

Everest Industries Limited

Investor Presentation

29th April 2011

The information contained in this presentation is only current as of its date. It is advised that prior to acting upon this presentation consultation may be obtained and necessary due diligence may be carried out.

Certain statements in this document may be forward looking statements. Future performances or actual results may differ from these forward looking statements.

Everest Industries Ltd will not be responsible for any action taken based on such statements and is under no obligation to update these forward looking statements.

- Company to set up a Fibre Cement Roofing plant in Orissa with a capacity of 100,000 mt at a capex of Rs. 50 crores.
- CAPEXIL Special Export Award for 2009-10 conferred upon the Company.
- Star Export house recognition to Everest.
- 33,372 equity shares of Rs. 10 each were issued to employees under ESOS in Q4 (268,526 equity shares from April to March 2011).
- During the year the equity capital increased from Rs. 1481.56 Lacs to Rs. 1508.41 Lacs.

Rs. Lacs	2010-11		2009-10		Growth % YoY	
	Q4	Total	Q4	Total	Q4	Total
Net Revenue	19782	72310	18668	65413	6.0%	10.5%
EBIDTA *	1857	7550	2197	7400	-15.5%	2.0%
Interest	144	539	164	995	-12.2%	-45.8%
Depreciation	478	1890	453	1837	5.6%	2.9%
Loss on Derivatives	9	497	31	397	-71.0%	25.2%
Gain on sale of property		694		0		0.0%
PBT	1226	5318	1549	4171	-20.9%	27.5%
PAT	1061	4070	1118	3001	-5.1%	35.6%

* Excluding Loss on Derivatives and profit on sale of property

Key Highlights for the year:

- Increase in freight cost by 20.9% and power cost by 12.8% have led to a drop in EBIDTA.
- Interest cost is lower on account of reduction in borrowing, optimised mix of borrowed funds and thereby leading to reduction in interest costs.
- “Principal only Swap” derivatives entered in by the Company have been closed. Henceforth there will be no ‘Loss on Derivatives’ on these transactions.

Rs Lacs	2010-11		2009-10		Growth YoY	
	Q4	Annual	Q4	Annual	Q4	Annual
Building Products						
Revenue	14568	56187	14991	52944	-3%	6%
PBIT	1750	7712	2631	9022	-33%	-15%
PBIT/ Revenue %	12%	14%	18%	17%		
Steel Buildings						
Revenue	5214	16123	3677	12469	42%	29%
PBIT	456	586	-123	-816		
PBIT/ Revenue %	9%	4%	-3%	-7%		
Total						
Revenue	19782	72310	18668	65413	6%	11%
PBIT	2206	8298	2508	8206	-12%	1%
PBIT/ Revenue %	11%	11%	13%	13%		

Revenue in quarter 4 from Steel Building shows a growth of 42% while Building Products revenue dipped by 3%.

- Steel Building business witnessed healthy growth (42%) in Q4. The YoY revenues for the Company grew by 6% in Q4 and 10.5% annually.
- YoY EBIDTA declined by 15.5% in Q4. The EBIDTA grew by 2.0% in the financial year on the strength of buoyant Q1.
- 'Building Products' segment experienced muted growth during the year.
- Higher industrial growth rates should result into better performance by 'Steel Buildings' business of the Company.
- Steel Building' PBIT during Q4 Rs. 456 Lacs and Rs. 586 Lacs for the year.

Particulars	2010-11		2009-10		Growth YoY	
	Q4	Annual	Q4	Annual	Q4	Annual
Quantity Sold - mt	150441	586539	163042	563603	-8%	4%
Revenue - Rs Lacs	14568	56187	14991	52944	-3%	6%

Sales volume declined by 8% in the quarter in the Building products while YOY growth was 4% while the annual revenue increased by 6%.

The quarter was marked by a slow down in the sales of Building Products.

The building products business is linked to rural income. The good monsoon should result in increased demand in the next 2 - 3 quarters.

The average realization improved from Rs. 7502 per ton to Rs. 7881 per ton which shows firming up of the market prices.

A writ petition was filed in the Honourable Supreme Court under Article 32 of the Constitution of India in 2004 by Kalyaneshwari (a registered society) to immediately ban all uses of asbestos in any manner whatsoever due to harmful effect of asbestos.

In its land mark judgement , the Honourable Supreme Court observed :

1. There is no law enacted so far which requires banning of any activity in regard to asbestos at any stage of mining, manufacture or production. Any such activity wherever being carried out, is in accordance with specified parameters.
2. Every factory manufacturing asbestos based products obtains clearance under the existing Environment Policy and activities are carried in accordance with the law without endangering the life of people.
3. The court observed that this was instituted at the behest of rival industrial group which was interested in banning of the manufacturing of asbestos based product.
4. Asbestos based products are manufactured under the stringent norms of the Environment Protection Act, 1986, and work zone standards under the Factories Act, 1948.

The court also dismissed the petition and imposed penalties on the petitioner.

Unit : Mt

Particulars	2010-11		2009-10		Growth YoY	
	Q4	Annual	Q4	Annual	Q4	Annual
Steel Buildings	5126	19320	5268	18024	-3%	7%

The Steel Building has shown a major improvement in number of projects being set up.

Investment climate has improved and many more projects are being undertaken.

The order book at the end of the quarter stood at 17500 MT, Rs. 140 Crores.

Audited Financial Results for the Quarter and Year Ended 31 March,2011



(Rs. in Lacs)

SL. No.	Particulars	3 months ended	Corresponding 3 months ended in the previous year	Year ended	Previous accounting year ended
		31.03.2011	31.03.2010	31.03.2011 (Audited)	31.03.2010 (Audited)
1.	(a) Net sales / Income from operations	19,743	18,619	72,159	65,253
	(b) Other operating income	39	49	151	160
	Total Income	19,782	18,668	72,310	65,413
2.	Expenditure				
	a) (Increase)/Decrease in stock-in-trade and work in progress	(960)	(382)	(1,398)	(791)
	b) Consumption of raw materials	11,117	10,519	39,441	36,260
	c) Purchase of traded goods	214	179	578	328
	d) Employees costs	1,887	1,577	6,937	6,302
	e) Freight	1,607	1,408	5,714	4,537
	f) Depreciation	478	453	1,890	1,837
	g) Other expenditure	4,139	3,531	13,959	12,180
	Total	18,482	17,285	67,121	60,653
3.	Profit from operations before other income and interest	1,300	1,383	5,189	4,760
4.	Other income	79	361	1,165	803
5.	Profit before interest	1,379	1,744	6,354	5,563
6.	Interest	144	164	539	995
7.	Profit after interest but before exceptional items	1,235	1,580	5,815	4,568
8.	(Gain)/ Loss on derivative transactions	9	31	497	397
9.	Profit before tax	1,226	1,549	5,318	4,171
10.	Tax expense	164	431	1,248	1,170
11.	Profit after tax	1,062	1,118	4,070	3,001
12.	Paid up Equity share capital (face value Rs. 10/-)	1,508	1,482	1,508	1,482
13.	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	19,342	15,888
14.	Basic and diluted EPS	7.04	7.55	27.10	20.28
15.	Public shareholding				
	(a) No. of shares	7,563,704	7,295,178	7,563,704	7,295,178
	(b) Percentage of shareholding	50.14%	49.24%	50.14%	49.24%
16.	Promoters and Promoter Group Shareholding				
	a) Pledged/ encumbered				
	-Number of shares	Nil	Nil	Nil	Nil
	-Percentage of shares (as a % of the total shareholding of promoters and promoter group)	Nil	Nil	Nil	Nil
	-Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil
	b) Non encumbered				
	-Number of shares	7,520,470	7,520,470	7,520,470	7,520,470
	-Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100%	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the Company)	49.86%	50.76%	49.86%	50.76%

		(Rs. in Lacs)			
		3 months ended	Corresponding 3 months ended in the previous year	Year ended	Previous accounting year ended
		31.03.2011	31.03.2010	31.03.2011 (Audited)	31.03.2010 (Audited)
1	Segment revenue				
	a. Building products	14,568	14,991	56,187	52,944
	b. Steel buildings	5,214	3,677	16,123	12,469
	Total	19,782	18,668	72,310	65,413
	Total revenue	19,782	18,668	72,310	65,413
2	Segment results (Profit before tax and interest from each segment)				
	a. Building products	1,750	2,631	7,712	9,022
	b. Steel buildings	456	(123)	586	(816)
	Total	2,206	2,508	8,298	8,206
	Less:				
	i. Interest	144	164	539	995
	ii. Other unallocable expenditure (net of unallocable income)	836	795	2,441	3,040
	Total Profit before Tax	1,226	1,549	5,318	4,171
3	Capital Employed (Segment assets - Segment liabilities)				
	a. Building products	29,306	27,763	29,306	27,763
	b. Steel buildings	4,169	4,273	4,169	4,273
	c. Unallocable	(12,621)	(1,888)	(12,621)	(1,888)
	Total	20,854	30,148	20,854	30,148

NOTES :

- The above financial results have been approved by the Audit Committee and the Board of Directors at their respective meetings held on 29th April, 2011.
- Other income for the year ended 31 March, 2011 includes Rs. 694 lacs being profit on sale of property.
- The previous period figures have been regrouped wherever necessary.
- No investor complaints were outstanding at the beginning of the quarter. One complaint was received and resolved during the quarter ended 31 March, 2011.
- The Board of Directors has recommended a dividend @ 45% (Rs 4.5/- per share) for the Financial Year 2010-11 subject to shareholders approval.

Statement of Assets and Liabilities for Year Ended 31 March,2011



		(Rs. in Lacs)	
Particulars		As at 31.03.2011 (Audited)	As at 31.03.2010 (Audited)
1.	Shareholders' fund		
	a) Share capital	1,508	1,482
	b) Reserves and surplus	19,346	15,888
2.	Loan funds	11,079	11,989
3.	Stockists' deposits	1,190	830
4.	Deferred tax liability (Net)	2,408	2,479
	Total	35,531	32,667
5.	Fixed assets	22,288	22,660
6.	Investments	2	5
7.	Current assets, loans and advances		
	a) Inventories	15,355	12,332
	b) Sundry debtors	3,214	2,319
	c) Cash and bank balances	1,866	1,921
	d) Other current assets	4	3
	e) Loans and advances	5,154	4,476
		25,593	21,050
8.	Less : Current liabilities and provisions		
	a) Current liabilities	10,864	9,637
	b) Provisions	1,488	1,446
		12,352	11,082
9.	Foreign Currency Monetary Item Translation Difference Account	-	34
	Total	35,531	32,667