	262.15	8116.10	7714.15
December, 2015	291.00	257.25	7979.30	7551.05
January, 2016	282.50	217.10	7972.55	7241.50
February, 2016	240.00	192.05	7600.45	6825.80
March, 2016	253.00	208.05	7777.60	7035.10

\* Based on NSE website.



#### 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

#### 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, 2016

##### A) Distribution of Shareholding as on 31<sup>st</sup> March, 2016

No. of Equity Shares	No. of shareholders	% of shareholders	Total No. of shares held	% of shareholding
1 to 500	10521	86.61	1429265	9.29
501 to 1000	1002	8.25	741351	4.82
1001 to 2000	318	2.62	458270	2.97
2001 to 3000	98	0.81	244336	1.59
3001 to 4000	55	0.45	200330	1.30
4001 to 5000	35	0.29	164300	1.07
5001 to 10000	56	0.46	405919	2.64
10001 to 50000	43	0.35	899667	5.85
50001 to 100000	7	0.06	557455	3.62
100001 and above	12	0.10	10287957	66.85
<b>Total</b>	<b>12147</b>	<b>100.00</b>	<b>15388850</b>	<b>100.00</b>

**B) Shareholding Pattern as on 31<sup>st</sup> March, 2016**

Sr. No.	Category	No. of Shares held	% of shareholding
1.	Promoters	7520470	48.870
2.	Mutual Funds/ UTI	2387873	15.517
3.	Financial Institutions/ Banks	1625	0.011
4.	Central Government/ State Government(s)	200	0.001
5.	Insurance Companies	187	0.001
6.	Foreign Institutional Investors	34275	0.223
7.	Bodies Corporate	663465	4.311
8.	Individuals	4638714	30.143
9.	Trusts & Foundations	975	0.006
10.	NRI's	141066	0.917
	<b>Total</b>	<b>15388850</b>	<b>100.000</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**

98.17% of the Equity Shares of the Company have been dematerialised as on 31<sup>st</sup> March, 2016. 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

**Lakhmapur Works**

Gat 152, Lakhmapur  
Taluka Dindori, Nashik - 422202  
Maharashtra

**Bhagwanpur Works**

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

**Ranchi Works**

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

**Kolkata Works**

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

**Podanur Works**

Podanur P.O.  
Coimbatore - 641023  
Tamil Nadu

**Somnathpur Works**

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

**Narmada Works**

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

**24. 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, Fax : 011-41709881  
Email: admin@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, 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 : Delhi  
Date : 29<sup>th</sup> April, 2016

**Manish Sanghi**  
Managing Director



## DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

This is to certify that as provided under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2016.

**For Everest Industries Limited**

Place: Delhi

Date : 29<sup>th</sup> April, 2016

**Manish Sanghi**

Managing Director

## CEO / CFO CERTIFICATION

### Pursuant to Regulation 17(8) of SEBI ( Listing Obligations & Disclosure Requirements) Regulations, 2015

We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2016 and that to the best of our knowledge and belief:

- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. these statements together a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

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

We have indicated to the auditors and the Audit Committee:

- i. significant changes in internal control over financial reporting during the year;
- ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system over financial reporting.

**For Everest Industries Limited**

**Rakesh Kumar Gupta**

Chief Financial Officer

Mumbai, 29<sup>th</sup> April, 2016

**Manish Sanghi**

Managing Director

Delhi, 29<sup>th</sup> April, 2016

## COMPLIANCE CERTIFICATE

### TO THE MEMBERS OF

### EVEREST INDUSTRIES LIMITED

**CIN: L74999MH1934PLC002093**

1. We have examined the compliance of the conditions of Corporate Governance by Everest Industries Limited ('the Company') for the Financial Year ended on 31<sup>st</sup> of March, 2016, as stipulated under Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representation made by the directors and the management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For TVA & Co. LLP**  
Company Secretaries

Place: Delhi  
Date: 29<sup>th</sup> April, 2016

**Tanuj Vohra**  
M. No.: F5621, C.P. No.: 5253

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF EVEREST INDUSTRIES LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **EVEREST INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "ANNEXURE A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 2.25 (i) to the financial statements;
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses. - Refer Note 2.25 (ii)(d) to the financial statements
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. - Refer Note 2.51 to the financial statements
- 2. As required by the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "ANNEXURE B" a statement on the matters specified in paragraphs 3 and 4 of the CARO 2016 Order.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration No. 015125N)

**Alka Chadha**

Partner

(Membership No. 93474)

Mumbai, 29 April, 2016

## **“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)]**

We have audited the internal financial controls over financial reporting of EVEREST INDUSTRIES LIMITED (“the Company”) as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm’s Registration No. 015125N)

**Alka Chadha**  
Partner

(Membership No. 93474)

Mumbai, 29 April, 2016



## “ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### i. In respect of its fixed assets:

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/purchase deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and leasehold improvements disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
  - As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
  - The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
  - In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of making investments. However, the Company has not granted any loans or provided any guarantees and securities.
  - According to the information and explanations given to us, the Company has not accepted any deposits from the public.
  - The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- According to the information and explanations given to us in respect of statutory dues:
  - The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable.
  - Details of dues of Income-tax, Sales Tax, Service Tax and Excise Duty which have not been deposited as on 31 March, 2016 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved	Amount Paid	Amount unpaid (‘ /Lakhs)
Income Tax Act, 1961	Demand on account of disallowances of certain claims	Commissioner of Income Tax Appeals	2005 to 2008 and 2009 to 2014	7,995.73	6,815.75	1,179.98
		Appellate Tribunal	2003-04, 2004-05 and 2006-07	971.58	885.42	86.16
		<b>Total</b>		<b>8,967.31</b>	<b>7,701.17</b>	<b>1,266.14</b>
Sales Tax Laws	Demand on account of non-collection of statutory forms etc.	Commissioner Appeals	1997 to 98, 2000-2003 and 2006-07	25.05	1.59	23.46
		Appellate Tribunal	1997 to 1999, 2000-01, 2007-08, 2010 to 2012	22.95	-	22.95
		Joint Commissioner	1999 to 2001, 2007 to 2014	87.09	38.15	48.94
		Assistant Commissioner	1994-95	0.47	-	0.47
		Joint Commissioner (Appeal)	2009 to 2012	160.94	19.41	141.53
		Additional Commissioner	2011 to 2014	282.29	26.86	255.43
	Demand on account of purchase tax on fly ash	Assessing Officer	1996-97 and 1999-00	14.77	14.77	-

	Demand on account of reversal of input tax credit	Additional Joint Commissioner	2009-10	2.33	2.33	-
	Demand on account of stock transfers being considered as local sales	Madras High Court	1990-91, 1992-93 to 1995-96, 1998-99 and 2013-14	435.88	12.89	422.99
	Demand on account of stock transfers being considered as inter-state sales	Appellate Tribunal	1997-98	242.51	0.69	241.82
		Central Sales Tax Appellate Authority	1994 to 1996	676.34	0.26	676.08
	Demand on account of understatement of sales/purchase	Appellate Tribunal	2011-12	150.41	-	150.41
	<b>Total</b>			<b>2,101.03</b>	<b>116.95</b>	<b>1,984.08</b>
The Central Excise Act, 1944	Demand on account of wrong availment of cenvat credit	Deputy Commissioner	2009 to 2010 and 2012 to 2013	7.48	-	7.48
		Joint Commissioner	2006 to 2010	14.29	-	14.29
		Assistant Commissioner	2006 to 2012, 2015-16	15.23	-	15.23
		Additional Commissioner	2007 to 2012, 2015-16	62.91	-	62.91
		Commissioner	2004 to 2006 and 2007 to 2015	547.73	-	547.73
		Commissioner Appeals	2007 to 2012	30.29	0.35	29.94
	Demand of duty under Section 11D of the Central Excise Act, 1944	Appellate Tribunal	1992 to 1996	2,462.40	-	2,462.40
	Demand on account of wrong availment of Cenvat credit	Appellate Tribunal	2008-09	39.64	4.38	35.26
	<b>Total</b>			<b>3,179.97</b>	<b>4.73</b>	<b>3,175.24</b>

There are no dues in respect of Customs Duty and Value Added Tax which have not been deposited as on 31 March, 2016 on account of disputes.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government nor has it issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company as applicable or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration No. 015125N)

**Alka Chadha**

Partner

(Membership No. 93474)

Mumbai, 29 April, 2016

# BALANCE SHEET

AS AT 31 MARCH, 2016

		(₹ in lacs)	
	Note Reference	As at 31.03.2016	As at 31.03.2015
<b>I. Equity and liabilities</b>			
<b>1. Shareholder's funds</b>			
a. Share capital	2.01	1,538.89	1,529.11
b. Reserves and surplus	2.02	33,205.54	30,441.99
		<b>34,744.43</b>	<b>31,971.10</b>
<b>2. Non-current liabilities</b>			
a. Long-term borrowings	2.03	11,823.94	9,478.58
b. Deferred tax liabilities (Net)	2.30	3,226.35	2,951.13
c. Long-term provisions	2.04	452.89	598.83
		<b>15,503.18</b>	<b>13,028.54</b>
<b>3. Current liabilities</b>			
a. Short-term borrowings	2.05	11,249.76	18,570.17
b. Trade payables	2.06	-	-
Total outstanding dues of micro enterprises and small enterprises		17,293.60	13,218.19
Total outstanding dues of creditors other than micro enterprises and small enterprises			
c. Other current liabilities	2.07	11,608.78	13,520.26
d. Short-term provisions	2.08	3,022.49	4,694.90
		<b>43,174.63</b>	<b>50,003.52</b>
<b>Total</b>		<b>93,422.24</b>	<b>95,003.16</b>
<b>II. Assets</b>			
<b>1. Non-current assets</b>			
a. Fixed assets			
i. Tangible assets	2.09	34,720.53	31,380.35
ii. Intangible assets	2.09	249.24	706.16
iii. Capital work in progress	2.33	182.44	3,034.50
		<b>35,152.21</b>	<b>35,121.01</b>
b. Non-current investments	2.10	2,786.63	774.18
c. Long-term loans and advances	2.11	6,098.11	8,710.05
d. Other non-current assets	2.12	324.07	335.39
		<b>44,361.02</b>	<b>44,940.63</b>
<b>2. Current Assets</b>			
a. Inventories	2.13	25,252.69	27,184.70
b. Trade receivables	2.14	11,311.05	10,431.41
c. Cash and cash equivalents	2.15	5,211.18	6,363.21
d. Short-term loans and advances	2.16	7,199.69	5,980.55
e. Other current assets	2.17	86.61	102.66
		<b>49,061.22</b>	<b>50,062.53</b>
<b>Total</b>		<b>93,422.24</b>	<b>95,003.16</b>

See accompanying notes forming part of the financial statements

1 &amp; 2

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Alka Chadha**

Partner

Mumbai

29 April, 2016

**For and on behalf of the Board of Directors**
**Manish Sanghi**

Managing Director

Delhi

29 April, 2016

**Rakesh Kumar Gupta**

Chief Financial Officer

Mumbai

29 April, 2016

**Y. Srinivasa Rao**

Executive Director

Mumbai

29 April, 2016

**Neeraj Kohli**

Company Secretary

Mumbai

29 April, 2016

## STATEMENT OF PROFIT AND LOSS

### FOR THE YEAR ENDED 31 MARCH, 2016

(₹ in lacs)

	Note Reference	Year ended 31.03.2016	Year ended 31.03.2015
1. Revenue from operations (gross)	2.18	139,761.26	130,061.26
Less : Excise duty		8,425.63	7,011.72
Revenue from operations (net)		<b>131,335.63</b>	<b>123,049.54</b>
2. Other income	2.19	1,290.38	1,045.72
<b>3. Total revenue (1+2)</b>		<b>132,626.01</b>	<b>124,095.26</b>
<b>4. Expenses</b>			
a. Cost of materials consumed	2.20	70,044.04	70,566.32
b. Purchases of stock-in-trade (traded goods)	2.38	1,234.53	1,493.52
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	1,948.69	(1,428.43)
d. Employee benefits expense	2.22	12,709.82	10,909.58
e. Finance costs	2.23	1,910.26	1,869.47
f. Depreciation and amortisation expense	2.09	2,562.70	2,542.36
g. Other expenses	2.24	37,081.41	33,315.18
<b>Total expenses</b>		<b>127,491.45</b>	<b>119,268.00</b>
<b>5 Profit before tax (3-4)</b>		<b>5,134.56</b>	<b>4,827.26</b>
<b>6. Tax expense</b>			
a. Current tax expense		1,313.69	1,214.09
b. Prior period tax adjustment		15.01	-
c. Deferred tax (see note 2.30)		275.22	192.54
d. Net tax expense		1,603.92	1,406.63
<b>7. Profit for the year (5-6)</b>		<b>3,530.64</b>	<b>3,420.63</b>
<b>Earnings per equity share (see note 2.36)</b>			
[Face value - ₹ 10 per share]			
Basic and diluted earnings per share (₹)		23.00	22.45
See accompanying notes forming part of the financial statements		1 & 2	

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Alka Chadha**  
Partner

Mumbai  
29 April, 2016

**For and on behalf of the Board of Directors**

**Manish Sanghi**  
Managing Director

Delhi  
29 April, 2016

**Rakesh Kumar Gupta**  
Chief Financial Officer

Mumbai  
29 April, 2016

**Y. Srinivasa Rao**  
Executive Director

Mumbai  
29 April, 2016

**Neeraj Kohli**  
Company Secretary

Mumbai  
29 April, 2016

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2016

		(₹ in lacs)	
	Note Reference	Year ended 31.03.2016	Year ended 31.03.2015
<b>A. Cash flow from operating activities</b>			
Net profit before tax		<b>5,134.56</b>	<b>4,827.26</b>
<b>Adjustments for:</b>			
Depreciation and amortisation expense		2,562.70	2,542.36
Finance costs		1,910.26	1,869.47
Interest income		(925.52)	(325.60)
Loss / (profit) on sale of fixed assets (net)		(31.11)	(1.56)
Liabilities / provisions no longer required written back		(234.34)	(599.93)
Provision for doubtful receivables and other receivables / Doubtful trade and other receivables written off		326.18	188.72
Net unrealised (gain) /loss on exchange rate fluctuation		390.01	(5.78)
<b>Operating profit before working capital changes</b>		<b>9,132.74</b>	<b>8,494.94</b>
Changes in working capital:			
<b>Adjustment for (increase)/decrease in operating assets:</b>			
Inventories		1,932.01	(2,975.86)
Trade receivables		(1,192.68)	(2,532.53)
Short-term loans and advances		(1,219.14)	101.61
Other non-current assets		11.32	(306.34)
Long-term loans and advances		114.99	(53.10)
Other current assets		0.83	7.58
<b>Adjustment for increase /(decrease) in operating liabilities:</b>			
Trade payables		4,280.81	1,521.01
Other current liabilities		(2,333.71)	1,584.25
Short-term provisions		(48.92)	140.59
Long-term provisions		(145.94)	(9.05)
<b>Cash generated from operations</b>		<b>10,532.31</b>	<b>5,973.10</b>
Net income tax paid		(856.05)	(1,520.54)
<b>Net cash flow from / (used in) operating activities</b>	<b>[A]</b>	<b>9,676.26</b>	<b>4,452.56</b>
<b>B. Cash flow from investing activities</b>			
Capital expenditure on fixed assets, including capital advances		(2,257.92)	(3,745.78)
Proceeds from sale of fixed assets (See note 2.09)		59.67	28.90
Purchase of long-term investments-in subsidiary		(2,012.45)	(710.81)
Bank balances not considered as cash and cash equivalents			
- Placed (deposits and unclaimed dividend accounts)		(87.68)	-
- Matured (deposits)		-	2.91
Interest received		940.74	270.19
<b>Net Cash used in investing activities</b>	<b>[B]</b>	<b>(3,357.64)</b>	<b>(4,154.59)</b>



(₹ in lacs)

	Note Reference	Year ended 31.03.2016	Year ended 31.03.2015
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of equity shares		9.78	9.64
Share premium received		164.45	147.63
Proceeds from long-term borrowings		4,500.00	6,367.88
Repayment of long-term borrowings		(2,060.13)	(2,623.00)
Proceeds/(repayment) of short-term borrowings		(7,320.41)	2,014.69
Finance costs		(1,932.40)	(1,917.11)
Dividends paid		(763.52)	(381.32)
Tax on dividend		(156.10)	(64.56)
<b>Net Cash flow from/(used) in financing activities</b>	<b>[C]</b>	<b>(7,558.33)</b>	<b>3,553.85</b>
<b>Net increase in cash and cash equivalents</b>	<b>[A+B+C]</b>	<b>(1,239.71)</b>	<b>3,851.82</b>
Cash and cash equivalents as at 01.04.2015		6,099.13	2,247.31
<b>Cash and cash equivalents as at 31.03.2016 *</b>		<b>4,859.42</b>	<b>6,099.13</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>			
Cash and cash equivalents (Refer Note 2.15)		5,211.18	6,363.21
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:			
(i) In earmarked accounts			
- Unpaid dividend (current accounts)		41.99	38.73
- Balances held as margin money (deposit accounts)		309.77	225.35
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 2.15		<b>4,859.42</b>	<b>6,099.13</b>
<b>Cash and cash equivalents as at 31.03.2016 *</b>			
<b>* Comprises:</b>			
a. Cash on hand		5.62	9.73
b. Cheques on hand		492.76	708.17
c. Balances with banks			
i. Current accounts		1,642.04	1,131.23
ii. Other deposit accounts			
- Original maturity of 3 months or less		2,719.00	4,250.00
		<b>4,859.42</b>	<b>6,099.13</b>

In terms of our report attached

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Alka Chadha**  
Partner

Mumbai  
29 April, 2016

**For and on behalf of the Board of Directors**

**Manish Sanghi**  
Managing Director

Delhi  
29 April, 2016

**Rakesh Kumar Gupta**  
Chief Financial Officer

Mumbai  
29 April, 2016

**Y. Srinivasa Rao**  
Executive Director

Mumbai  
29 April, 2016

**Neeraj Kohli**  
Company Secretary

Mumbai  
29 April, 2016

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 1.1

#### Corporate information

Everest Industries Limited ('the Company') is engaged in manufacturing and trading of building products like roofing products, boards and panels, other building products and accessories and manufacturing and erection of pre-engineered steel buildings and related accessories.

### NOTE 1.2

#### Significant Accounting Policies

##### (i) Accounting Convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

##### (ii) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to the differences between these estimates and the actual results and the differences are recognised in the periods in which these differences are known / materialise.

##### (iii) Fixed Assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price, any import duties and other taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

##### *Capital work-in-progress:*

Projects under which fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

##### (iv) Depreciation / Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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

Technical know-how is amortised over the term of the agreement. Computer software is amortised over the estimated useful life of 3 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

##### (v) Revenue Recognition

Revenue from sale of products is recognised, net of returns and rebates, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the despatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax, wherever applicable.

Revenue from fixed price pre-engineered buildings contracts (Contracts) is recognised in accordance with the percentage of completion method based on the work performed and when it is probable that the economic benefits associated with the contract will flow to the Company. The stage of completion of a contract is determined based on the proportion that contract costs incurred for work performed upto the reporting date bear to the total estimated contract costs. If a loss is projected on any of the contracts in process, the entire projected loss is recognised.

##### (vi) Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value.

##### (vii) 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. The basis for determining cost for various categories of inventories is as follows:

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

##### (viii) Research and Development Costs

Research and development costs of revenue nature are charged to the Statement of Profit and Loss when incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the rates set out in Note 1.2 (iv) above.

**(ix) Employee Benefits**

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

**a. Short-term employee benefits**

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

**b. Post-employment benefit plans**

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

The Company's 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 and the employee's provident fund scheme are considered as defined contribution schemes. The Company's contribution paid/ payable under these schemes are recognised as expenses in the Statement of Profit and Loss during the period in which the employee renders the related service. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall as at the Balance Sheet date, if any, is provided for.

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

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

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

**(x) Borrowing Costs**

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

**(xi) Foreign Exchange Transactions***Initial recognition*

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

*Measurement at the balance sheet date*

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

*Treatment of exchange differences*

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is charged to the Statement of Profit and Loss.

In other cases, the exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

*Accounting for forward contracts*

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

*Derivative contracts*

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

All derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains

arising on the same are not recognised, until realised, on grounds of prudence.

**(xii) Taxation**

Income tax comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. 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. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

**(xiii) Earnings Per Share**

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 'AS20 – Earning Per Share'. Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the result would be anti-dilutive.

**(xiv) Impairment of Assets**

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

Reversal of impairment loss is recognised as income in the Statement of Profit and Loss.

**(xv) Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding

retirement benefits) are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote. Contingent assets are not recognised in the financial statements.

**(xvi) Employee Stock Option Scheme**

Stock options granted to the employees under the stock options schemes are accounted as per the accounting treatment prescribed by the SEBI (Employee Stock Option and Employees Stock Purchase Scheme Guidelines, 1999). Accordingly, the excess of average market value of the shares over the preceding two weeks of the date of grant of options over the exercise price of the options is recognised as deferred employee compensation and is charged to the Statement of Profit and Loss on straight line basis over the vesting period of the options.

**(xvii) 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.

**(xviii) Export Incentives**

Export benefits are accounted for in the year of exports based on eligibility and there is no significant uncertainty in receiving the same.

**(xix) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**(xx) Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash and cash equivalents in Cash Flow Statement comprises of cash on hand, bank balances and short-term deposits with banks with an original maturity of three months or less.

**(xxi) Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and reasonable certainty exists in availing / utilising the credits.

**(xxii) Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 2

	(₹ in lacs)	
	As at 31.03.2016	As at 31.03.2015
<b>2.01 Share capital</b>		
1. Authorised	1,700.00	1,700.00
1,70,00,000 equity shares of ₹ 10 each (previous year 1,70,00,000 equity shares of ₹ 10 each)		
2. Issued		
1,53,88,850 equity shares of ₹ 10 each	1,538.89	1,529.11
(previous year 1,52,91,095 equity shares of ₹ 10 each)		
3. Subscribed and fully paid up (see note 2.43, 2.44 and 2.45)		
1,53,88,850 equity shares of ₹ 10 each	1,538.89	1,529.11
(previous year 1,52,91,095 equity shares of ₹ 10 each)		
<b>Of the above:</b>		
15,000 (previous year 15,000) equity shares are allotted as fully paid up pursuant to a contract without payment being received in cash		
1,33,50,020 (previous year 1,33,50,020) equity shares are allotted as fully paid up by way of bonus shares by capitalisation of general reserve		
The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held.		

### 2.02 Reserves and surplus

1. Capital reserve	30.00	30.00
2. Securities premium account		
Opening balance	467.39	319.76
Add: Premium on shares issued during the year	164.45	147.63
Closing balance	631.84	467.39
3. General reserve		
Opening balance	9,488.91	9,281.00
Add: Transferred from surplus in Statement of Profit and Loss	360.00	350.00
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 2.50)	-	142.09
Closing balance	9,848.91	9,488.91
4. Surplus in statement of profit and loss		
Opening balance	20,455.69	18,302.48
Add: Profit for the year	3,530.64	3,420.63
Less: Dividends proposed to be distributed to equity shareholders	771.67	764.55
Tax on dividend	159.87	152.87
Transferred to general reserve	360.00	350.00
Closing balance	22,694.79	20,455.69
	<b>33,205.54</b>	<b>30,441.99</b>

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
<b>2.03 Long-term borrowings</b>		
Term loans from banks (secured)	11,823.94	9,478.58
	<b>11,823.94</b>	<b>9,478.58</b>
Note:		
External Commercial Borrowing (ECB) from DBS Bank Limited of ₹ 2,064.00 lakhs (previous year ₹ 3,715.20 lakhs) is secured by first pari-passu charges on all the movable fixed assets located at Kolkata, Kymore, Podanur, Lakhmpaur and Bhagwanpur and immoveable fixed assets situated at Kymore, Lakhmapur and Bhagwanpur and second pari passu charge over entire current assets. The ECB is repayable in 15 quarterly instalments of USD 800,000 each; the last instalment is due in April 2017. The rate of interest is Libor + 2.75% per annum.		
External Commercial Borrowing (ECB) from Axis Bank Limited of ₹ 6,633.29 lakhs (previous year ₹ 6,259.08 lakhs) is secured by first pari-passu charges on all the movable fixed assets situated at Kolkata, Kymore, Podanur, Lakhmpaur and Bhagwanpur and immoveable fixed assets located at Kymore, Bhagwanpur and Lakhmapur and pledge of shares held in subsidiary. The ECB is repayable in 24 quarterly instalments; the last instalment is due in December 2022.		
The rate of interest is 3 months Libor + 4.00% per annum.		
Term Loan from HDFC Bank Limited of ₹ 1,124.57 lakhs (previous year ₹ 1,533.50 lakhs) is secured by exclusive charge over the immovable property situated at Noida. The loan is repayable in 20 quarterly instalments of ₹ 102.23 lakhs each; the last instalment is due in November 2018. The rate of interest is banks base rate + 1.30% per annum.		
Working Capital Term Loan from ICICI Bank Limited of Rs. 4,500.00 lakhs (previous year ₹ Nil) to be secured by exclusive charge over the immovable and movable property situated at Dahej. The loan is repayable in 15 quarterly instalments of ₹ 300.00 lakhs; the last instalment is due in December 2020. The rate of interest is banks base rate + 1.35% per annum.		
For current maturities of long term borrowings see note 2.07.		
<b>2.04 Long-term provisions</b>		
Provision for employees benefits:		
- Provision for gratuity (See note 2.29)	-	192.15
- Provision for compensated absences	452.89	406.68
	<b>452.89</b>	<b>598.83</b>
<b>2.05 Short-term borrowings</b>		
Loans from banks (Secured)		
i. Cash credit	4,681.61	10,171.28
ii. Working capital demand loan	-	500.00
iii. Buyer's credit	6,568.15	7,898.89
	<b>11,249.76</b>	<b>18,570.17</b>
Note:		
Loans from banks are secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables, first pari-passu charge on land and building situated at Podanur, second pari-passu charges on all movable fixed assets situated at Kymore, Podanur, Kolkata, Lakhmapur and Bhagwanpur and second pari-pasu charges on land and building situated at Kymore, Lakhmapur and Bhagwanpur.		
<b>2.06 Trade payables</b>		
i. Total outstanding dues of micro enterprises and small enterprises (see note 2.47)	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	17,293.60	13,218.19
	<b>17,293.60</b>	<b>13,218.19</b>



(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
<b>2.07 Other current liabilities</b>		
a. Current maturities of long-term debt (secured)		
- Term loans from banks (see note 2.03)	2,497.92	2,029.20
b. Interest accrued but not due on borrowings	103.54	125.68
c. Unpaid dividends	41.99	38.73
d. Other payables		
i. Payables in respect of statutory dues	1,558.95	1,667.62
ii. Payables for purchase of fixed assets	76.19	103.80
iii. Stockists'and other deposits	2,554.24	2,687.50
iv. Advances from customers	4,243.22	6,463.89
vi. Retention monies	532.73	403.84
	<b>11,608.78</b>	<b>13,520.26</b>

**2.08 Short-term provisions**

a. Provision for employee benefits:		
- Provision for compensated absences	106.42	155.34
b. Provision - Others:		
i. Provision for tax [(net of advance tax ₹ 1,926.14 lakhs (previous year ₹ 3,201.97 lakhs)]	1,989.99	3,622.14
ii. Provision for proposed equity dividend	769.44	764.55
iii. Provision for tax on proposed dividend	156.64	152.87
	<b>3,022.49</b>	<b>4,694.90</b>

**2.09 Fixed assets**

(₹ in lacs)

Particulars	Gross block					Accumulated depreciation					Net block	
	Balance as at 1.04.2015	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at 31.03.2016	Balance as at 1.04.2015	Depreciation /amortisation expense for the year	Eliminated on disposal of assets	Other adjustments (see note 2.50) "	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
<b>Tangible assets</b>												
Land												
Freehold	1,396.82	-	-	-	1,396.82	-	-	-	-	-	1,396.82	1,396.82
	1,387.86	8.96	-	-	1,396.82	-	-	-	-	-	1,396.82	1,387.86
Leasehold	2,538.14	130.64	-	-	2,668.78	35.95	21.72	-	-	57.67	2,611.11	2,502.19
	2,425.04	113.10	-	-	2,538.14	15.84	20.11	-	-	35.95	2,502.19	2,409.20
Buildings												
On freehold land	7,565.15	387.58	10.36	-	7,942.37	3,441.26	161.50	9.64	-	3,593.12	4,349.25	4,123.89
	7,519.97	45.18	-	-	7,565.15	3,287.24	154.02	-	-	3,441.26	4,123.89	4,232.73
On leasehold land	4,918.94	3,606.36	-	-	8,525.30	222.61	160.35	-	-	382.96	8,142.34	4,696.33
	1,536.64	3,382.30	-	-	4,918.94	155.16	67.45	-	-	222.61	4,696.33	1,381.48
Plant and equipment	33,022.38	842.53	22.82	-	33,842.09	15,167.80	1,553.67	13.42	-	16,708.05	17,134.04	17,854.58
	30,504.34	2,622.20	104.16	-	33,022.38	13,679.99	1,476.22	77.24	88.83	15,167.80	17,854.58	16,824.35
Furniture and fixtures	548.73	170.14	58.08	-	660.79	377.11	39.35	46.10	-	370.36	290.43	171.62
	510.52	40.41	2.20	-	548.73	326.86	48.76	2.20	3.69	377.11	171.62	183.66
Vehicles	201.37	-	7.43	-	193.94	142.23	10.91	7.43	-	145.71	48.23	59.14
	194.89	11.31	4.83	-	201.37	137.32	9.74	4.83	-	142.23	59.14	57.57
Office equipment	1,143.22	296.28	177.81	-	1,261.69	995.24	69.43	171.35	-	893.32	368.37	147.98
	1,105.20	57.08	19.06	-	1,143.22	873.46	72.57	18.64	67.85	995.24	147.98	231.74
Leasehold improvements	169.63	-	-	-	169.63	120.84	1.08	-	-	121.92	47.71	48.79
	169.63	-	-	-	169.63	105.87	14.97	-	-	120.84	48.79	63.76
Others												
Roads	573.15	5.50	-	-	578.65	194.14	52.28	-	-	246.42	332.23	379.01
	231.93	341.22	-	-	573.15	89.52	49.74	-	54.88	194.14	379.01	142.41
<b>Sub total</b>	<b>52,077.53</b>	<b>5,439.03</b>	<b>276.50</b>	-	<b>57,240.06</b>	<b>20,697.18</b>	<b>2,070.29</b>	<b>247.94</b>	-	<b>22,519.53</b>	<b>34,720.53</b>	<b>31,380.35</b>
Previous year	45,586.02	6,621.76	130.25	-	52,077.53	18,671.26	1,913.58	102.91	215.25	20,697.18	31,380.35	26,914.76
<b>Intangible assets</b>												
Computer software	2,241.20	35.49	-	-	2,276.69	1,535.04	492.41	-	-	2,027.45	249.24	706.16
	2,165.39	75.81	-	-	2,241.20	906.26	628.78	-	-	1,535.04	706.16	1,259.13
Technical knowhow	249.75	-	-	-	249.75	249.75	-	-	-	249.75	-	-
	249.75	-	-	-	249.75	249.75	-	-	-	249.75	-	-
<b>Sub total</b>	<b>2,490.95</b>	<b>35.49</b>	-	-	<b>2,526.44</b>	<b>1,784.79</b>	<b>492.41</b>	-	-	<b>2,277.20</b>	<b>249.24</b>	<b>706.16</b>
Previous year	2,415.14	75.81	-	-	2,490.95	1,156.01	628.78	-	-	1,784.79	706.16	1,259.13
<b>Total</b>	<b>54,568.48</b>	<b>5,474.52</b>	<b>276.50</b>	-	<b>59,766.50</b>	<b>22,481.97</b>	<b>2,562.70</b>	<b>247.94</b>	-	<b>24,796.73</b>	<b>34,969.77</b>	<b>32,086.51</b>
Previous year	48,001.16	6,697.57	130.25	-	54,568.48	19,827.27	2,542.36	102.91	215.25	22,481.97	32,086.51	28,173.89

Previous year figures are in italics.

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
<b>2.10 Non-current investments (at cost)- (see note 2.32)</b>		
<b>A. Trade</b>		
a. Investments in equity instruments, long term, unquoted of subsidiary		
-[ 42,25,000 (previous year 12,25,000) equity shares of USD. 1. each fully paid up of Everest Building Products, Mauritius]	2,781.63	773.23
[ 50,000 (previous year 9,500) equity shares of ₹ 10 each fully paid up of Everest Building Solutions Limited (w.e.f. 1 August, 2015)]	5.00	-
<b>B. Other investments</b>		
Investments in equity instruments, long term, unquoted of others		
-[ 50,000 (previous year 9,500) equity shares of ₹ 10 each fully paid up of M/s Everest Building Solutions Limited]	-	0.95
	<b>2,786.63</b>	<b>774.18</b>
<b>2.11 Long-term loans and advances</b>		
(Unsecured, considered good)		
a. Capital advances	42.03	434.18
b. Security deposits	763.51	878.50
c. Advance tax	5,081.30	7,079.20
[Net of provision for current tax - ₹ 9,264.54 lakhs (previous year ₹ 5,134.76 lakhs)]		
d. Minimum alternative tax credit entitlement	-	106.90
d. Other loans and advances		
Balances with excise, customs and port trust authorities	211.27	211.27
	<b>6,098.11</b>	<b>8,710.05</b>
<b>2.12 Other non-current assets</b>		
(Unsecured, considered good)		
Bank balances in earmarked accounts		
Balances held as margin money (deposit accounts)	324.07	335.39
	<b>324.07</b>	<b>335.39</b>
<b>2.13 Inventories</b>		
(See note 1.2(vii)) (At lower of cost and net realisable value)		
a. Raw materials		
i. On hand	10,831.86	11,040.03
ii. In transit	1,177.26	1,077.84
	12,009.12	12,117.87
b. Work-in-progress (see note 2.39)	4,247.59	4,194.13
c. Finished goods (see note 2.39)	6,047.09	7,890.93
d. Stock-in-trade (see note 2.39)	1,113.63	1,271.94
e. Stores and spares	1,760.15	1,622.55
f. Packing materials	75.11	87.28
	<b>25,252.69</b>	<b>27,184.70</b>

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
<b>2.14 Trade receivables</b>		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	2,638.64	1,640.38
- Doubtful	235.43	207.00
Less: Provision for doubtful trade receivables	235.43	207.00
	<b>2,638.64</b>	<b>1,640.38</b>
b. Other trade receivables		
- Secured, considered good	4,409.62	5,163.88
- Unsecured, considered good	4,262.79	3,627.15
	<b>8,672.41</b>	<b>8,791.03</b>
	<b>11,311.05</b>	<b>10,431.41</b>

**2.15 Cash and cash equivalents**

Cash and cash equivalents (as per AS 3 Cash Flow Statements)

a. Cash on hand	5.62	9.73
b. Cheques on hand	492.76	708.17
c. Balances with banks		
i. Current accounts	1,642.04	1,131.23
ii. Other deposit accounts		
- Original maturity of 3 months or less	2,719.00	4,250.00
<b>Cash and cash equivalents (as per AS 3 Cash Flow Statements)</b>	<b>4,859.42</b>	<b>6,099.13</b>
Other bank balances		
Earmarked accounts		
- Unpaid dividend (current accounts)	41.99	38.73
- Balances held as margin money (deposit accounts)	309.77	225.35
<b>Other bank balances</b>	<b>351.76</b>	<b>264.08</b>
<b>Total Cash and cash equivalents</b>	<b>5,211.18</b>	<b>6,363.21</b>

**2.16 Short-term loans and advances**

(Unsecured, considered good)

a. Loans and advances to employees	61.71	120.97
b. Prepaid expenses	655.31	648.72
c. Balances with government authorities		
i. Balances with excise, customs and port trust authorities	1,004.64	955.19
ii. VAT credit receivable	1,419.33	1,270.87
d. Advance to suppliers	3,991.08	2,984.80
e. Prepaid gratuity	31.84	-
f. Other loans and advances	35.78	-
	<b>7,199.69</b>	<b>5,980.55</b>

**2.17 Other current assets**

a. Interest accrued but not due	77.50	92.72
b. Insurance claims	9.11	9.94
	<b>86.61</b>	<b>102.66</b>

(₹ in lacs)

	Year ended 31.03.2016	Year ended 31.03.2015
<b>2.18 Revenue from operations (see note 1.2 (v))</b>		
a. Revenue from sale of products (see note 2.40)	88,714.31	92,272.87
b. Revenue from contracts	49,566.27	39,656.04
c. Other operating revenues		
i. Sale of scrap	701.78	904.59
ii. Export incentives	114.03	152.40
iii. Others (including other incentives)	664.87	746.68
	1,480.68	1,803.67
Less: Realisation from sale of trial run production transferred to CWIP (see note 2.33)	-	3,671.32
	<b>139,761.26</b>	<b>130,061.26</b>

<b>2.19 Other income</b>		
a. Interest income		
i. Interest from banks on deposits	237.23	113.30
ii. Interest on income tax refund	602.63	171.46
iii. Other interest	85.66	40.84
	925.52	325.60
b. Other non-operating income		
i. Profit on sale of fixed assets (net)	31.11	1.56
ii. Liabilities / provisions no longer required written back	234.34	599.93
iii. Miscellaneous income	99.41	118.63
	364.86	720.12
	<b>1,290.38</b>	<b>1,045.72</b>

<b>2.20 Cost of materials consumed (see note 2.37)</b>		
Cost of materials consumed	70,044.04	72,663.94
Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	-	2,097.62
	<b>70,044.04</b>	<b>70,566.32</b>

<b>2.21 Changes in Inventories of finished Goods, work-in-progress and stock -in-trade</b>		
Inventories at the end of the year:		
Finished goods	6,047.09	7,890.93
Work-in-progress	4,247.59	4,194.13
Stock-in-trade	1,113.63	1,271.94
	11,408.31	13,357.00
Inventories at the beginning of the year:		
Finished goods	7,890.93	4,025.43
Work-in-progress	4,194.13	6,421.37
Stock-in-trade	1,271.94	1,481.77
	13,357.00	11,928.57
	<b>1,948.69</b>	<b>(1,428.43)</b>

(₹ in lacs)

	Year ended 31.03.2016	Year ended 31.03.2015
<b>2.22 Employee benefits expense</b>		
a. Salaries and wages	11,488.87	10,689.86
b. Contributions to provident and other funds	597.37	626.87
c. Staff welfare expenses	623.58	655.31
	12,709.82	11,972.04
Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	-	1,062.46
	<b>12,709.82</b>	<b>10,909.58</b>

<b>2.23 Finance costs</b>		
a. Interest expense on borrowings	1,840.95	1,654.67
b. Other borrowing costs	69.31	307.56
	1,910.26	1,962.23
Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	-	92.76
	<b>1,910.26</b>	<b>1,869.47</b>

<b>2.24 Other expenses</b>		
a. Consumption of stores and spare parts	4,574.79	4,749.33
b. Consumption of packing materials	1,148.19	1,250.19
c. Power and fuel	3,587.68	3,614.97
d. Repairs and maintenance		
- Building	218.24	198.06
- Machinery	727.77	720.15
- Others	391.59	517.74
e. Rent (see note 2.35)	611.34	649.06
f. Rates and taxes	681.14	373.58
g. Insurance	231.60	232.27
h. Travelling	1,558.60	1,343.22
i. Advertisement and sales promotion expenses	1,598.09	1,483.82
j. Cost for erection of buildings	5,307.64	3,607.16
k. Net loss on foreign currency transactions and translation	993.49	608.89
l. Outward freight charges on finished goods	9,428.41	9,577.46
m. Professional and consultancy expenses (see note 2.26)	1,547.65	1,014.17
n. Research and development expenses (see note 2.48)	124.58	96.54
o. Increase/decrease in excise duty on inventory	(65.23)	333.69
p. Provision for doubtful trade and other receivables (net)	324.52	172.61
q. Doubtful trade and other receivables written off	1.66	16.11
r. Expenditure on corporate social responsibility (see note 2.49)	101.08	42.38
s. Miscellaneous expenses	3,988.58	3,881.45
	<b>37,081.41</b>	<b>34,482.85</b>
Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	-	1,167.67
	<b>37,081.41</b>	<b>33,315.18</b>

## 2.25 Contingent Liabilities and Commitments

### (i) Contingent liabilities

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

Particulars	(₹ in lacs)	
	As at 31.03.2016	As at 31.03.2015
i. Sales tax matters	2,101.03	2,130.36
ii. Customs, excise and service tax matters	3,179.97	3,111.59
iii. Income Tax matters	4,745.42	7,585.44
<b>Total</b>	<b>10,026.42</b>	<b>12,827.39</b>
iv. Advance paid / adjusted by Income Tax authorities against above	3,600.96	5,850.69

### (ii) Commitments

- a) Estimated amount of contracts to be executed on capital account – ₹ 134.48 lakhs (net of advances – ₹ 234.78 lakhs), [previous year – ₹ 325.98 lakhs (net of advances ₹ 434.18 lakhs)].

- b) Export Obligation: The Company has purchased fixed assets under the 'Export Promotion Capital Goods Schemes'. As per the terms of the license granted under the scheme, the Company had undertaken to achieve an export commitment of ₹ 3,957.11 lakhs (previous year ₹ 7,894.34 lakhs) over a period of 6-8 years.

The Company would be liable to pay customs duty of ₹ 529.16 lakhs (previous year ₹ 1,021.31 lakhs) and interest on the same in the event of non-fulfilment of the balance export obligation. During the current year, the Company has satisfied its export obligations of ₹ 3,937.23 lakhs (previous year ₹ Nil). However the Company does not expect any liability to arise based on its export performance.

- c) The Company has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, in normal course of business.
- d) The Company did not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.

## 2.26 Professional and consultancy expenses include auditors remuneration (excluding service tax) as follows::

Particulars	(₹ in lacs)	
	Year ended 31.03.2016	Year ended 31.03.2015
(a) To statutory auditors		
- Audit fee	44.00	36.50
- For other services (including fees for limited review)	11.80	12.50
- Reimbursement of expenses	8.70	6.03
	64.50	55.03
(b) To cost auditor		
- Cost audit fee	4.80	4.80
- Reimbursement of expenses	0.63	0.63
	5.43	5.43
	<b>69.93</b>	<b>60.46</b>

## 2.27 Construction Contracts (see note 1.2(v))

Details of contract revenue and costs are as below:

Particulars	(₹ in lacs)	
	Year ended 31.03.2016	Year ended 31.03.2015
Contract revenue recognised during the year	49,566.27	39,656.04
Aggregate of contract costs incurred and recognised profits (less recognised losses) in respect of contracts in progress upto the year end	14,271.79	7,973.04
Retentions moneys for contracts in progress	-	270.72
Advances received for contracts in progress	367.49	1,816.94



## 2.28 Foreign Exchange Disclosure

Outstanding forward exchange contracts as on 31 March, 2016:

Particulars	As at 31.03.2016		As at 31.03.2015	
	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)
Receivables	USD -	-	USD 13.00	813.68
Payables	USD 76.13	5,287.37	USD -	-
ECB Loan	USD 40.00	2,064.00	USD 72.00	3,715.20

Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	As at 31.03.2016		As at 31.03.2015	
	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)
Receivables	USD 15.73	1,043.42	USD 16.88	1,056.72
Payables	USD 38.37	2,545.12	USD 150.77	9,436.86
ECB Loan	USD 100.00	6,633.29	USD 100.00	6,259.08

## 2.29 Disclosure of Retirement Benefits under Accounting Standard 'AS15-Employee Benefits'

### a. Defined contribution plan

The Company makes provident fund and superannuation fund contributions to defined contribution retirement benefit plans for covered employees. The Company's contributions towards provident fund and superannuation fund are deposited in respective trusts. The Company is generally liable for contributions paid/ payable under Provident Fund scheme and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

As of 31 March, 2016, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 6,899.12 lakhs (previous year ₹ 5,780.25 lakhs) and ₹ 6,643.21 lakhs (previous year ₹ 5,599.39 lakhs) respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.75%. The actuarial assumptions include discount rate of 7.80% and an average expected future period of 10 years.

The Company recognised ₹ 370.23 lakhs (previous year ₹ 361.08 lakhs) for provident fund contributions and ₹ 85.15 lakhs (previous year ₹ 89.69 lakhs) for superannuation fund contributions in the Statement of Profit and Loss. The contribution payable to the plan by the Company is at the rate specified in rules to the scheme.

### b. Defined benefit plan

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

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

- c. The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2016:

(i) **Movement in net liability**

		(₹ in lacs)	
Particulars		As at 31.03.2016	As at 31.03.2015
Present value of defined benefit obligations as on 01.04.2015	(A)	1,592.36	1,413.66
Interest cost	(B)	119.20	125.90
Current service cost	(C)	150.25	133.49
Benefits paid	(D)	(128.27)	(105.07)
Actuarial (gain)/loss on obligations	(E)	(37.47)	24.38
<b>Present value of defined benefit obligations as on 31.03.2016</b> <b>(F=A+B+C+D+E)</b>	<b>(F)</b>	<b>1,696.07</b>	<b>1,592.36</b>

(ii) **The amounts recognised in the Balance Sheet and the Statement of Profit and Loss are as follows:**

		(₹ in lacs)	
Particulars		As at 31.03.2016	As at 31.03.2015
Present value of funded defined benefit obligations as on 31.03.2016	(A)	1,696.07	1,592.36
Estimated fair value of plan assets	(B)	1,727.91	1,400.21
Net liability/ (asset) (C=A-B)	(C)	<b>(31.84)</b>	<b>192.15</b>
Amounts in the Balance Sheet	(D)		
a. Liabilities		-	192.15
b. Assets		31.84	-
c. Net liability/ (asset) (See Note 2.16)		(31.84)	192.15
Amount charged to Statement of Profit and Loss			
Service cost	(E)	150.25	133.49
Interest cost	(F)	119.20	125.90
Expected return on plan assets	(G)	123.82	119.33
Net actuarial (gain)/ loss	(H)	(43.68)	29.54
<b>Expense recognised in the Statement of Profit and Loss (I=E+F-G+H)</b>	<b>(I)</b>	<b>101.95</b>	<b>169.60</b>

(iii) **Principal actuarial assumptions used in determining gratuity and leave encashment obligations:**

Assumptions	Year ended 31.03.2016 Rate (%)	Year ended 31.03.2015 Rate (%)
Discount rate	7.80%	7.80%
Rate of return on plan assets	8.00%	8.85%
Salary escalation	8.00%	8.00%
Mortality rate	IALM (2006-08) (modified)	IALM (2006-08) (modified)
Withdrawal rate		
Upto 30 years	3.00%	3.00%
Ages from 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

The discount rate is based on the Government bond yields as at 31 March, 2016.

**(iv) Experience adjustments**

(₹ in lacs)

Particulars	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Present value of defined benefit obligation	(1,696.07)	(1,592.36)	(1,413.66)	(1,439.36)	(1,235.91)
Fair value of plan assets	1,727.91	1,400.21	1,293.96	1,184.40	894.35
Funded status	31.84	(192.15)	(119.70)	(254.96)	(341.56)
Experience gain / (loss) adjustments on plan liabilities	37.47	38.68	37.08	(0.78)	32.30
Experience gain / (loss) adjustments on plan assets	6.21	(5.16)	-	1.10	-

The Company expects the benefit payout of ₹ 78.92 lakhs (previous year ₹ 75.73 lakhs) to the gratuity fund for the year ended 31 March, 2017.

**(v) Fair value of plan assets**

(₹ in lacs)

Particulars		As at 31.03.2016	As at 31.03.2015
Fair value of plan assets at the beginning of the year	(A)	1,400.21	1,293.96
Expected return on plan assets	(B)	123.82	119.33
Contributions	(C)	200.00	-
Benefits paid	(D)	(2.33)	(7.92)
Actuarial gain/ (loss) on plan assets	(E)	6.21	(5.16)
<b>Fair value of plan assets at the end of the year(F=A+B+C+D+E)</b>	<b>(F)</b>	<b>1,727.91</b>	<b>1,400.21</b>

**(vi) Actual return on plan assets**

(₹ in lacs)

Particulars		As at 31.03.2016	As at 31.03.2015
Expected return on plan assets	(A)	123.82	119.33
Actuarial gain/ (loss) on plan assets	(B)	6.21	(5.16)
<b>Actual return on plan assets(C =A+B)</b>	<b>(C)</b>	<b>130.03</b>	<b>114.17</b>

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

Particulars	As at 31.03.2015	As at 31.03.2014
Government of India securities	47.42%	46.61%
Debt instruments	34.01%	34.61%
Equity shares	6.20%	4.56%
Other deposits	12.37%	14.22%
	100.00%	100.00%

The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets as at 31 March, 2016 has not been provided by the Life Insurance Corporation of India.

## 2.30 Deferred Taxation

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>a. Deferred tax assets</b>		
Tax impact of:		
i. Expenditure covered by Section 43B of the Income-tax Act, 1961	221.65	285.70
ii. Provision for doubtful trade receivables	81.48	70.36
<b>Total deferred tax assets</b>	<b>303.13</b>	<b>356.06</b>
<b>b. Deferred tax liabilities</b>		
Tax impact of:		
Excess of depreciation allowable under the Income-tax Act, 1961 over depreciation provided in financial statements*	3,529.48	3,307.19
<b>Total deferred tax liability</b>	<b>3,529.48</b>	<b>3,307.19</b>
<b>Net deferred tax liability</b>	<b>3,226.35</b>	<b>2,951.13</b>

\*Deferred tax expense during the year of ₹ 275.22 lakhs (previous year ₹ 192.54 lakhs) is net of transition adjustment amounting to ₹ Nil lakhs (previous year ₹ 73.16 lakhs) related to depreciation (see note 2.50).

## 2.31 Managerial Remuneration

Managerial remuneration forming part of employee benefit expenses for the year ended 31 March, 2014 had exceeded the limits specified in the Companies Act, 1956. The Company had filed applications with the Central Government for requisite approvals. Pending receipt of approvals a sum of ₹ 44.46 lakhs which was payable to Key management personnel was reversed during the year ended 31 March, 2015. The same has been charged to employee benefit expenses during the current year on receipt of necessary approvals from the Central Government.

## 2.32 Related Party Disclosures

### a. List of related parties

- Enterprise exercising significant influence
  - M/s Falak Investment Private Limited
- Subsidiary companies
  - M/s Everest Building Products, Mauritius(with effect from 9 September, 2013)
  - Everest Building Solutions Limited (with effect from 1 August, 2015)
  - Everestind FZE, United Arab Emirates(UAE) (with effect from 18 December, 2013) – subsidiary of Everest Building Products
  - Everest Building Products LLC , United Arab Emirates (UAE)\* (with effect from 7 December, 2014) – subsidiary of Everest Building Products
- Key management personnel
  - Mr. Aditya Vikram Somani, Chairman
  - Mr. Manish Sanghi, Managing Director
  - Mr. Y. Srinivasa Rao, Executive Director

\* Has not commenced operations

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

		(₹ in lacs)	
S. No	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
i.	Dividend paid to enterprise exercising significant influence M/s Falak Investment Private Limited	369.17	184.59
ii.	Investment in equity M/s Everest Building Products	2,008.40	710.81
	M/s Everest Building Solutions Limited	4.05	-
iv.	Remuneration to key management personnel (See note 2.31)		
	Mr. Aditya Vikram Somani	217.56	201.65
	Mr. Manish Sanghi	184.60	182.52
	Mr. Y. Srinivasa Rao	146.17	148.64
v.	Dividend paid to key management personnel		
	Mr. Aditya Vikram Somani	0.02	0.01
	Mr. Manish Sanghi	3.55	1.41
	Mr. Y. Srinivasa Rao	0.36	-
vi.	Reimbursement of expenses paid Everest Building Products	-	2.22
v.	Revenue from sale of products Everestind FZE	13.09	-

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

		(₹ in lacs)	
S. No	Particulars	As at 31.03.2016	As at 31.03.2015
i.	Share capital from enterprise exercising significant influence M/s Falak Investment Private Limited	738.35	738.35
ii.	Investment in equity of subsidiary company including share application money pending allotment		
	M/s Everest Building Products	2,781.63	773.23
	M/s Everest Building Solutions Limited	5.00	0.95
iii.	Commission due to key management personnel		
	a. Mr. Aditya Vikram Somani	11.00	23.61
iv.	Performance incentive due to key management personnel		
	a. Mr. Manish Sanghi	5.00	30.00
	b. Mr. Y. Srinivasa Rao	4.50	28.00
v.	Trade payables		
	M/s Everest Building Products	-	2.22
vi.	Advance from customer		
	Everestind FZE	0.95	-

**2.33 Capital Work in Progress and Pre-operative Expenditure**

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

**a. Capital work in progress**

		(₹ in lacs)	
Particulars		As at 31.03.2016	As at 31.03.2015
i.	Project assets	-	3,034.50
ii.	Unallocated project pre-operative expenditure (see b below)	-	-
		-	<b>3,034.50</b>

## b. Pre-operative expenditure

(₹ in lacs)		
Particulars	As at 31.03.2016	As at 31.03.2013
Opening balance (a)	-	258.99
Add: Expenditure incurred during the year		
Cost of materials consumed	-	2,097.62
Salaries and wages	-	900.75
Contributions to provident and other funds	-	10.29
Staff welfare expenses	-	151.42
Consumption of stores and spare parts	-	434.38
Repairs and maintenance – Others	-	161.52
Rent	-	13.10
Rates and taxes	-	0.96
Insurance	-	2.14
Travelling	-	141.02
Outward freight charges on finished goods	-	197.70
Advertisement and sales promotion expenses	-	86.36
Miscellaneous expenses	-	130.49
Interest on borrowings	-	92.76
<b>Sub Total (b)</b>	<b>-</b>	<b>4,420.51</b>
Less :		
Transfer of inventory produced during trial run production	-	33.84
Realisation from sale of trial run production	-	3,671.32
<b>Sub Total (c)</b>	<b>-</b>	<b>3,705.16</b>
Unallocated preoperative expenditure (d) (a+b-c)	-	974.34
Deletions during the year (e)	-	974.34
Closing balance (d-e)	-	-

## 2.34 Segment Information

### a. Business segments:

Based on the guiding principles given in Accounting Standard AS-17 “Segment Reporting”, the Company’s business segments include ‘Building products’ and ‘Steel buildings’.

Building products includes manufacturing and trading of roofing products, boards and panels, other building products and accessories.

Steel buildings consist of manufacture and erection of pre – engineered and smart steel buildings and its accessories.

### b. Geographical segments:

Since the Company’s activities/operations are primarily within the country and as such there is only one geographical segment.

### c. Segment accounting policies:

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

#### i. Segment revenue and expenses:

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

#### ii. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include fixed deposits, advance income tax, borrowings and deferred income tax etc.



**Information about business segments:**

(₹ in lacs)

Particulars	Building products		Steel buildings		Total	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
<b>1. Segment Revenue</b>						
External revenue (Net of excise duty)	82,066.98	85,667.62	47,787.97	35,578.25	1,29,854.95	1,21,245.87
Other operating income	937.04	1,050.33	543.64	753.34	1,480.68	1,803.67
<b>Total Revenue</b>	<b>83,004.02</b>	<b>86,717.95</b>	<b>48,331.61</b>	<b>36,331.59</b>	<b>1,31,335.63</b>	<b>1,23,049.54</b>
<b>2. Segment Results</b>	<b>7,186.59</b>	<b>8,527.64</b>	<b>2,014.79</b>	<b>(256.04)</b>	<b>9,201.38</b>	<b>8,271.60</b>
Unallocated expenses (net of income)					2,156.56	1,574.87
<b>Operating Profit</b>	<b>7,186.59</b>	<b>8,527.64</b>	<b>2,014.79</b>	<b>(256.04)</b>	<b>7,044.82</b>	<b>6,696.73</b>
Finance costs					1,910.26	1,869.47
Profit before tax					5,134.56	4,827.26
Tax Expense					1,603.92	1,406.63
<b>Net Profit</b>					<b>3,530.64</b>	<b>3,420.63</b>

Particulars	Building products		Steel buildings		Total	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>3. Other Information</b>						
<b>A. Assets</b>						
Segment assets	48,410.93	51,408.46	26,901.74	25,278.79	75,312.67	76,687.25
Unallocated assets					18,109.57	18,315.91
<b>Total Assets</b>	<b>48,410.93</b>	<b>51,408.46</b>	<b>26,901.74</b>	<b>25,278.79</b>	<b>93,422.24</b>	<b>95,003.16</b>
<b>B. Liabilities</b>						
Segment liabilities	14,045.09	11,930.57	10,883.77	11,358.42	24,928.86	23,288.99
Unallocated liabilities					33,748.95	39,743.07
<b>Total Liabilities</b>	<b>14,045.09</b>	<b>11,930.57</b>	<b>10,883.77</b>	<b>11,358.42</b>	<b>58,677.81</b>	<b>63,032.06</b>

Particulars	Building products		Steel buildings	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
<b>C. Others</b>				
Capital expenditure	860.98	1,145.31	602.08	2,163.78
Depreciation	1,330.21	1,398.57	791.72	675.93
Non – cash expenses other than depreciation (includes provision for doubtful trade receivables and other receivables)	-	-	324.52	188.72

**2.35 Lease Commitments****Operating lease**

The Company has taken properties on cancellable operating leases and has recognised rent of ₹ 611.34 lakhs (previous year ₹ 649.06 lakhs). There are no non-cancellable lease arrangements as at the end of the year.

## 2.36 Earnings per Share

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
a. Number of equity shares of ₹ 10 each fully paid up at the beginning of the year	15,291,095	15,194,665
b. Number of equity shares of ₹ 10 each fully paid up at the year end	15,388,850	15,291,095
c. Weighted average number of equity shares used in computing earnings per share	15,352,853	15,237,169
d. Weighted average number of options granted at fair value	448,115	414,120
e. Weighted average number of options post adjustment for number of options granted at fair value	448,115	414,120
f. Net profit for the year – (₹ / lakhs)	3,530.64	3,420.63
g. Basic earnings per share (Rupees)	23.00	22.45
h. Diluted earnings per share (Rupees)	23.00	22.45
i. Nominal value of equity shares (Rupees)	10.00	10.00

## 2.37 Cost of Materials Consumed

(₹ in lacs)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Opening stock	12,117.87	10,825.58
Add: Purchases	69,935.29	71,858.61
	82,053.16	82,684.19
Less: Closing stock	12,009.12	12,117.87
Cost of materials consumed*	<b>70,044.04</b>	<b>70,566.32</b>
Materials consumed comprises:*		
Raw fibre	21,276.61	23,964.55
Cement	11,609.83	12,089.73
Steel	22,112.36	20,895.94
Other items	15,045.24	13,616.10
	<b>70,044.04</b>	<b>70,566.32</b>

\* excludes Pre-operative expenses transferred to capital work in progress ₹ Nil (previous year ₹ 2,097.62 lakhs) and research and development expenses of ₹ 14.93 lakhs (previous year ₹ 18.68 lakhs).

## 2.38 Purchases of Stock- in-Trade

(₹ in lacs)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Roofing accessories	820.30	806.82
Other items	414.23	686.70
	<b>1,234.53</b>	<b>1,493.52</b>

## 2.39 Details of finished goods, work in progress and stock-in-trade

(₹ in lacs)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
a. Work in progress		
i. Building products	4,029.24	3,638.61
ii. Steel buildings	218.35	555.52
	<b>4,247.59</b>	<b>4,194.13</b>
b. Finished goods		
i. Building products	5,069.43	7,037.47
ii. Steel buildings	977.66	853.46
	<b>6,047.09</b>	<b>7,890.93</b>
c. Stock-in-Trade		
i. Roofing accessories	707.47	855.25
ii. Other items	406.16	416.69
	<b>1,113.63</b>	<b>1,271.94</b>

## 2.40 Details of revenue from sale of products

(₹ in lacs)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>a. Manufactured goods</b>		
Building products	87,107.30	90,101.72
<b>Sale of manufactured goods</b>	<b>87,107.30</b>	<b>90,101.72</b>
<b>b. Traded Goods</b>		
i. Roofing accessories	1,109.85	1,403.71
ii. Other items	497.16	767.44
<b>Sale of traded goods</b>	<b>1,607.01</b>	<b>2,171.15</b>
<b>Total sale of products</b>	<b>88,714.31</b>	<b>92,272.87</b>

## 2.41 Consumption of Imported/Indigenous Raw Materials, Stores and Spare Parts (including packing materials)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	(₹ /lacs)	%	(₹ /lacs)	%
<b>a. Raw materials*</b>				
i. Imported	23,621.94	33.72	26,683.64	37.81
ii. Indigenous	46,422.10	66.28	43,882.68	62.19
	<b>70,044.04</b>	<b>100.00</b>	<b>70,566.32</b>	<b>100.00</b>
<b>b. Stores and spare parts (including packing materials)**</b>				
i. Imported	240.49	4.20	258.64	4.65
ii. Indigenous	5,482.49	95.80	5,306.50	95.35
	<b>5,722.98</b>	<b>100.00</b>	<b>5,565.14</b>	<b>100.00</b>

\* excludes Pre-operative expenses transferred to capital work in progress of ₹ Nil lakhs (previous year ₹ 2,097.62 lakhs) and research and development expenses of ₹ 14.93 lakhs (previous year ₹ 18.68 lakhs).

\*\* excludes Pre-operative expenses transferred to capital work in progress of ₹ Nil lakhs (previous year ₹ 434.38 lakhs) and research and development expenses of ₹ 6.79 lakhs (previous year ₹ 11.28 lakhs).

## 2.42 Other Additional Information

(₹ in lacs)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>a. Imports (CIF) value</b>		
(i) Raw materials	21,473.06	24,179.68
(ii) Stock- in-trade	245.82	206.47
(iii) Capital goods (including capital work-in-progress)	-	264.64
(iv) Stores and spares	211.44	172.43
<b>b. Expenditure in foreign currency</b>		
(i) Travelling expenses	91.96	76.66
(ii) Interest	614.21	537.18
(iii) Others	179.81	287.51
<b>c. Earnings in foreign exchange</b>		
FOB value of goods exported	6,125.33	9,690.14

## 2.43 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

## 2.44 Reconciliation of the number of shares

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
a. Number of equity shares outstanding at the year beginning	15,291,095	15,194,665
b. Number of options exercised during the year	97,755	96,430
c. Number of equity shares outstanding at the year end	15,388,850	15,291,095

## 2.45 Number of shares held by each share holder holding more than 5% shares

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	(No. of shares)	%	(No. of shares)	%
a. Falak Investment Private Limited	7,383,470	47.98	7,383,470	48.29
b. Reliance Capital Trustee Co Ltd	-	-	966,748	6.32

## 2.46 Employee Stock Option Scheme

The Company has granted 170,000 options (previous year 140,000 options) to the employees during the year ended 31 March, 2016. The exercise price per option shall be the average of the two weeks high and low price of the share preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that stock exchange on the date prior to the date of grant of options, whichever is less. Options granted shall vest with the grantee after a period of one year from the date of grant. The exercise period of the options is a period of four years after the vesting of the options.

Particulars	ESOS (2009)	ESOS (2010)	ESOS (2011)	ESOS (2012)	ESOS (2014)	ESOS (2015)
Year in which scheme was established	2009-10	2010-11	2011-12	2012-13	2014-15	2015-16
Number of options authorised and granted	1,40,000	1,47,705	1,50,720	1,60,945	1,40,000	1,70,000
Exercise price	₹ 169	₹ 174	₹ 126	₹ 268	₹ 336	₹ 262
Vesting date	After one year from the date of grant of option					
Vesting requirement	One year service from the date of grant of option					
Exercise period	During four years after vesting date					

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

Particulars	ESOS (2009)	ESOS (2010)	ESOS (2011)	ESOS (2012)	ESOS (2014)	ESOS (2015)
i. Opening balance	-	77,560	69,195	1,27,365	1,40,000	-
	65,320	89,375	99,655	1,39,425	-	-
ii. Granted during the year	-	-	-	-	-	1,70,000
	-	-	-	-	140,000	-
iii. Vested during the year	-	-	-	-	-	-
	-	-	-	-	-	-
iv. Exercised during the year	-	60,290	21,885	15,580	-	-
	54,620	9,605	26,805	5,400	-	-
v. Forfeited during the year	-	-	(2,545)	(8,400)	(10,035)	-
	-	(2,210)	(3,655)	(6,660)	-	-
vi. Expired during the year	-	(17,270)	-	-	-	-
	(10,700)	-	-	-	-	-
vii. Outstanding at the year end	-	-	44,765	1,03,385	1,29,965	1,70,000
	-	77,560	69,195	1,27,365	1,40,000	-
viii. Options exercisable at the year end	-	-	44,765	1,03,385	1,29,965	-
	-	77,560	69,195	1,27,365	-	-
ix. Remaining contractual life (years) at the year end	-	-	0.81	1.81	3.81	4.80
	-	0.80	1.81	2.81	4.81	-

Previous year figures are in italics.

The Company has accounted the above options using the intrinsic value method at the exercise price from time to time and there is no stock compensation expense under the intrinsic value method for the options granted.

The Guidance Note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic and diluted, had the Company adopted the fair value method. Had the Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the year ended 31 March, 2016 would have been lower by ₹ 195.35 Lakhs (previous year ₹ 40.55 lakhs) and the basic and diluted EPS would have been revised to ₹ 21.72 (previous year ₹ 22.18) and ₹ 21.72 (previous year ₹ 22.18) respectively. The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 5 years, an expected dividend yield of 2.00% (previous year 0.75%) on the underlying equity shares, volatility in the share price of 42.16% (previous year 41.72%) and a risk free rate of interest of 7.88% (previous year 7.72%). The Company's calculations are based on a single option valuation approach, and forfeitures are recognised as they occur. The expected volatility is based on historical volatility of the share price during the year after eliminating the abnormal price fluctuations.

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

## 2.48 Expenditure on Research and Development

(₹ in lacs)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>Capital nature*</b>		
Gross block	112.24	111.14
Accumulated depreciation	67.79	60.04
Net block	<b>44.45</b>	<b>51.10</b>
Additions during the year	1.10	1.46
Capital work in progress	-	-
<b>Revenue nature</b>		
i. Cost of materials consumed	14.93	18.68
ii. Consumption of stores and spare parts	6.79	11.28
iii. Employee benefits expense		
- Salaries and wages	80.81	46.32
- Contributions to provident and other funds	5.42	3.77
iv. Miscellaneous expenses	16.58	16.49
	<b>124.53</b>	<b>96.54</b>
v. Depreciation	7.75	7.67
<b>Total</b>	<b>132.28</b>	<b>104.21</b>

\* details of fixed assets utilised for research and development.

## 2.49 The details relating to Corporate Social Responsibility (CSR) expenditure are as follows:

(₹ in lacs)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Gross amount required to be spent by the Company during the year	93.38	110.56
Amount spent during the year (See Note below)	101.08	42.38

(₹ in lacs)						
Particulars	Year ended 31.03.2016			Year ended 31.03.2015		
	In cash	Yet to be Paid	Total	In cash	Yet to be Paid	Total
i. Construction /acquisition of asset	-	-	-	-	-	-
ii. On purposes other than (i) above	101.08	-	101.08	42.38	-	42.38

- 2.50** Consequent to the enactment of the Companies Act, 2013 and its applicability for accounting periods commencing on or after 1 April, 2014 during the previous year the Company had computed depreciation with reference to the useful life of assets recommended in Schedule II to the Act. The depreciation for the previous year was lower by ₹ 542.51 lakhs consequent to the change in the useful life of the assets. Further, depreciation related to the assets having written down value of ₹ 215.25 lakhs as on 1 April, 2014, whose useful life had expired, had been adjusted from the general reserves amounting to ₹ 142.09 lakhs (net of deferred tax credit of ₹ 73.16 lacs).
- 2.51** There were no amounts which were required to be transferred to the Investor and Protection Fund by the Company.
- 2.52** 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

**Manish Sanghi**  
Managing Director  
Delhi  
29 April, 2016

**Rakesh Kumar Gupta**  
Chief Financial Officer

Mumbai  
29 April, 2016

**Y. Srinivasa Rao**  
Executive Director  
Mumbai  
29 April, 2016

**Neeraj Kohli**  
Company Secretary

Mumbai  
29 April, 2016

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF EVEREST INDUSTRIES LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **EVEREST INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31 March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets of ₹ 2,812.66 lacs as at 31 March, 2016, total revenues of ₹ 17.28 lacs and net cash outflows amounting to ₹ 697.45 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have



been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company incorporated in India is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "ANNEXURE A", which is based on the auditors' reports of the Holding company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and its subsidiary company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 2.25 (i) to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note 2.25 (ii)(d) to the consolidated financial statements.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India. Refer Note 2.45 to the consolidated financial statements.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration No. 015125N)

**Alka Chadha**

Partner  
(Membership No. 93474)

Place: Mumbai  
Date: 29 April, 2016

## **“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2016, we have audited the internal financial controls over financial reporting of **EVEREST INDUSTRIES LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary company which is a company incorporated in India, as of that date.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary company incorporated in India which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company which is incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any

evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration No. 015125N)

**Alka Chadha**

Partner  
(Membership No. 93474)

Place: Mumbai

Date: 29 April, 2016

# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH, 2016

(₹ in lacs)

	Note Reference	As at 31.03.2016	As at 31.03.2015
<b>I. Equity and liabilities</b>			
<b>1. Shareholder's funds</b>			
a. Share capital	2.01	1,538.89	1,529.11
b. Reserves and surplus	2.02	33,117.48	30,421.53
		<b>34,656.37</b>	<b>31,950.64</b>
<b>2. Minority interest</b>			
		92.06	-
<b>3. Non-current liabilities</b>			
a. Long-term borrowings	2.03	11,823.94	9,478.58
b. Deferred tax liabilities (Net)	2.30	3,226.35	2,951.13
c. Long-term provisions	2.04	452.89	598.83
		<b>15,503.18</b>	<b>13,028.54</b>
<b>4. Current liabilities</b>			
a. Short-term borrowings	2.05	11,249.76	18,570.17
b. Trade payables	2.06	-	-
- Total outstanding dues of micro enterprises and small enterprises		17,310.93	13,218.91
c. Other current liabilities	2.07	11,612.41	13,520.26
d. Short-term provisions	2.08	3,023.56	4,695.31
		<b>43,196.66</b>	<b>50,004.65</b>
<b>Total</b>		<b>93,448.27</b>	<b>94,983.83</b>
<b>II. Assets</b>			
<b>1. Non-current assets</b>			
a. Fixed assets			
i. Tangible assets	2.09	34,778.60	31,380.35
ii. Intangible assets	2.09	249.24	706.16
iii. Capital work in progress	2.33	942.66	3,216.56
		<b>35,970.50</b>	<b>35,303.07</b>
b. Non-current investments	2.10	-	0.95
c. Long-term loans and advances	2.11	6,205.22	8,739.80
d. Other non-current assets	2.12	324.07	335.39
		<b>42,499.79</b>	<b>44,379.21</b>
<b>2. Current Assets</b>			
a. Inventories	2.13	25,252.69	27,184.70
b. Trade receivables	2.14	11,311.05	10,431.41
c. Cash and cash equivalents	2.15	6,333.71	6,788.29
d. Short-term loans and advances	2.16	7,964.42	6,097.56
e. Other current assets	2.17	86.61	102.66
		<b>50,948.48</b>	<b>50,604.62</b>
<b>Total</b>		<b>93,448.27</b>	<b>94,983.83</b>

See accompanying notes forming part of the consolidated financial statements

1 &amp; 2

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Alka Chadha**

Partner

Mumbai

29 April, 2016

**For and on behalf of the Board of Directors**
**Manish Sanghi**

Managing Director

Delhi

29 April, 2016

**Rakesh Kumar Gupta**

Chief Financial Officer

Mumbai

29 April, 2016

**Y. Srinivasa Rao**

Executive Director

Mumbai

29 April, 2016

**Neeraj Kohli**

Company Secretary

Mumbai

29 April, 2016

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

### FOR THE YEAR ENDED 31 MARCH, 2016

(₹ in lacs)			
	Note Reference	Year ended 31.03.2016	Year ended 31.03.2015
1. Revenue from operations (gross)	2.18	139,762.97	130,138.15
Less : Excise duty		8,425.63	7,011.72
Revenue from operations (net)		<b>131,337.34</b>	<b>123,126.43</b>
2. Other income	2.19	1,292.86	1,045.85
<b>3. Total revenue (1+2)</b>		<b>132,630.20</b>	<b>124,172.28</b>
<b>4. Expenses</b>			
a. Cost of materials consumed	2.20	70,044.04	70,566.32
b. Purchases of stock-in-trade (traded goods)		1,234.53	1,542.54
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	1,948.69	(1,428.43)
d. Employee benefits expense	2.22	12,724.36	10,909.58
e. Finance costs	2.23	1,910.28	1,869.47
f. Depreciation and amortisation expense	2.09	2,562.70	2,542.36
g. Other expenses	2.24	37,157.12	33,340.43
<b>Total expenses</b>		<b>127,581.72</b>	<b>119,342.27</b>
<b>5 Profit before tax (3-4)</b>		<b>5,048.48</b>	<b>4,830.01</b>
<b>6. Tax expense</b>			
a. Current tax expense		1,314.12	1,214.50
b. Prior period tax adjustment		15.01	-
c. Deferred tax (see note 2.30)		275.22	192.54
d. Net tax expense		<b>1,604.35</b>	<b>1,407.04</b>
<b>7. Profit after tax (5-6)</b>		<b>3,444.13</b>	<b>3,422.97</b>
<b>Earnings per equity share (see note 2.36)</b>			
[Face value - ₹ 10 per share]			
Basic and diluted earnings per share (₹)		22.61	22.46

See accompanying notes forming part of the consolidated financial statements

1 &amp; 2

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Alka Chadha**

Partner

Mumbai

29 April, 2016

**For and on behalf of the Board of Directors****Manish Sanghi**

Managing Director

Delhi

29 April, 2016

**Rakesh Kumar Gupta**

Chief Financial Officer

Mumbai

29 April, 2016

**Y. Srinivasa Rao**

Executive Director

Mumbai

29 April, 2016

**Neeraj Kohli**

Company Secretary

Mumbai

29 April, 2016

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2016

		(₹ in lacs)	
	Note Reference	Year ended 31.03.2016	Year ended 31.03.2015
<b>A. Cash flow from operating activities</b>			
Net profit before tax		<b>5,048.48</b>	<b>4,830.01</b>
<b>Adjustments for:</b>			
Depreciation and amortisation expense		2,562.70	2,542.36
Finance costs		1,910.28	1,869.47
Interest income		(927.99)	(325.73)
Loss/ (profit) on sale of fixed assets (net)		(31.11)	(1.56)
Liabilities / provisions no longer required written back		(234.34)	(599.93)
Provision for doubtful receivables and other receivables / Doubtful trade and other receivables written off		326.18	188.72
Net unrealised (gain)/loss on exchange rate fluctuation		408.92	(13.79)
<b>Operating profit before working capital changes</b>		<b>9,063.12</b>	<b>8,489.55</b>
Changes in working capital:			
<b>Adjustment for (increase)/decrease in operating assets:</b>			
Inventories		1,932.01	(2,975.86)
Trade receivables		(1,192.68)	(2,532.53)
Short-term loans and advances		(1,866.86)	6.89
Other non-current assets		11.32	(306.34)
Long-term loans and advances		37.63	(82.85)
Other current assets		0.83	7.58
<b>Adjustment for increase/(decrease) in operating liabilities:</b>			
Trade payables		4,297.32	1,514.68
Other current liabilities		(2,330.08)	1,584.25
Short-term provisions		(48.92)	140.59
Long-term provisions		(145.94)	(9.05)
<b>Cash generated from operations</b>		<b>9,757.75</b>	<b>5,836.91</b>
Net income tax paid		(856.05)	(1,520.54)
<b>Net cash flow from/(used in) operating activities</b>	<b>[A]</b>	<b>8,901.70</b>	<b>4,316.37</b>
<b>B. Cash flow from investing activities</b>			
Capital expenditure on fixed assets, including capital advances		(2,896.94)	(3,927.84)
Proceeds from sale of fixed assets		59.67	28.90
Bank balances not considered as Cash and cash equivalents			
- Placed (deposits and unclaimed dividend accounts)		(87.68)	-
- Matured (deposits)		-	2.91
Interest received		943.21	270.32
<b>Net Cash from/(used in) investing activities</b>	<b>[B]</b>	<b>(1,981.74)</b>	<b>(3,625.71)</b>



(₹ in lacs)

	Note Reference	Year ended 31.03.2016	Year ended 31.03.2015
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of equity shares		9.78	9.64
Proceeds from issue of shares to minority shareholders		92.06	-
Share premium received		164.45	147.63
Proceeds from long-term borrowings		4,500.00	6,367.88
Repayment of long-term borrowings		(2,060.13)	(2,623.00)
Proceeds/(repayment) from short-term borrowings		(7,320.41)	2,014.69
Finance costs		(1,932.42)	(1,917.11)
Dividends paid		(763.52)	(381.32)
Tax on dividend		(156.10)	(64.56)
<b>Net Cash flow from/(used) in financing activities</b>	<b>[C]</b>	<b>(7,466.29)</b>	<b>3,553.85</b>
<b>Net increase/ decrease in cash and cash equivalents</b>	<b>[A+B+C]</b>	<b>(546.33)</b>	<b>4,244.51</b>
Cash and cash equivalents as at 1.04.2015		6,524.21	2,279.70
Cash and bank balances on acquisition of subsidiary during the year		4.07	-
<b>Cash and cash equivalents as at 31.03.2016*</b>	<b>2.15</b>	<b>5,981.95</b>	<b>6,524.21</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>			
Cash and cash equivalents (Refer Note 2.15)		<b>6,333.71</b>	<b>6,788.29</b>
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:			
(i) In earmarked accounts			
- Unpaid dividend (current accounts)		<b>41.99</b>	<b>38.73</b>
- Balances held as margin money (deposit accounts)		<b>309.77</b>	<b>225.35</b>
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 2.15		<b>5,981.95</b>	<b>6,524.21</b>
<b>Cash and cash equivalents as at 31.03.2016 *</b>			
<b>* Comprises:</b>			
a. Cash on hand		5.71	9.73
b. Cheques on hand		492.76	708.17
c. Balances with banks			
i. Current accounts		2,764.48	1,556.31
ii. Other deposit accounts			
- Original maturity of 3 months or less		2,719.00	4,250.00
		<b>5,981.95</b>	<b>6,524.21</b>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**Alka Chadha**

Partner

Mumbai

29 April, 2016

**For and on behalf of the Board of Directors****Manish Sanghi**

Managing Director

Delhi

29 April, 2016

**Rakesh Kumar Gupta**

Chief Financial Officer

Mumbai

29 April, 2016

**Y. Srinivasa Rao**

Executive Director

Mumbai

29 April, 2016

**Neeraj Kohli**

Company Secretary

Mumbai

29 April, 2016

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1.1

#### Significant Accounting Policies

##### (i) Basis of accounting

The consolidated financial statements of Everest Industries Limited (the 'Company') and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

c) Following subsidiary companies have been considered in the preparation of the consolidated financial statements:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding and voting power either directly or indirectly through subsidiary	
				31 March, 2016	31 March, 2015
Everest Building Products (w.e.f., 9 September, 2013)	Subsidiary	Mauritius	Company	100	100
Everestind FZE (w.e.f., 18 December, 2013)	Subsidiary	United Arab Emirates (UAE)	Everest Building Products	100	100
Everest Building Products LLC (w.e.f., 7 December 2014)	Subsidiary	United Arab Emirates (UAE)	Everest Building Products	49	Note-1
Everest Building Solutions Limited (w.e.f., 1 August 2015)	Subsidiary	India	Company	100	Nil

Everest Building Products was incorporated on 9 September, 2013 with limited liability as a wholly owned subsidiary of the Company to promote business of the Company in the overseas market and to carry out the business of international trading of building products and accessories thereof.

Everestind FZE was incorporated on 18 December, 2013 as a free zone establishment with limited liability as a wholly owned subsidiary of Everest Building Products to carry out the business of international trading of building products and accessories thereof.

Everest Building Solutions Limited is a wholly owned subsidiary of the Company with effect from 1 August, 2015.

Note-1 Everest Building Products LLC was incorporated on 7 December, 2014 with limited liability as a subsidiary of Everest Building Products, to set up a plant for manufacturing building products.

d) The consolidated financial statements have been prepared using uniform accounting policies in the same manner as the Company's separate financial statements.

##### (ii) Principles of consolidation

The consolidated financial statements relate to Everest Industries Limited (the Company), and its subsidiaries. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the entities that are consolidated are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses.

##### (iii) Use of Estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to the differences between these estimates and the actual results and the differences are recognised in the periods in which these differences are known / materialise.

##### (iv) Fixed Assets

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price, any import duties and other taxes, any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress:

Projects under which fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**(v) Depreciation / Amortisation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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

Technical know-how is amortised over the term of the agreement. Computer software is amortised over the estimated useful life of 3 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

**(vi) Revenue Recognition**

Revenue from sale of products is recognised, net of returns and rebates, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the despatch of goods to customers. Sales include excise duty but exclude sales tax and value added tax, wherever applicable.

Revenue from fixed price pre-engineered buildings contracts (Contracts) is recognised in accordance with the percentage of completion method based on the work performed and when it is probable that the economic benefits associated with the contract will flow to the Group. The stage of completion of a contract is determined based on the proportion that contract costs incurred for work performed upto the reporting date bear to the total estimated contract costs. If a loss is projected on any of the contracts in process, the entire projected loss is recognised.

**(vii) Investments**

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value.

**(viii) 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. The basis for determining cost for various categories of inventories is as follows:

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

**(ix) Research and Development Costs**

Research and development costs of revenue nature are charged to the Consolidated Statement of Profit and Loss when incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the rates set out in Note 1.2 (v) above.

**(x) Employee Benefits**

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

**a. Short-term employee benefits**

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

**b. Post-employment benefit plans**

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

The Company's 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 and the employee's provident fund scheme are considered as defined contribution schemes. The Company's contribution paid/ payable under these schemes are recognised as expenses in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service. The Provident Fund scheme additionally requires the Company to guarantee payment of interest at rates notified by the Central Government from time to time, for which shortfall as at the Balance Sheet date, if any, is provided for.

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

The retirement benefit obligation recognised in the Consolidated balance sheet represents the present

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

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

#### (xi) Borrowing Costs

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

#### (xii) Foreign Exchange Transactions

Initial recognition

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

Measurement at the balance sheet date

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

In case of foreign subsidiaries which are non- integral, the assets and liabilities have been translated into Indian Rupees at the closing exchange rate at the year end whereas income and expense items have been translated into Indian Rupees at the average exchange rate for the reporting period. The resultant translation exchange differences are accumulated in "Foreign currency translation reserve" to be recognised as income or expense in the period in which net investment in concerned foreign subsidiary is disposed off.

Treatment of exchange differences

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items (eg ECB loan) are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is charged to the Consolidated Statement of Profit and Loss.

In other cases, the exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Consolidated Statement of Profit and Loss.

Accounting for forward contracts

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

#### Derivative contracts

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

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

#### (xiii) Taxation

Income tax comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. 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. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

#### (xiv) Earnings Per Share

The Group reports basic and diluted earnings per equity share in accordance with Accounting Standard 'AS20 – Earning Per Share'. Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the result would be anti-dilutive.

#### (xv) Impairment of Assets

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

Reversal of impairment loss is recognised as income in the Consolidated Statement of Profit and Loss.

**(xvi) Provisions and contingencies**

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

**(xvii) Employee Stock Option Scheme**

Stock options granted to the employees under the stock options schemes are accounted as per the accounting treatment prescribed by the SEBI (Employee Stock Option and Employees Stock Purchase Scheme Guidelines, 1999). Accordingly, the excess of average market value of the shares over the preceding two weeks of the date of grant of options over the exercise price of the options is recognised as deferred employee compensation and is charged to the Consolidated Statement of Profit and Loss on straight line basis over the vesting period of the options.

**(xviii) 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 Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

**(xix) Export Incentives**

Export benefits are accounted for in the year of exports based on eligibility and there is no significant uncertainty in receiving the same.

**(xx) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

**(xxi) Cash and cash equivalents (for purposes of Consolidated Cash Flow Statement)**

Cash and cash equivalents in Consolidated Cash Flow Statement comprises of cash on hand, bank balances and short-term deposits with banks with an original maturity of three months or less.

**(xxii) Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and reasonable certainty exists in availing / utilising the credits.

**(xxiii) Operating Cycle**

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 2

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
<b>2.01 Share capital</b>		
1. Authorised	1,700.00	1,700.00
1,70,00,000 equity shares of ₹ 10 each (previous year 1,70,00,000 equity shares of ₹ 10 each)		
2. Issued	1,538.89	1,529.11
1,53,88,850 equity shares of ₹ 10 each (previous year 1,52,91,095 equity shares of ₹ 10 each)		
3. Subscribed and fully paid up (see note 2.37, 2.38 and 2.39)	1,538.89	1,529.11
1,53,88,850 equity shares of ₹ 10 each (previous year 1,52,91,095 equity shares of ₹ 10 each)		
<b>2.02 Reserves and surplus</b>		
1. Capital reserve	30.00	30.00
2. Securities premium account		
Opening balance	467.39	319.76
Add: Premium on shares issued during the year	164.45	147.63
Closing balance	631.84	467.39
3. General reserve		
Opening balance	9,488.91	9,281.00
Add: Transferred from surplus in Consolidated Statement of Profit and Loss	360.00	350.00
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax) (Refer Note 2.44)	-	142.09
Closing balance	9,848.91	9,488.91
4. Foreign currency translation reserve		
Opening balance	(9.93)	(1.92)
Less: Effect of foreign exchange rate variations during the year	(18.91)	8.01
Closing balance	8.98	(9.93)
5. Surplus in Statement of Consolidated Profit and Loss		
Opening balance	20,445.16	18,289.61
Add: Profit for the year	3,444.13	3,422.97
Less: Dividends proposed to be distributed to equity shareholders	771.67	764.55
Tax on dividend	159.87	152.87
Transferred to general reserve	360.00	350.00
Closing balance	22,597.75	20,445.16
	<b>33,117.48</b>	<b>30,421.53</b>



(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
<b>2.03 Long-term borrowings</b>		
Term loans from banks (secured)	11,823.94	9,478.58
	<b>11,823.94</b>	<b>9,478.58</b>

Note:

External Commercial Borrowing (ECB) from DBS Bank Limited of ₹ 2,064.00 lakhs (previous year ₹ 3,715.20 lakhs) is secured by first pari-passu charges on all the movable fixed assets located at Kolkata, Kymore, Podanur, Lakhmpaur and Bhagwanpur and immoveable fixed assets situated at Kymore, Lakhmapur and Bhagwanpur and second pari passu charge over entire current assets. The ECB is repayable in 15 quarterly instalments of USD 800,000 each; the last instalment is due in April 2017. The rate of interest is Libor +2.75% per annum.

External Commercial Borrowing (ECB) from Axis Bank Limited of ₹ 6,633.29 lakhs (previous year ₹ 6,259.08 lakhs) is secured by first pari-passu charges on all the movable fixed assets situated at Kolkata, Kymore, Podanur, Lakhmpaur and Bhagwanpur and immoveable fixed assets located at Kymore, Bhagwanpur and Lakhmapur and pledge of shares held in subsidiary. The ECB is repayable in 24 quarterly instalments; the last instalment is due in December 2022. The rate of interest is 3 months Libor + 4.00% per annum.

Term Loan from HDFC Bank Limited of ₹ 1,124.57 lakhs (previous year ₹ 1,533.50 lakhs) is secured by exclusive charge over the immovable property situated at Noida. The loan is repayable in 20 quarterly instalments of ₹ 102.23 lakhs each; the last instalment is due in November 2018. The rate of interest is banks base rate + 1.30% per annum.

Working Capital Term Loan from ICICI Bank Limited of ₹ 4,500.00 lakhs (previous year ₹ Nil) to be secured by exclusive charge over the immovable and movable property situated at Dahej. The loan is repayable in 15 quarterly instalments of ₹ 300.00 lakhs; the last instalment is due in December 2020. The rate of interest is banks base rate+1.35% per annum.

For current maturities of long term borrowings see note 2.07

**2.04 Long-term provisions**

Provision for employees benefits:

- Provision for gratuity (See note 2.29)
- Provision for compensated absences

-	192.15
452.89	406.68
<b>452.89</b>	<b>598.83</b>

**2.05 Short-term borrowings**

Loans from banks (Secured)

- i. Cash credit
- ii. Working capital demand loan
- iii. Buyer's credit

4,681.61	10,171.28
-	500.00
6,568.15	7,898.89
<b>11,249.76</b>	<b>18,570.17</b>

Note:

Loans from banks are secured by a first pari-passu charge by way of hypothecation of stocks, present and future, book debts and receivables, first pari-passu charge on land and building situated at Podanur, second pari-passu charges on all movable fixed assets situated at Kymore, Podanur, Kolkata, Lakhmapur and Bhagwanpur and second pari-passu charges on land and building situated at Kymore, Lakhmapur and Bhagwanpur.

**2.06 Trade payables**

Other than acceptances

- i. Total outstanding dues of micro enterprises and small enterprises (see note 2.47)
- ii. Total outstanding dues of creditors other than micro enterprises and small enterprises

-	-
17,310.93	13,218.91
<b>17,310.93</b>	<b>13,218.91</b>

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
<b>2.07 Other current liabilities</b>		
a. Current maturities of long-term debt (Secured)		
- - Term loans from banks (see note 2.03)	2,497.92	2,029.20
b. Interest accrued but not due on borrowings	103.54	125.68
c. Unpaid dividends	41.99	38.73
d. Other payables		
i. Payables in respect of statutory dues	1,558.95	1,667.62
ii. Payables for purchase of fixed assets	76.19	103.80
iii. Stockists'and other deposits	2,554.24	2,687.50
iv. Advances from customers	4,246.85	6,463.89
v. Retention monies	532.73	403.84
	<b>11,612.41</b>	<b>13,520.26</b>

## 2.08 Short-term provisions

a. Provision for employee benefits:		
- Provision for compensated absences	106.42	155.34
b. Provision - Others:		
i. Provision for tax (net of advance tax ₹ 1,926.14 lakhs)(previous year ₹ 3,201.97 lakhs)	1,991.06	3,622.55
ii. Provision for proposed equity dividend	769.44	764.55
iii. Provision for tax on proposed dividend	156.64	152.87
	<b>3,023.56</b>	<b>4,695.31</b>

## 2.09 Fixed assets

(₹ in lacs)

Particulars	Gross block					Accumulated depreciation					Net block	
	Balance as at 1.04.2015	Additions	Disposals	Effect of foreign currency exchange differences	Balance as at 31.03.2016	Balance as at 1.04.2015	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	"Other adjustments (see note 2.44)"	Balance as at 31.03.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
<b>Tangible assets</b>												
<b>Land</b>												
Freehold	1,396.82	-	-	-	1,396.82	-	-	-	-	-	1,396.82	1,396.82
	<i>1,387.86</i>	<i>8.96</i>	-	-	<i>1,396.82</i>	-	-	-	-	-	<i>1,396.82</i>	<i>1,387.86</i>
Leasehold	2,538.14	130.64	-	-	2,668.78	35.95	21.72	-	-	57.67	2,611.11	2,502.19
	<i>2,425.04</i>	<i>113.10</i>	-	-	<i>2,538.14</i>	<i>15.84</i>	<i>20.11</i>	-	-	<i>35.95</i>	<i>2,502.19</i>	<i>2,409.20</i>
<b>Buildings</b>												
On freehold land	7,565.15	387.58	10.36	-	7,942.37	3,441.26	161.50	9.64	-	3,593.12	4,349.25	4,123.89
	<i>7,519.97</i>	<i>45.18</i>	-	-	<i>7,565.15</i>	<i>3,287.24</i>	<i>154.02</i>	-	-	<i>3,441.26</i>	<i>4,123.89</i>	<i>4,232.73</i>
On leasehold land	4,918.94	3,659.13	-	-	8,578.07	222.61	161.74	-	-	384.35	8,193.72	4,696.33
	<i>1,536.64</i>	<i>3,382.30</i>	-	-	<i>4,918.94</i>	<i>155.16</i>	<i>67.45</i>	-	-	<i>222.61</i>	<i>4,696.33</i>	<i>1,381.48</i>
<b>Plant and equipment</b>	33,022.38	842.53	22.82	-	33,842.09	15,167.80	1,553.67	13.42	-	16,708.05	17,134.04	17,854.58
	<i>30,504.34</i>	<i>2,622.20</i>	<i>104.16</i>	-	<i>33,022.38</i>	<i>13,679.99</i>	<i>1,476.22</i>	<i>77.24</i>	<i>88.83</i>	<i>15,167.80</i>	<i>17,854.58</i>	<i>16,824.35</i>
<b>Furniture and fixtures</b>	548.73	174.52	58.08	-	665.17	377.11	39.40	46.10	-	370.41	294.76	171.62
	<i>510.52</i>	<i>40.41</i>	<i>2.20</i>	-	<i>548.73</i>	<i>326.86</i>	<i>48.76</i>	<i>2.20</i>	<i>3.69</i>	<i>377.11</i>	<i>171.62</i>	<i>183.66</i>
<b>Vehicles</b>	201.37	-	7.43	-	193.94	142.23	10.91	7.43	-	145.71	48.23	59.14
	<i>194.89</i>	<i>11.31</i>	<i>4.83</i>	-	<i>201.37</i>	<i>137.32</i>	<i>9.74</i>	<i>4.83</i>	-	<i>142.23</i>	<i>59.14</i>	<i>57.57</i>
<b>Office equipment</b>	1,143.22	299.12	177.81	-	1,264.53	995.24	69.91	171.35	-	893.80	370.73	147.98
	<i>1,105.20</i>	<i>57.08</i>	<i>19.06</i>	-	<i>1,143.22</i>	<i>873.46</i>	<i>72.57</i>	<i>18.64</i>	<i>67.85</i>	<i>995.24</i>	<i>147.98</i>	<i>231.74</i>
<b>Leasehold improvements</b>	169.63	-	-	-	169.63	120.84	1.08	-	-	121.92	47.71	48.79
	<i>169.63</i>	-	-	-	<i>169.63</i>	<i>105.87</i>	<i>14.97</i>	-	-	<i>120.84</i>	<i>48.79</i>	<i>63.76</i>
<b>Others</b>												
Roads	573.15	5.50	-	-	578.65	194.14	52.28	-	-	246.42	332.23	379.01
	<i>231.93</i>	<i>341.22</i>	-	-	<i>573.15</i>	<i>89.52</i>	<i>49.74</i>	-	<i>54.88</i>	<i>194.14</i>	<i>379.01</i>	<i>142.41</i>
Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	-	-	-	-	-	-	1.92	-	-	1.92	-	-
<b>Sub total</b>	<b>52,077.53</b>	<b>5,499.02</b>	<b>276.50</b>	-	<b>57,300.05</b>	<b>20,697.18</b>	<b>2,070.29</b>	<b>247.94</b>	-	<b>22,519.53</b>	<b>34,778.60</b>	<b>31,380.35</b>
<b>Previous year</b>	<b>45,586.02</b>	<b>6,621.76</b>	<b>130.25</b>	-	<b>52,077.53</b>	<b>18,671.26</b>	<b>1,913.58</b>	<b>102.91</b>	<b>215.25</b>	<b>20,697.18</b>	<b>31,380.35</b>	<b>26,914.76</b>
<b>Intangible assets</b>												
Computer software	2,241.20	35.49	-	-	2,276.69	1,535.04	492.41	-	-	2,027.45	249.24	706.16
	<i>2,165.39</i>	<i>75.81</i>	-	-	<i>2,241.20</i>	<i>906.26</i>	<i>628.78</i>	-	-	<i>1,535.04</i>	<i>706.16</i>	<i>1,259.13</i>
Technical knowhow	249.75	-	-	-	249.75	249.75	-	-	-	249.75	-	-
	<i>249.75</i>	-	-	-	<i>249.75</i>	<i>249.75</i>	-	-	-	<i>249.75</i>	-	-
<b>Sub total</b>	<b>2,490.95</b>	<b>35.49</b>	-	-	<b>2,526.44</b>	<b>1,784.79</b>	<b>492.41</b>	-	-	<b>2,277.20</b>	<b>249.24</b>	<b>706.16</b>
<b>Previous year</b>	<b>2,415.14</b>	<b>75.81</b>	-	-	<b>2,490.95</b>	<b>1,156.01</b>	<b>628.78</b>	-	-	<b>1,784.79</b>	<b>706.16</b>	<b>1,259.13</b>
<b>Total</b>	<b>54,568.48</b>	<b>5,534.51</b>	<b>276.50</b>	-	<b>59,826.49</b>	<b>22,481.97</b>	<b>2,562.70</b>	<b>247.94</b>	-	<b>24,796.73</b>	<b>35,027.84</b>	<b>32,086.51</b>
<b>Previous year</b>	<b>48,001.16</b>	<b>6,697.57</b>	<b>130.25</b>	-	<b>54,568.48</b>	<b>19,827.27</b>	<b>2,542.36</b>	<b>102.91</b>	<b>215.25</b>	<b>22,481.97</b>	<b>32,086.51</b>	<b>28,173.89</b>

Previous year figures are in italics.

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
<b>2.10 Non-current investments (at cost)</b>		
Other investments in equity instruments, long term, unquoted		
- [ Nil (previous year 9,500) equity shares of ₹ 10 each fully paid up of Everest Building Solutions Limited]	-	0.95
	-	<b>0.95</b>
<b>2.11 Long-term loans and advances</b>		
(Unsecured, considered good)		
a. Capital advances	42.03	434.18
b. Security deposits	870.62	908.25
c. Advance tax		
[Net of provision for current tax - ₹ 9,264.54 lakhs (previous year ₹ 5,134.76 lakhs)]	5,081.30	7,079.20
d. Minimum alternative tax credit entitlement	-	106.90
e. Other loans and advances		
Balances with excise, customs and port trust authorities	211.27	211.27
	<b>6,205.22</b>	<b>8,739.80</b>
<b>2.12 Other non-current assets</b>		
(Unsecured, considered good)		
Bank balances in earmarked accounts		
- Balances held as margin money (deposit accounts)	324.07	335.39
	<b>324.07</b>	<b>335.39</b>
<b>2.13 Inventories</b>		
(see note 1.1(viii)) (At lower of cost and net realisable value)		
a. Raw materials		
i. On hand	10,831.86	11,040.03
ii. In transit	1,177.26	1,077.84
	12,009.12	12,117.87
b. Work-in-progress	4,247.59	4,194.13
c. Finished goods	6,047.09	7,890.93
d. Stock-in-trade	1,113.63	1,271.94
e. Stores and spares	1,760.15	1,622.55
f. Packing materials	75.11	87.28
	<b>25,252.69</b>	<b>27,184.70</b>

(₹ in lacs)

	As at 31.03.2016	As at 31.03.2015
<b>2.14 Trade receivables</b>		
a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	2,638.64	1,640.38
- Doubtful	235.43	207.00
Less: Provision for doubtful trade receivables	235.43	207.00
	2,638.64	1,640.38
b. Other trade receivables		
- Secured, considered good	4,409.62	5,163.88
- Unsecured, considered good	4,262.79	3,627.15
	<b>8,672.41</b>	<b>8,791.03</b>
	<b>11,311.05</b>	<b>10,431.41</b>

## 2.15 Cash and cash equivalents

Cash and cash equivalents (as per AS 3 Cash Flow Statements)

a. Cash on hand	5.71	9.73
b. Cheques on hand	492.76	708.17
c. Balances with banks		
i. Current accounts	2,764.48	1,556.31
ii. Other deposit accounts		
- Original maturity of 3 months or less	2,719.00	4,250.00
<b>Cash and cash equivalents (as per AS 3 Cash Flow Statements)</b>	<b>5,981.95</b>	<b>6,524.21</b>
Other bank balances		
Earmarked accounts		
- Unpaid dividend (current accounts)	41.99	38.73
- Balances held as margin money (deposit accounts)	309.77	225.35
<b>Other bank balances</b>	<b>351.76</b>	<b>264.08</b>
<b>Total Cash and cash equivalents</b>	<b>6,333.71</b>	<b>6,788.29</b>

## 2.16 Short-term loans and advances

(Unsecured, considered good)

a. Loans and advances to employees	61.71	120.97
b. Prepaid expenses	731.52	708.21
c. Balances with government authorities		
i. Balances with excise, customs and port trust authorities	1,004.64	955.19
ii. VAT credit receivable	1,419.33	1,270.87
d. Advance to suppliers	4,587.54	3041.53
e. Prepaid gratuity	31.84	-
f. Other loans and advances	127.84	0.79
	<b>7,964.42</b>	<b>6,097.56</b>

## 2.17 Other current assets

a. Interest accrued but not due	77.50	92.72
b. Insurance claims	9.11	9.94
	<b>86.61</b>	<b>102.66</b>

(₹ in lacs)

	Year ended 31.03.2016	Year ended 31.03.2015
<b>2.18 Revenue from operations (see note 1.1 (vi))</b>		
a. Revenue from sale of products (see note 2.41)	88,716.02	92,349.76
b. Revenue from contracts	49,566.27	39,656.04
c. Other operating revenues		
i. Sale of scrap	701.78	904.59
ii. Export incentives	114.03	152.40
iii. Others (including other incentives)	664.87	746.68
	1,480.68	1,803.67
Less: Realisation from sale of trial run production transferred to CWIP (see note 2.33)	-	3,671.32
	<b>139,762.97</b>	<b>130,138.15</b>
<b>2.19 Other income</b>		
a. Interest income		
i. Interest from banks on deposits	238.94	113.43
ii. Interest on income tax refund	602.63	171.46
iii. Other interest	86.42	40.84
	927.99	325.73
b. Other non-operating income		
i. Profit on sale of fixed assets (net)	31.11	1.56
ii. Liabilities / provisions no longer required written back	234.34	599.93
iii. Miscellaneous income	99.42	118.63
	364.87	720.12
	<b>1,292.86</b>	<b>1,045.85</b>
<b>2.20 Cost of materials consumed (see note 2.42)</b>		
Cost of materials consumed	70,044.04	72,663.94
Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	-	2,097.62
	<b>70,044.04</b>	<b>70,566.32</b>
<b>2.21 Changes in Inventories of finished Goods, work-in-progress and stock-in-trade</b>		
Inventories at the end of the year:		
Finished goods	6,047.09	7,890.93
Work-in-progress	4,247.59	4,194.13
Stock-in-trade	1,113.63	1,271.94
	11,408.31	13,357.00
Inventories at the beginning of the year:		
Finished goods	7,890.93	4,025.43
Work-in-progress	4,194.13	6,421.37
Stock-in-trade	1,271.94	1,481.77
	13,357.00	11,928.57
	<b>1,948.69</b>	<b>(1,428.43)</b>

(₹ in lacs)

	Year ended 31.03.2016	Year ended 31.03.2015
<b>2.22 Employee benefits expense</b>		
a. Salaries and wages	11,639.27	10,689.86
b. Contributions to provident and other funds	600.38	626.87
c. Staff welfare expenses	624.38	655.31
	12,864.03	11,972.04
Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	139.67	1,062.46
	<b>12,724.36</b>	<b>10,909.58</b>

<b>2.23 Finance costs</b>		
a. Interest expense on borrowings	1,840.97	1,654.67
b. Other borrowing costs	69.31	376.34
	1,910.28	2,031.01
Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	-	161.54
	<b>1,910.28</b>	<b>1,869.47</b>

<b>2.24 Other expenses</b>		
a. Consumption of stores and spare parts	4,574.79	4,749.33
b. Consumption of packing materials	1,148.19	1,250.19
c. Power and fuel	3,587.68	3,614.97
d. Repairs and maintenance		
- Building	218.24	198.06
- Machinery	727.77	720.15
- Others	391.59	517.74
e. Rent (see note 2.35)	704.52	721.80
f. Rates and taxes	720.34	373.58
g. Insurance	235.80	232.27
h. Travelling	1,651.87	1,343.22
i. Advertisement and sales promotion expenses	1,598.09	1,483.82
j. Cost for erection of buildings	5,307.64	3,607.16
k. Net loss on foreign currency transactions and translation	993.49	608.89
l. Outward freight charges on finished goods	9,428.41	9,577.46
m. Professional and consultancy expenses (see note 2.26)	1,575.03	1,014.17
n. Research and development expenses (see note 2.43)	124.58	96.54
o. Increase/decrease in excise duty on inventory	(65.23)	333.69
p. Provision for doubtful trade and other receivables (net)	324.52	172.61
q. Doubtful trade and other receivables written off	1.66	16.11
r. Expenditure on corporate social responsibility	101.08	42.38
s. Miscellaneous expenses	4,249.31	3,947.24
	<b>37,599.37</b>	<b>34,621.38</b>
Less: Pre-operative expenses transferred to capital work in progress (see note 2.33)	442.25	1,280.95
	<b>37,157.12</b>	<b>33,340.43</b>



## 2.25 Contingent Liabilities and Commitments

### (i) Contingent liabilities

Claims against the Group not acknowledged as liabilities in respect of:

Particulars	(₹ in lacs)	
	As at 31.03.2016	As at 31.03.2015
i. Sales tax matters	2,101.03	2,130.36
ii. Excise and service tax matters	3,179.97	3,111.59
iii. Income Tax matters	4,745.42	7,585.44
<b>Total</b>	<b>10,026.42</b>	<b>12,827.39</b>
iv. Advance paid/adjusted by authorities against above	3,600.96	5,850.69

### (ii) Commitments

- a) Estimated amount of contracts to be executed on capital account – ₹ 814.08 lakhs (net of advances – ₹ 1,528.41 lakhs), [previous year – ₹ 325.98 lakhs (net of advances ₹ 434.18 lakhs)].

- b) Export Obligation: The Company has purchased fixed assets under the 'Export Promotion Capital Goods Schemes'. As per the terms of the license granted under the scheme, the Company had undertaken to achieve an export commitment of ₹ 3,957.11 lakhs (previous year ₹ 7,894.34 lakhs) over a period of 6-8 years.

The Company would be liable to pay customs duty of ₹ 529.16 lakhs (previous year ₹ 1,021.31 lakhs) and interest on the same in the event of non-fulfillment of the balance export obligation. During the current year, the Company has satisfied its export obligations of ₹ 3,937.23 lakhs (previous year ₹ Nil). However the Company does not expect any liability to arise based on its export performance.

- c) The Company has other commitments, for purchases/sales orders which are issued after considering requirements per operating cycle for purchase/sale of goods and services, in normal course of business.
- d) The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.

## 2.26 Professional and consultancy expenses include statutory auditors remuneration(excluding service tax) as follows:

Particulars	(₹ in lacs)	
	Year ended 31.03.2016	Year ended 31.03.2015
(a) To statutory auditors		
- Audit fee	44.00	36.50
- For other services (including fees for limited review)	11.80	12.50
- Reimbursement of expenses	8.70	6.03
	64.50	55.03
(b) To cost auditor		
- Cost audit fee	4.80	4.80
- Reimbursement of expenses	0.63	0.63
	5.43	5.43
	<b>69.93</b>	<b>60.46</b>

## 2.27 Construction Contracts (see note 1.1(vi))

Details of contract revenue and costs are as below:

Particulars	(₹ in lacs)	
	Year ended 31.03.2016	Year ended 31.03.2015
Contract revenue recognised during the year	49,566.27	39,656.04
Aggregate of contract costs incurred and recognised profits (less recognised losses) in respect of contracts in progress upto the year end	14,271.79	7,973.04
Retentions moneys for contracts in progress	-	270.72
Advances received for contracts in progress	367.49	1,816.94

## 2.28 Foreign Exchange Disclosure

Outstanding forward exchange contracts as on 31 March, 2016:

Particulars	As at 31.03.2016		As at 31.03.2015	
	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)
Receivables	USD -	-	USD 13.00	813.68
Payables	USD 76.13	5,287.37	USD -	-
ECB Loan	USD 40.00	2,064.00	USD 72.00	3,715.20

Foreign currency exposures that are not hedged by derivative instruments or otherwise are as follows:

Particulars	As at 31.03.2016		As at 31.03.2015	
	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)	Amount in Foreign Currency (in lacs)	Amount (₹ /lacs)
Receivables	USD 15.73	1,043.42	USD 16.88	1,056.72
Payables	USD 38.37	2,545.12	USD 150.77	9,436.86
ECB Loan	USD 100.00	6,633.29	USD 100.00	6,259.08

## 2.29 Disclosure of Retirement Benefits under Accounting Standard 'AS15-Employee Benefits'

### a. Defined contribution plan

The Company makes provident fund and superannuation fund contributions to defined contribution retirement benefit plans for covered employees. The Company's contributions towards provident fund and superannuation fund are deposited in respective trusts. The Company is generally liable for contributions paid/ payable under Provident Fund scheme and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

As of 31 March, 2016, the fair value of the assets of the fund and the accumulated members' corpus is ₹ 6,899.12 lakhs (previous year ₹ 5,780.25 lakhs) and ₹ 6,643.21 lakhs (previous year ₹ 5,599.39 lakhs) respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.75%. The actuarial assumptions include discount rate of 7.80% and an average expected future period of 10 years.

The Company recognised ₹ 370.23 lakhs (previous year ₹ 361.08 lakhs) for provident fund contributions and ₹ 85.15 lakhs (previous year ₹ 89.69 lakhs) for superannuation fund contributions in the Consolidated Statement of Profit and Loss. The contribution payable to the plan by the Group is at the rate specified in rules to the scheme.

### b. Defined benefit plan

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

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

- c. The following tables set out the funded status of the gratuity plan and amounts recognised in the consolidated financial statements as at 31 March, 2016:

**(i) Movement in net liability**

		(₹ in lacs)	
Particulars		As at 31.03.2016	As at 31.03.2015
Present value of defined benefit obligations as on 1.04.2015	(A)	1,592.36	1,413.66
Interest cost	(B)	119.20	125.90
Current service cost	(C)	150.25	133.49
Benefits paid	(D)	(128.27)	(105.07)
Actuarial (gain)/loss on obligations	(E)	(37.47)	24.38
<b>Present value of defined benefit obligations as on 31.03.2016</b> <b>(F=A+B+C+D+E)</b>	<b>(F)</b>	<b>1,696.07</b>	<b>1,592.36</b>

**(ii) The amounts recognised in the Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are as follows:**

		(₹ in lacs)	
Particulars		As at 31.03.2016	As at 31.03.2015
Present value of funded defined benefit obligations as on 31.03.2016	(A)	1,696.07	1,592.36
Estimated fair value of plan assets	(B)	1,727.91	1,400.21
Net liability/ (asset) (C=A-B)	(C)	<b>(31.84)</b>	<b>192.15</b>
Amounts in the Balance Sheet	(D)		
a. Liabilities		-	192.15
b. Assets		31.84	-
c. Net liability/ (asset) (See Note 2.16)		(31.84)	192.15
Amount charged to Consolidated Statement of Profit and Loss			
Service cost	(E)	150.25	133.49
Interest cost	(F)	119.20	125.90
Expected return on plan assets	(G)	123.82	119.33
Net actuarial (gain)/ loss	(H)	(43.68)	29.54
<b>Expense recognised in the Consolidated Statement of Profit and Loss</b> <b>(I=E+F-G+H)</b>	<b>(I)</b>	<b>101.95</b>	<b>169.60</b>

**(iii) The principal actuarial assumptions used in determining gratuity and leave encashment obligations:**

Assumptions	Year ended 31.03.2016 Rate (%)	Year ended 31.03.2015 Rate (%)
Discount rate	7.80%	7.80%
Rate of return on plan assets	8.00%	8.85%
Salary escalation	8.00%	8.00%
Mortality rate	IALM (2006-08) (modified)	IALM (2006-08) (modified)
Withdrawal rate		
Upto 30 years	3.00%	3.00%
Ages from 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

The discount rate is based on the Government bond yields as at 31 March, 2016.

#### (iv) Experience adjustments

(₹ in lacs)

Particulars	31.03.2016	31.03.2015
Present value of defined benefit obligation	(1,696.07)	(1,592.36)
Fair value of plan assets	1,727.91	1,400.21
Funded status	31.84	(192.15)
Experience gain / (loss) adjustments on plan liabilities	37.47	38.68
Experience gain / (loss) adjustments on plan assets	6.21	(5.16)

The Company expects the benefit payout of ₹ 78.92 lakhs (previous year ₹ 75.73 lakhs) to the gratuity fund for the year ended 31 March, 2017.

#### (v) Fair value of plan assets

(₹ in lacs)

Particulars		As at 31.03.2016	As at 31.03.2015
Fair value of plan assets at the beginning of the year	(A)	1,400.21	1,293.96
Expected return on plan assets	(B)	123.82	119.33
Contributions	(C)	200.00	-
Benefits paid	(D)	(2.33)	(7.92)
Actuarial gain/ (loss) on plan assets	(E)	6.21	(5.16)
<b>Fair value of plan assets at the end of the year(F=A+B+C+D+E)</b>	<b>(F)</b>	<b>1,727.91</b>	<b>1,400.21</b>

#### (vi) Actual return on plan assets

(₹ in lacs)

Particulars		As at 31.03.2016	As at 31.03.2015
Expected return on plan assets	(A)	123.82	119.33
Actuarial gain/ (loss) on plan assets	(B)	6.21	(5.16)
<b>Actual return on plan assets(C =A+B)</b>	<b>(C)</b>	<b>130.03</b>	<b>114.17</b>

#### (vii) The major categories of plan assets as a percentage of total plan asset are as follows:

Particulars	As at 31.03.2016	As at 31.03.2015
Government of India securities	47.42%	46.61%
Debt instruments	34.01%	34.61%
Equity shares	6.20%	4.56%
Other deposits	12.37%	14.22%
	100.00%	100.00%

The planned assets of the Group are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Parent with respect to its gratuity plan. Information on categories of plan assets as at 31 March, 2016 has not been provided by the Life Insurance Corporation of India.

## 2.30 Deferred Taxation

(₹ in lacs)		
Particulars	As at 31.03.2016	As at 31.03.2015
<b>a. Deferred tax assets</b>		
Tax impact of:		
i. Expenditure covered by Section 43B of the Income-tax Act, 1961	221.65	285.70
ii. Provision for doubtful trade receivables	81.48	70.36
<b>Total deferred tax assets</b>	<b>303.13</b>	<b>356.06</b>
<b>b. Deferred tax liabilities</b>		
Tax impact of:		
Excess of depreciation allowable under the Income-tax Act, 1961 over depreciation provided in financial statements*	3,529.48	3,307.19
<b>Total deferred tax liability</b>	<b>3,529.48</b>	<b>3,307.19</b>
<b>Net deferred tax liability</b>	<b>3,226.35</b>	<b>2,951.13</b>

\* Deferred tax expense during the year of ₹ 275.22 lakhs (previous year ₹ 192.54 lakhs) is net of transition adjustment amounting to ₹ Nil lakhs (previous year ₹ 73.16 lakhs) related to depreciation (also refer Note 2.44).

**2.31** Managerial remuneration forming part of employee benefit expenses for the year ended 31 March, 2014 had exceeded the limits specified in the Companies Act, 1956. The Company had filed applications with the Central Government for requisite approvals. Pending receipt of approvals a sum of ₹ 44.46 lakhs which was payable to Key management personnel was reversed during the year ended 31 March, 2015. The same has been charged to employee benefit expenses during the current year on receipt of necessary approvals from the Central Government.

## 2.32 Related Party Disclosures

### a. List of related parties

- i. Enterprise exercising significant influence
  - Falak Investment Private Limited
- ii. Key management personnel
  - Mr. Aditya Vikram Somani, Chairman
  - Mr. Manish Sanghi, Managing Director
  - Mr. Y. Srinivasa Rao, Executive Director

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

			(₹ in lacs)
S. No	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
i.	Dividend paid to enterprise exercising significant influence Falak Investment Private Limited	369.17	184.59
ii.	Remuneration to key management personnel (See note 2.31)		
	Mr. Aditya Vikram Somani	217.56	201.65
	Mr. Manish Sanghi	184.60	182.52
	Mr. Y. Srinivasa Rao	146.17	148.64
iii.	Dividend paid to key management personnel		
	Mr. Aditya Vikram Somani	0.02	0.01
	Mr. Manish Sanghi	3.55	1.41
	Mr. Y. Srinivasa Rao	0.36	-

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

(₹ in lacs)

S. No	Particulars	As at 31.03.2016	As at 31.03.2015
i.	Share capital from enterprise exercising significant influence Falak Investment Private Limited	738.35	738.35
ii.	Commission due to key management personnel Mr. Aditya Vikram Somani	11.00	23.61
iii.	Performance incentive due to key management personnel		
	a. Mr. Manish Sanghi	5.00	30.00
	b. Mr. Y. Srinivasa Rao	4.50	28.00

**2.33 Capital Work in Progress and Pre-operative Expenditure**

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

**a. Capital work in progress**

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
i. Project assets	24.65	3,034.50
ii. Unallocated project pre-operative expenditure (see b below)	735.57	182.06
	<b>760.22</b>	<b>3,216.56</b>

**b. Pre-operative expenditure**

(₹ in lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Opening balance (a)	<b>182.06</b>	<b>258.99</b>
Add: Expenditure incurred during the year		
Cost of materials consumed	-	2,097.62
Depreciation and amortisation	1.92	-
Salaries and wages	135.86	900.75
Contributions to provident and other funds	3.01	10.29
Staff welfare expenses	0.80	151.42
Consumption of stores and spare parts	-	434.38
Repairs and maintenance – Others	-	161.52
Rent	79.93	85.84
Rates and taxes	-	0.96
Insurance	-	2.14
Travelling	-	141.02
Outward freight charges on finished goods	-	197.70
Advertisement and sales promotion expenses	-	86.36
Miscellaneous expenses	362.33	171.03
Interest on borrowings	-	161.54
<b>Sub Total (b)</b>	<b>583.85</b>	<b>4,602.57</b>
Less :		
Transfer of inventory produced during trial run production	-	33.84
Realisation from sale of trial run production	-	3,671.32
<b>Sub Total (c)</b>	<b>-</b>	<b>3,705.16</b>
Unallocated preoperative expenditure (d=a+b-c)	765.91	1,156.40
Deletions during the year (e)	30.34	974.34
Closing balance (d-e)	<b>735.57</b>	<b>182.06</b>

## 2.34 Segment Information

### a. Business segments:

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting", the Group's business segments include 'Building products' and 'Steel buildings'.

Building products includes manufacturing and trading of roofing products, boards and panels, other building products and accessories.

Steel buildings consist of manufacture and erection of pre – engineered and smart steel buildings and its accessories.

### b. Geographical segments:

Geographical revenues are allocated based on the location of the customers. Geographical segment is considered based on sales within India and outside India. However, the segment revenue/assets by geographical location do not fall within the criteria set out in Accounting Standard AS- 17 on "Segment Reporting" and therefore geographical segment information has not been given in the consolidated financial statements.

### c. Segment accounting policies:

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

#### i. Segment revenue and expenses:

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

#### ii. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include fixed deposits, advance income tax, borrowings and deferred income tax etc.

### Information about business segments:

(₹ in lacs)

Particulars	Building products		Steel buildings		Total	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
<b>1. Segment Revenue</b>						
External revenue (Net of excise duty)	82,068.69	85,744.51	47,787.97	35,578.25	1,29,856.66	121,322.76
Other operating income	937.04	1,050.33	543.64	753.34	1,480.68	1,803.67
<b>Total Revenue</b>	<b>83,005.73</b>	<b>86,794.84</b>	<b>48,331.61</b>	<b>36,331.59</b>	<b>1,31,337.34</b>	<b>123,126.43</b>
<b>2. Segment Results</b>						
Unallocated expenses (net of income)					9,115.32	8,274.35
					2,156.56	1,574.87
<b>Operating Profit</b>	<b>7,101.68</b>	<b>8,530.39</b>	<b>2,013.64</b>	<b>(256.04)</b>	<b>6,958.76</b>	<b>6,699.48</b>
Finance costs					1,910.28	1,869.47
Profit before tax					5,048.48	4,830.01
Tax expenses					1,604.35	1,407.04
<b>Net Profit</b>					<b>3,444.13</b>	<b>3,422.97</b>



Particulars	Building products		Steel buildings		Total	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
<b>3. Other Information</b>						
<b>A. Assets</b>						
Segment assets	51,214.82	51,389.13	26,910.50	25,278.79	78,125.32	76,667.92
Unallocated assets					15,322.95	18,315.91
<b>Total Assets</b>	<b>51,214.82</b>	<b>51,389.13</b>	<b>26,910.50</b>	<b>25,278.79</b>	<b>93,448.27</b>	<b>94,983.83</b>
<b>B. Liabilities</b>						
Segment liabilities	14,062.22	11,931.70	10,888.67	11,358.42	24,950.89	23,290.12
Unallocated liabilities					33,748.95	39,743.07
<b>Total Liabilities</b>	<b>14,062.22</b>	<b>11,931.70</b>	<b>10,888.67</b>	<b>11,358.42</b>	<b>58,699.84</b>	<b>63,033.19</b>

Particulars	Building products		Steel buildings	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>C. Others</b>				
Capital expenditure	1,499.12	1,327.37	602.08	2,163.78
Depreciation	1,330.21	1,398.57	791.72	675.93
Non – cash expenses other than depreciation (includes provision for doubtful trade receivables and other receivables)	-	-	324.52	188.72

## 2.35 Lease Commitments

### Operating lease

The Group has taken properties on cancellable operating leases and has recognised rent of ₹ 611.34 lakhs (previous year ₹ 721.80 lakhs). There are no non-cancellable lease arrangements as at the end of the year.

## 2.36 Earnings per Share

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
a. Number of equity shares of ₹ 10 each fully paid up at the beginning of the year	15,291,095	15,194,665
b. Number of equity shares of ₹ 10 each fully paid up at the year end	15,388,850	15,291,095
c. Weighted average number of equity shares used in computing earnings per share	15,352,853	15,237,169
d. Weighted average number of options granted at fair value	448,115	414,120
e. Weighted average number of options post adjustment for number of options granted at fair value	448,115	414,120
f. Net profit for the year – (₹ / lakhs)	3,444.13	3,422.97
g. Basic earnings per share (Rupees)	22.61	22.46
h. Diluted earnings per share (Rupees)	22.61	22.46
i. Nominal value of equity shares (Rupees)	10.00	10.00

## 2.37 Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

## 2.38 Reconciliation of the number of shares

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
a. Number of equity shares outstanding at the year beginning	15,291,095	15,194,665
b. Number of options exercised during the year	97,755	96,430
c. Number of equity shares outstanding at the year end	15,388,850	15,291,095

## 2.39 Number of shares held by each share holder holding more than 5% shares

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	(No. of shares)	%	(No. of shares)	%
a. Falak Investment Private Limited	7,383,470	47.98	7,383,470	48.29
b. Reliance Capital Trustee Co Ltd	-	-	966,748	6.32

## 2.40 Employee Stock Option Scheme

The Company has granted 1,70,000 (previous year 1,40,000) options to the employees during the year ended 31 March, 2016. The exercise price per option shall be the average of the two weeks high and low price of the share preceding the date of grant of options on BSE/NSE or closing price of the Company's share on that stock exchange on the date prior to the date of grant of options, whichever is less. Options granted shall vest with the grantee after a period of one year from the date of grant. The exercise period of the options is a period of four years after the vesting of the options.

Particulars	ESOS (2009)	ESOS (2010)	ESOS (2011)	ESOS (2012)	ESOS (2014)	ESOS (2015)
Year in which scheme was established	2009-10	2010-11	2011-12	2012-13	2014-15	2015-16
Number of options authorised and granted	1,40,000	1,47,705	1,50,720	1,60,945	1,40,000	1,70,000
Exercise price	₹ 169	₹ 174	₹ 126	₹ 268	₹ 336	₹ 262
Vesting date	After one year from the date of grant of option					
Vesting requirement	One year service from the date of grant of option					
Exercise period	During four years after vesting date					

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

Particulars	ESOS (2009)	ESOS (2010)	ESOS (2011)	ESOS (2012)	ESOS (2014)	ESOS (2015)
i. Opening balance	-	77,560	69,195	127,365	140,000	-
	65,320	89,375	99,655	139,425	-	-
ii. Granted during the year	-	-	-	-	-	1,70,000
	-	-	-	-	1,40,000	-
iii. Vested during the year	-	-	-	-	-	-
	-	-	-	-	-	-
iv. Exercised during the year	-	60,290	21,885	15,580	-	-
	54,620	9,605	26,805	5,400	-	-
v. Forfeited during the year	-	-	(2,545)	(8,400)	(10,035)	-
	-	(2,210)	(3,655)	(6,660)	-	-
vi. Expired during the year	-	(17,270)	-	-	-	-
	(10,700)	-	-	-	-	-
vii. Outstanding at the year end	-	-	44,765	1,03,385	1,29,965	1,70,000
	-	77,560	69,195	1,27,365	1,40,000	-
viii. Options exercisable at the year end	-	-	44,765	1,03,385	1,29,965	-
	-	77,560	69,195	1,27,365	-	-
ix. Remaining contractual life (years) at the year end	-	-	0.81	1.81	3.81	4.80
	-	0.80	1.81	2.81	4.81	-

Previous year figures are in italics.

The Company has accounted the above options using the intrinsic value method at the exercise price from time to time and there is no stock compensation expense under the intrinsic value method for the options granted.

The Guidance Note issued by the Institute of Chartered Accountants of India requires the disclosure of pro forma net results and EPS both basic and diluted, had the Company adopted the fair value method. Had the Company accounted the option under fair value method, amortising the stock compensation expense thereon over the vesting period, the reported profit for the year ended 31 March, 2016 would have been lower by ₹ 195.35 lakhs (previous year ₹ 40.55 lakhs) and the basic and diluted EPS would have been revised to ₹ 21.72 (previous year ₹ 22.18) and ₹ 21.78 (previous year ₹ 22.18) respectively. The fair value of stock based awards to employees is calculated through the use of option pricing models, requiring subjective assumptions which greatly affect the calculated values. The said fair value of the options have been calculated using Black-Scholes option pricing model, considering the expected term of the options to be 5 years, an expected dividend yield of 2.00% (previous year 0.75%) on the underlying equity shares, volatility in the share price of 42.16% (previous year 41.72%) and a risk free rate of interest of 7.88% (previous year 7.72%). The Company's calculations are based on a single option valuation approach, and forfeitures are recognised as they occur. The expected volatility is based on historical volatility of the share price during the year after eliminating the abnormal price fluctuations.

## 2.41 Details of revenue from sale of products

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Sale of products comprises:		
Sale of manufactured goods	87,109.01	90,101.72
Sale of traded goods	1,607.01	2,248.04
<b>Total sale of products</b>	<b>88,716.02</b>	<b>92,349.76</b>

## 2.42 Cost of Materials Consumed

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Opening stock	12,117.87	10,825.58
Add: Purchases	69,935.29	71,858.61
	82,053.16	82,684.19
Less: Closing stock	12,009.12	12,117.87
<b>Cost of materials consumed*</b>	<b>70,044.04</b>	<b>70,566.32</b>

\* excludes Pre-operative expenses transferred to capital work in progress ₹ Nil lakhs (previous year ₹ 2,097.62 lakhs) and research and development expenses of ₹ 14.93 lakhs (previous year ₹ 18.68 lakhs).

## 2.43 Expenditure on Research and Development

(₹ in lacs)		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>Capital nature*</b>		
Gross block	112.24	111.14
Accumulated depreciation	67.79	60.04
Net block	<b>44.45</b>	<b>51.10</b>
Additions during the year	1.10	1.46
<b>Revenue nature</b>		
i. Cost of materials consumed	14.93	18.68
ii. Consumption of stores and spare parts	6.79	11.28
iii. Employee benefits expense		
- Salaries and wages	80.81	46.32
- Contributions to provident and other funds	5.42	3.77
iv. Miscellaneous expenses	16.58	16.49
	<b>124.53</b>	<b>96.54</b>
v. Depreciation	7.75	7.67
<b>Total</b>	<b>132.28</b>	<b>104.21</b>

\* details of fixed assets utilised for research and development.

**2.44** CConsequent to the enactment of the Companies Act, 2013 and its applicability for accounting periods commencing on or after 1 April, 2014 during the previous year the Company had computed depreciation with reference to the useful life of assets recommended in Schedule II to the Act. The depreciation for the previous year was lower by ₹ 542.51 lakhs consequent to the change in the useful life of the assets. Further, depreciation related to the assets having written down value of ₹ 215.25 lakhs as on 1 April, 2014, whose useful life had expired, had been adjusted from the general reserves amounting to ₹ 142.09 lakhs (net of deferred tax credit of ₹ 73.16 lakhs).

**2.45** There were no amounts which were required to be transferred to the Investor and Protection Fund by the Company.

**2.46** Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the entity	Net assets i.e total assets minus total liabilities*		Share of profit or (loss)	
	As % of consolidated net assets	Amount (In Lakhs)	As % of consolidated profit or (loss)	Amount (In Lakhs)
<b>Parent</b>				
- Everest Industries Limited	92.79	34,744.43	102.51	3,530.64
<b>Subsidiary - Foreign</b>				
- Everest Building Products Mauritius**	7.20	2,694.72	(2.48)	(85.36)
<b>Subsidiary - Indian</b>				
- Everest Building Solutions Limited	0.01	3.85	(0.03)	(1.15)
<b>Total</b>	<b>100.00</b>	<b>37,443.00</b>	<b>100.00</b>	<b>3,444.13</b>
<b>Adjustments arising out of consolidation</b>		<b>(2,694.57)</b>		
<b>Minority interests in subsidiaries</b>				
- Everest Building Products Mauritius*		92.06		
- Everest Building Solutions Limited		-		
<b>Total</b>		<b>92.06</b>		
<b>Consolidated Net Assets/ Profit after tax</b>		<b>34,748.43</b>		<b>3,444.13</b>

\* as per the Consolidated financial statements.

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

**2.48** 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**

**Manish Sanghi**

Managing Director

Delhi

29 April, 2016

**Rakesh Kumar Gupta**

Chief Financial Officer

Mumbai

29 April, 2016

**Y. Srinivasa Rao**

Executive Director

Mumbai

29 April, 2016

**Neeraj Kohli**

Company Secretary

Mumbai

29 April, 2016

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## ATTENDANCE SLIP

### EVEREST INDUSTRIES LIMITED

CIN : L74999MH1934PLC002093

Regd. Office: GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.  
Phone : 02557-250375/462, Fax : 02557-250376, E-mail Id: compofficer@everestind.com

I/We .....R/o ..... hereby record my/our presence at the 83rd Annual General Meeting of the Company held on Wednesday, the 29<sup>th</sup> June, 2016 at 11:00 a.m. at GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.

DPID * : _____	Folio No. : _____
Client Id * : _____	No. of Shares : _____

\* Applicable for investors holding shares in electronic form.



Signature of shareholder/ proxy

### EVEREST INDUSTRIES LIMITED

CIN : L74999MH1934PLC002093

Regd. Office: GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422 202, Maharashtra.  
Phone : 02557-250375/462, Fax : 02557-250376, E-mail Id: compofficer@everestind.com

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :		E-mail Id :	
Registered address :		Folio No. :	
		*Client ID :	
		*DPID :	

I/We, being the member(s) of ..... shares of Everest Industries Limited, hereby appoint :

- 1) .....of ..... having e-mail id ..... or failing him
- 2) .....of ..... having e-mail id ..... or failing him
- 3) .....of ..... having e-mail id ..... or failing him

and whose signature(s) are appended below as my/ our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 83<sup>rd</sup> Annual General Meeting of the Company, to be held on Wednesday, 29<sup>th</sup> June, 2016 at 11:00 a.m. at GAT 152, Lakhmapur, Taluka Dindori, Nashik - 422202, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below :

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Adoption of Standalone and Consolidated Audited Financial Statements, Reports of the Board of Directors and Auditors for the financial year ended 31 <sup>st</sup> March, 2016.		
2. Declaration of dividend on Equity Shares.		
3. Re-appointment of Mr. Manish Sanghi who retires by rotation.		
4. Appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company.		
5. Re-appointment of Mr. Aditya Vikram Somani as Whole Time Director designated as Chairman of the Company.		
6. Re-appointment of Mr. Manish Sanghi as Managing Director of the Company.		
7. Appointment of Mr. M.L. Gupta, Non-Executive Director as Independent Director of the Company.		



8. Ratification of Remuneration of Cost Auditors of the company for the financial year ending 31 <sup>st</sup> March, 2017.		
9. Approval for authorizing the Board for further issue of shares to employees under Employees Stock Option Scheme -2016.		

\* Applicable for investors holding shares in electronic form.

\*Signed this ..... day of ..... 2016.

.....

Signature of Shareholder

Affix Revenue  
Stamp and  
sign across the  
stamp

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**NOTES:**

**1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**

2. A Proxy need not be a member of the company.

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

\*\* 4. This is optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

5. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.

6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.







## **Registered Office**

**Everest Industries Limited**

Gat 152, Lakhmapur, Taluka Dindori,  
Nashik - 422 202, Maharashtra (INDIA)

**Phone:** 02557-250375/462

**Fax:** 02557-250376

**Helpline:** 09958037777

**Website:** [www.everestind.com](http://www.everestind.com)

**Email:** [info@everestind.com](mailto:info@everestind.com)

