## Management Discussion

**Amruta Avsare - Company Secretary, Everest Industries Ltd**
To all shareholders and directors. I am Amruta Avsare, Company Secretary. Joining this annual General meeting from head office at Mumbai. I welcome you all to the 93rd Annual General Meeting of the Company. As per Article 59 of the Articles of Association of Company Chairman of the Board will preside this 93rd AGM. I now request Mr. Anant Talalikar, Chairman to please proceed and chair the meeting. Thank you. Over to you, Chairman.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Thank you, Amrita. Good afternoon everyone. As the requisite quorum is present, I call this meeting to order. My warm welcome to all members to this 93rd Annual General Meeting of Everest Industries Ltd. I'm attending this meeting from the Everest Headquarters in Mumbai. At the outset, I would like to thank every one of you for your continued trust, extended patience and support to the company and its management team. We are holding this AGM by video conferencing this year as well in compliance with Companies Act 2013 listing regulations and circulars issued by the Ministry of Corporate affairs and sebi.

While I agree that video conferencing does compromise the pleasure of meeting all of you in person, it does provide an opportunity to far more shareholders to participate in this agm. The company has taken the requisite steps to enable members to participate and vote on the items being considered at this agm. Members may note that this AGM is being held through a video conferencing platform provided by nsdl. The facility for joining this meeting through video conferencing has been made available for members on a first come first serve basis.

The statutory registers and other documents referred to in the notice of this AGM have been made available electronically for inspection for the members during the agm. All the members joining this meeting are by default placed on mute mode to avoid any background noise and to ensure smooth and seamless conduct of this meeting. Members are requested to refer to the instructions provided in the notice for seamless participation through video conferencing during the meeting. If the members face any technical issues, please call the NSDL helpline which has been mentioned in the notice of this agm.

Before we start the main proceedings of the meeting, I will now call on each director by name to introduce themselves along with their designation role on any committee and their current location. Ms. Padmani Saxeria.

**Padmini Sekhsaria - Vice Chairperson and Non Executive Director, Everest Industries Ltd**
Good afternoon everyone. I'm Padmini 6 area Vice Chairperson and non Executive Director of Everest Industries. I'm attending this meeting from Hua Hin. Thank you.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Mr. Rajendra Chitri. Please. You're on mute, Rajendra.

**Rajendra Chitale - Independent Director, Everest Industries Ltd**
Good afternoon everyone. I'm Rajendra Chitle. I'm an independent director on the board of Everest and the chairman of the Audit committee. I'm attending this meeting from Mumbai.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Thank you, Mr. Alok Nanda.

**Alok Nanda - Independent Director, Everest Industries Ltd**
Good afternoon. I'm Alok Nanda, Independent Director at Everest Industries Ltd. And chairman of the Stakeholders Relationship Committee. I'm attending this meeting for my residence in Mumbai.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Thank you. Mr. Ashok Kumar Bharat.

**Ashok Kumar Barat - Independent Director, Everest Industries Ltd**
Good afternoon shareholders. I'm Ashok Kumar Bharat, Independent director and Chairman of the NRC of Everest. I'm joining this meeting from Kolkata.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Thank you Ms. M.

**Vijay Rajinkia - Independent Director, Everest Industries Ltd**
Everyone, respected shareholders and directors. I'm Vijay Rajinkia, joining from my office in Mumbai and I'm an independent director on the board. Thank you.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Thank you, Mr. Heman Khurana.

**Hemant Khurana - Managing Director and Chief Executive Officer, Everest Industries Ltd**
Good afternoon shareholders and everyone. This is Hemant Khurana. I'm the Managing Director and CEO of the company. I am joining this meeting through video conferencing from my Mumbai office.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Thank you. Now I request the CFO of the company to introduce himself and declare his current location.

**Rajesh Gagrani - Chief Financial Officer, Everest Industries Ltd**
Yeah. Good afternoon shareholders and everyone. I am Rajesh Gagrani, CFO of the company. I am attending this meeting from Mumbai locations.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Thank you Rajesh. Thank

**Rajesh Gagrani - Chief Financial Officer, Everest Industries Ltd**
you.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Apart from the Directors, Mr. Vinayak Pujare, Partner of SRBC and Company LLP Statutory Auditors and Ms. Jigyasa Ved, Partner of Parikh and Associates Scrutinizer and Secretarial auditors are attending this meeting through video conferencing. As you are aware, SRBC has concluded a great 10 year partnership with us. They have clearly made Everest stronger. And I would like to express my gratitude to Vinayak and team for their important contribution. Thank you Vinayak. Now I would like to update the shareholders about the health of the company at the outset.

Dear shareholders, I personally want to fully acknowledge that I and the management team have let you shareholders down now for two fiscal years. This pains me deeply personally as it has dented an impeccable track record at Cummins for over 30 years. I am fully committed to turning Everest

around dramatically. And I want to assure you that behind the scenes we have already taken very significant actions to turn the company situation around. The turnaround has been manifest in numbers from October 2025 onwards, which is the second half of fiscal year 26.

So while on the surface the company's annual P L looks very concerning, it is in part because we decided to take a very conservative approach of provisioning for doubtful debts, recognizing potential inventory obsolescence and acknowledging the accruals needed for changes in the labor codes. These were extraordinary and one time factors. But underlying These the operational and therefore financial performance of the company has dramatically improved in the second half of fiscal year 26 as compared to the first half.

The company's variable margin improved by 3.6 points in the second half as compared to the first half. The company's gross margin improved by 1.7 points in the second half as compared to the first. The company's sales and general administrative expenses were reduced by almost 10 crores in the second half as compared to the first half. Most importantly, while the company's free cash flow after capex was 29 crores in the first half, we improved it to 127 crores in the second half not counting any one time non operational factors.

Purely operational free cash flow in the second half of fiscal year 26 was 127 crores. I also want to assure you that this is not just a short term phenomenon. It is based on very strategically identifying seven must win battles comprising of quality as the first priority, followed by service, then price, value added, sales, cost, productivity and finally volume. These must win battles are being supported by nine standardized and consistent ways of working or vows as we are calling it internally for improving our operational excellence and continuous improvement.

The vows include Care for Safety, Health, Environment, Six Sigma, Vector Flow, Sales efficiency and effectiveness, Preventive Maintenance, Customer insights and Loyalty, Partnerships and Alliances, digitization and employee engaged CSR work. I believe that fundamentally any company's success rests on the strength of three pillars. First its leadership team that is the most important, the people pillar, second processes and third systems Information systems for automation. Everest has substantially strengthened and new leadership team in place now.

It has embraced Six Sigma and Vectors theory of constraints based supply chain management processes. It has invested in world class systems such as SAP Hana for its ERP, Darwin Box for its HRMs, Zoho for its CRM and it is rapidly building digital apps to enhance both employee productivity as well as customer engagement. In other words, all three pillars are stronger than they have ever been. The Q1 fiscal year 27 numbers that you are now exposed to prove what I am saying in a very data based way.

Dear shareholders, in Q1 fiscal year 27 the variable margin has increased by 7 points as compared to fiscal year 26. The gross margin has improved by 10 points in Q1 versus fiscal year 26 SGA sales, general administrative expenses which was at 9% of revenue as compared to 13% last year. This is a 4 point improvement. The PBIT was 34 crores in the quarter. You would have to look back at almost 27 quarters to come up with a number anywhere close to this one. And in fact 34 crores in the first quarter compares to minus 76 crores in fiscal year 26.

The DSO, which is a reflection of our receivables was 25 days in Q1 as compared to 36 days in fiscal year 26. This fact is largely related to our ESBs or PB business where receivables tend to sometimes get extended. But you can see we brought it down substantially. The days in hand, which is the inventory, was 91 days as compared to 140 days in fiscal year 26. The free cash flow in Q1 was very strong at 117 crores. And dear shareholders, this 117 crores is purely operational does not include the

approximately 100 crores cash inflow which we achieved by selling the excess land in Pudunur.

This 117cr in the quarter compares to 99crores in the entire fiscal year 26. The Q1 ROCE, which I know you're very concerned about was 18 and a half percent which is a very very respectable number. I hope you agree. I also want to clearly point out that every one of our three businesses has improved its profitability even despite some declines in revenue in Q1 as compared to the same quarter one year ago. In fact, the ESBS sales in the quarter were 33% below the same quarter last year. And yet the free cash flow of that business in Q1 fiscal year 27 was 17 crores positive as compared to minus 15 crores negative in fiscal year 26.

This is, this is a swing of over 30 crores same quarter last year. This just proves that even the ESBS business is far stronger now, even on lower revenues. And now as we grow the ESBS revenues because we feel we have earned it, it will further strengthen EIL's profitability and your shareholders. This is just the beginning of the turnaround. I am very confident that the company will now only grow from strength to strength across all three businesses and that fiscal year 2627 will be a year that you will all be proud of.

We are very fortunate as a company to be placed in a leadership position over the last 93 years in a growing building materials industry space. We have a great leadership team, we have a great strategy, we have far stronger processes and systems, we have differentiated offerings. We fully intend to leverage this favorable situation this year to provide you with superior financial results. And I sincerely want to thank you for your patience and your support. So I hope I have covered the health of the Company.

Now please allow me to come to the remaining procedural aspects of the meeting. The notice of the 93rd AGM along with the copies of the audited standalone and consolidated financial statements for the year ended 31 March 2026, along with the Board and Auditors Reports have been emailed within the statutory period to all those shareholders whose email addresses were registered with the Company or mcs, which is our Registrar, or to the Depository participants as of July 3, 2026. Please note, there are no qualifications, no reservations, no adverse comments or disclaimers in either the Statutory Auditors reports on the stand audited standalone as well as consolidated financial statements of the Company for the Fiscal year ended 31st March 2026 as well as the Secretarial Audit Report for the same year.

The Statutory Auditors Report on the audited standalone financial Statements and Consolidated Financial Statements are available on pages 168 and 243 of the Annual Report respectively. The Secretarial Audit Auditor Report is enclosed in Annexure 4 to the board's report on page number 99. With the permission of the Members, I take the Statutory Auditor's Reports as read as the notice of the 93rd AGM has already been circulated to all Members. With the permission of the Members, I take the notice convening the meeting also as read.

Before we proceed further, I wish to bring to your notice that the Company has provided a remote E voting facility to all members through the NSDL platform. The remote E voting facility was made available from Thursday, July 30 at 9am to Sunday, August 2 till 5pm Members, however, who are unable to cast their vote electronically through this remote e voting facility and who are attending this AGM still have an opportunity to cast your vote during this meeting through the E voting system provided by NSTL.

This voting facility will remain open for 15 minutes after I close this meeting. Members are requested to refer the Notice of the AGM for evoting details. I will now read the resolutions that are included in the Notice of the AGM which were put up for remote evoting and for the evoting soon after the AGM

today there are four items under the Ordinary Business and seven items under Special Business as follows. Item Number one Adoption of the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2026.

These audited standalone financial statements of the Company, including the reports of the Board of Directors and Auditors thereon and the Audited Consolidated Financial statements of the Company for the financial year ended 31 March 2026, including the report of the auditors thereon have been provided to the Members and this resolution is placed for adoption of the same. Item number two, Declaration of the final dividend. This resolution is placed for the declaration of the final dividend of Rupees 1 per equity share of face value of Rupees 10 per equity share each for the financial year ended 31st March 2026.

Item number 3. Appointment of Ms. Padmini 6 area as Director who is liable to retire by rotation every two years and being eligible has offered herself for reappointment. Ms. Saxeria is retiring by rotation and resolution is placed for the appointment of her as director, liable to retire by rotation and being eligible offered herself for reappointment. Item number four. Appointment of Messrs. Price Waterhouse Chartered Accountants LLB Chartered Accountants as statutory auditors of the Company. Dear shareholders, after evaluating the profile, experience and expertise of almost 10 firms, the audit Committee and subsequently the Board have selected and are recommending the appointment of Messes pricewaterhouse Chartered Accountants LLP to hold the office as the statutory auditors of the Company from the conclusion of this 93rd AGM until the conclusion of the 98th AGM of the company to be held in the year 2031.

The resolution for appointment of Mess Masses Price Waterhouse Chartered Accountants LLP Chartered Accountants as statutory auditors of the Company is thus placed for approval of our members. The members are requested to refer to the explanatory statements for the details on item number four of the notice. I would now like to take up items 6 through 12 of the notice. But before I take these items up, allow me to set the context particularly for item 6 through 10. Dear shareholders, we have a very eminent set of board members who all of you recognize they are also on other company boards of very large and eminent companies.

Everest is actually very fortunate to have their guidance and attention. I am certainly very grateful to each one of them. They have all been very gracious to keep their commissions unchanged. And therefore this is what we are recommending in items 6 through 9 that there is no change in their remuneration. Item number six, approval for the payment of remuneration to Mr. Rajendra Chitra, non executive Independent Director for the company for financial year 2025 26. Item number seven, approval for the payment of remuneration to Mr.

Alok Nanda, non executive Independent Director of the company for fiscal year 25 2026. Item number eight, approval for the payment of remuneration to Mr. Ashok Kumar Bharat, non executive Independent Director of the Company for fiscal year 2526. Item number nine, approval for the payment of remuneration to Ms. Vijal Ajinkia, non Executive Independent Director of the Company for the fiscal year 2526. Item number 10, approval for the payment of commission to the non executive directors of the Company for a period of five years with effect from April 1, 2026.

No change in the remuneration. The text of the aforesaid resolutions along with the explanatory statement is provided in the notice circulated to the members for the aforesaid items. Members are requested to refer to the explanatory statement for details on these items. I will now take up item 12. Please note. I will now take up item 12 of the AGM notice. Item number 12 is Ratification of remuneration of Messrs. R. Nana Bhai and Co. Cost auditors for the financial year March 31, 2027. At

no change to the remuneration, the members are requested to refer to the explanatory statement for the details on item number 12 of the notice.

Since I am an interested party in item 5 and item 11 of the AGM notice, I request Ms. Padmini Saxeria, Vice Chairperson to chair the meeting for these two items. Please Padmeni, take the meeting over.

**Padmini Sekhsaria - Vice Chairperson and Non Executive Director, Everest Industries Ltd**
Thank you. I'll now take up the resolution stated in items number 5 and item number 11 of the notice. Item number 5. This is pertaining to the approval for the payment of remuneration to Mr. Ananta Raulikar, non Executive Independent Chairman of the Company for the financial year 2526. The members are requested to refer to the explanatory statements for the details on item number five of the notice. I'd also like to take up item number 11 of the notice. Item number 11 pertains to the approval for the payment of Commission to Mr.

Ananta Lalrika, Non Executive Independent Chairman for FY 2627. The members are requested to refer to the explanatory statements for the details on item number 11 of the notice. I now request Mr. Nandala Vikar to please resume with her.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Thank you so much. Before I now begin with the question and answer session with speakers, let me quickly take you through the protocol. During the question answer session, the name of the registered speaker shareholder will be announced by me one by one. After each name that I call out, the speaker shareholder will be unmuted by the host Speaker. Shareholders are requested to click the video button which appears at the bottom of their screen before they start speaking. If a Speaker shareholder is unable to join through video mode for any reason, then he or she can speak through audio.

If there is a connectivity problem at the speaker's end, then we would ask the next speaker to join once the connectivity issue improves. The speaker with the connectivity challenge will be called once again by me to speak after all the registered speaker shareholders have completed their questions. Please note that six members have registered as speakers at the meeting pursuant to the requests and I will now be taking questions from them one by one. I request the speaker shareholders to please limit their questions or comments to 3 minutes or less to respect the audience's time.

It may be noted that the company reserves the right to restrict the number of questions as appropriate for the smooth conduct of the agm. To avoid repetition, I will answer all the questions asked by all the speaker members only at the very end. So with that let us begin with the questions and answers. I now request Mr. Anil Parikh to unmute himself and proceed with his questions.

## Questions & Answers

**Anil Parikh - Unidentified Participant**
Hi Chairman sir, how are you? Mr. Tala Likar. It's nice to see you again in this AGM and I'm very old shareholder Chairman sir, it gives me immense pleasure to be in the meeting of Everest Industries every year and the way companies heading for it's a better and better performance every year and also rewarding shareholders with good dividend. I'm very much pleased that company is taking care of minority shareholder and Chairman Sir. I have no questions to ask you anything since it is given very well in the annual report.

I am thankful to our CS team for extending all current kind of support to me whenever we need from them. And I am also thank thankful to Rohit and Amruta for timely help in attending this meeting. Chairman Sir, I hope to see you next year in physical meeting. I remember before COVID we met in physical meeting in Nasik and sir, I urge you, I urge you please have a physical meeting. Since this seems to be just a formality that what are what we are doing, seeing and meeting each other is a very good conception and I hope you will take care of that part.

Also thankful. I'm thanking you sir for allowing me to speak and the best of luck for all. The festivities in coming and coming year should be more fruitful for our company and shareholders. Thank you very much sir.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Thank you Mr. Parikh. You are only too kind. I would have been far more frustrated if I were in your shoes. But yes, I do look forward to meeting you in person. You will definitely gather more feedback. As I explained, you know, having this kind of a forum allows more People to participate from even outside. But we will definitely consider your request. Thank you. Now I request Mr. Sujan. Sujan Vora. Sorry. To unmute himself and proceed with your questions.

**Unidentified Participant**
The speaker shareholder with the said name is not connected in the meeting. You can move to next speaker shareholder, sir.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Okay. So that is the case. I would request Mr. Madri Vishal Bajaj to unmute himself and proceed with his questions. Mr. Badri Vishal Bajaj,

**Unidentified Participant**
the request sent to you. Kindly accept the request and mutance ask your question.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Okay. Maybe he's run into some technical issues. We can come back to him. So with that I will request Mr. Anil Mehta to unmute himself and proceed with his questions. Mr. Mehta,

**Unidentified Participant**
the speaker showed up with the said name is not connected in the meeting. You can move to mix speaker shareholder, sir.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Okay. Okay. Fine. I then request Mr. Vaibhav Bharatiya to unmute yourself and proceed with your questions.

**Vaibhav Bharatiya - Unidentified Participant**
Hello.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Yes. Yes.

**Vaibhav Bharatiya - Unidentified Participant**
Yes. Good afternoon everyone. Thank you for giving me this opportunity to speak at this platform. I had already sent in my questions via email, sir. If it's there in front of you, I'll skip reading it.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Yeah, yeah, yeah, yeah. I've received the questions. Yes, yes. Yeah. So just

**Vaibhav Bharatiya - Unidentified Participant**
a request from my side, sir. If you could answer these questions point by point as it is given in the questions list. So it will be really helpful for me.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Yes.

**Vaibhav Bharatiya - Unidentified Participant**
Looking forward to your answers. Yes, I'll.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
I'll definitely. I assure you I'll answer every question. Thank you. Yeah. Okay. I now request Mr. Yusuf Rangwala to unmute himself and proceed with your questions.

**Unidentified Participant**
The request sent to you. Kindly unmute and speak, sir. Ask.

**Yusuf Rangwala - Unidentified Participant**
Very good afternoon, sir.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Clear. Clear.

**Yusuf Rangwala - Unidentified Participant**
Speech was very good and I'm very happy. We had the fantastic speech and all the knowledgeable people are sitting s on the board, sir. My best wishes. If possible can you arrange a factory, Sir? This is my humble request, sir. Thank you very much, sir. Thank you, sir. Jain, sir.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Thank you. Jind. Yes. Factory visit request. Thank you. So let me move back to perhaps. Let's see. Mr. Sujan Modak, was he there? Has he overcome the technical issues by any chance?

**Amruta Avsare - Company Secretary, Everest Industries Ltd**
So we are just checking on Badri Vishal because he is. He's attending,

**Unidentified Participant**
sir. Request sent to you. Kindly accept the request and ask your question, sir.

**Anant Talaulicar - Chairman, Everest Industries Ltd**
Okay. Okay. Of course you're Mr. Baja. You're most welcome to contact us separately. We will respond to your questions. So in the interest of time now I will move to answer the questions that we already have on on record. So I'll start first with Mr. Baratia's questions. So his question was what are the three important strategic changes Mr. Hemant would like to implement in the company? I will answer on his behalf. Essentially, you know, I'll summarize it actually as two key things. One is to place a higher emphasis even above volume on profitability by exercising those must win battles that I spoke about earlier which is the levels of quality, service, value added, pricing, cost, productivity.

And then the second is the focus on these consistent ways of working. The nine that I talked about which is the ehs, you know, safety six sigma, the vector theory of constraint based method of flowing material and information simultaneously across the value chain. Sales efficiency and effectiveness, customer insights and loyalty, partnerships and alliances and digitization. We've also added the CSR with employee engagement. So this, this is really the kind of, I would say a change that Mr. Himant is driving very vigorously and successfully as the numbers have proved to you.

Now the second question was given that the company has not made good margins in previous PEB over a long period of time, not just fiscal year 26, is there a long term plan to exit from this business? My answer is an emphatic no. We have no intention of exiting this business. Actually PEB is a very attractive industry with very high growth and also the ability to differentiate by managing complex project execution. Well, as you can imagine, these are high capex items for any company and when a vendor does it well, they don't look at L1 as the mechanism.

They trust the vendor and give them repeat projects. Everest has also earned some repeat projects already and this will grow in time. So our focus is not to exit. We are in fact focused on improving our execution capabilities, make them seamless and it is a core part of our business. Now the next question was company has incurred a loss of 55 crores in the steel building segment which is PB, even before exceptional items. What are the fundamental reasons for these losses? I can assure you that the only reason for the loss is poor execution of the projects that we took on which resulted in poor project margins.

And when we don't execute well, the receivables get stuck, inventories grow. So there's all kinds of issues that happen when projects are not executed in a proper manner. Our ability to win projects was also hampered by management now focused on building strong execution capabilities. And this is what Hemant and team have been working on and you're seeing the benefits of that in the bottom line. But that has resulted in us having to focus on that versus growing the business. Rightfully, but now we are well poised to grow the business profitably.

And so I do want to point out that despite the PNL loss that you have talked about, the business generated 9 crores of free cash flow in the fiscal year. And more important factor is that in the second half of the last fiscal year that free cash flow was 21 crores. So it's a dramatic improvement from the first half to the second half. And I've already quoted the numbers for the first quarter of this fiscal year and you can see continuous improvement. So I want to reassure you that this is a actually an attractive business as long as we execute well.

Now the fourth question was do we have fixed price contracts with customers in this business leading to losses in case of increase in steel prices? Well, currently I would say about half of the business is on fixed price contracts. The other half is based on commodity change based pricing. But please recall or I should, I want to assure you the margin that we charge on fixed price contracts is higher. This is to cover the risk in case of commodity increases. Now we have to sometimes take fixed price contracts because of competitive factors in the marketplace.

So that will never become zero. But going forward, our strategies to take this 50:50 split to about 20% on the fixed fixed price and the rest on commodity based pass through contracts. Now there was the next question. It was related to roofing. Can you please tell us, based on current pricing in southern India, what is the cost of asbestos roof and what is the cost of steel roofs to cover an equal amount of roofing area? It is dramatically different. Approximately, you know, in square foot basis, about 20, 22 rupees per square foot for our product versus almost twice that, 45 to 50 rupees per square foot for metal roofs.

Plus our product has significant advantages in terms of being far cooler, which is important as you can understand in a geography like South India or India for that matter, far quieter and no corrosion issues. The customers are now starting to figure this out and the tide is turning. Question number six. Given slow growth, low industry capacity utilization and pressure on raw materials due to INR depreciation, do you see margin pressures in this division? The roofing is what he's talking about to continue in fiscal year 27.

Well, we definitely see some headwinds like you have described, but I want to assure you there are also tailwinds such as selling more value added products such as Evercool, which has much better margins and reducing the cost and waste internally. So our task to be fair to all of you is to deliver Superior margins despite any external risks. That is the job of a good management team on boards and panels. Question number seven. Would it be correct to say that boards and panels are largely used in commercial real estate and adoption in residential market is very low?

If yes, explain why. You are right. The adoption in the residential market is currently low which is different from developed countries. If you go to the us, if you go to Europe, even in the residential markets, customers prefer our kind of product, the fcb, mainly in India. This is due to historical availability of other alternatives and also some bad taste that has been left in customers mouths because of poor execution and poor designs. There are alternative categories as you're aware of livewood, ACP, stone bricks, etc.

Now Everest was the first company to introduce this kind of a technology in the mid-90s and has made, you know, good efforts to grow this category, but not good enough. We believe that with the right marketing efforts of raising awareness of the clear incremental benefits that FCB provides, this category is poised for very significant growth in adoption in India, even in the residential segment over time. Question number eight. In spite of large plywood market, both boards and panels have not gained significant market share from plywood market.

Why is it the case and how can it be changed? This can be as I said, changed by more effective marketing communications to both end users but even more importantly to the influencers such as architects and contractors. Because as you well know, most of us are not experts in these areas and we rely on on contractors and architects to recommend the right product. So as you are aware, FCB is far superior. Why compared to plywood, far safer. FCB is fire resistant. Plywood is not. It's a dangerous item to use in a home or anywhere.

It withstands water and moisture which plywood does not. Plywood rots and this is completely immune to termites which plywood is not. It also lasts far longer. The durability of FCB there is no comparison. Whereas plywood requires frequent painting sealing. But see the task that we have to take up is convincing and through better marketing. And this is where I think Hemant and team bring now that superior value add to Everest. I will now turn my attention to some questions that we received. They are not present here but they were requested that we answer those questions.

So the first question was the chairman, that is me acknowledged in fiscal year 2526 was the second consecutive disappointing year. What are the three measurable financial outcomes the board expects to achieve in this fiscal year that will demonstrate the turnaround is genuinely working. Now I demonstrated those numbers to you for the first quarter, but these apply to the rest of the year. The three are consistent free cash flow generation which is positive first quartile ROC performance in our industry and revenue growth.

So please hold us accountable for these if fiscal year 2627 does not deliver a meaningful improvement in profitability, ROCE and shareholder returns, what accountability mechanisms exist

for the Managing Director, the leadership team, the board? Well, the manage the MD's total compensation's largest component. The largest component of the MD's total compensation is variable, which is entirely linked to the three measures I've identified above at a company level. Plus he gets significant ESOPs. So the share price is very important to the MD personally put together the variable and the ESOPs are the largest component of his compensation.

In addition, this job of course is at risk if he fails to deliver. This is the case with any md. As you know, the same is true for the leadership team. The promoters have a great, far greater need to ensure the company's turnaround as compared to any shareholder. And I'm clear that shareholders will not vote for me continuing in the company if the company does not turn around. And I would also prefer that someone more capable step into my role Question the next question was what specific actions is management taking to improve ROCE cash generation, profitability and by when does the board expect returns to exceed the company's cost of capital?

Again, I think our cost of capital is far below the first quarter performance at 18 and a half percent ROCE. I've already mentioned the steps that have been taken since October of 2025 and which are continuing to be consistently executed as a result. As I've pointed out, the variable margin has strengthened, the gross margin has strengthened, the SGNA has been reduced, FCF has been generated very, very strongly and Q1 27 as I mentioned, has been the best quarter over the last 27 quarters. The RoC, also at 18 and a half, has far exceeded the company's cost of capital after two consecutive quarters of underperformance.

Why should shareholders remain confident that the current board, leadership team and strategy are the right combination to deliver long term value creation over three to five years. So as I said, at the end of the day the numbers need to speak for themselves. I don't want to be talking. That is why, despite some of your requests, I refuse to engage publicly all the time with investors because I want our numbers and performance to speak for itself. Of course we are available for those of you who reach out to us, but I don't want to hype these kind of things, we'd rather quietly go about execute to deliver superior results to you.

Since October 25th when we launched the turnaround plan, we have seen consistent month on month improvements in the key metrics that I talked about. Variable manufacturing cost, fixed manufacturing cost, Gross margin, SGA levels, Inventory turns, DSO free cash flow. This recovery is not a one off. You can hold us accountable for that. It is a comprehensive set of initiatives to address the root issues of the malaise, including changing the top leadership team using Six Sigma Vector to strengthen processes and leveraging our world class systems.

Along with digitization, the company has monetized surplus land and withdrew approved CAPEX projects in Andhra Pradesh and Assam. Has the Board fundamentally changed its capital allocation philosophy and how does it now intend to deploy capital to maximize long term shareholder value? If Andhra Pradesh and Assam projects were approved after detailed evaluation but have been withdrawn, what changed so significantly that they no longer meet investment criteria? What management time and cost were incurred and what lessons has the Board learned to strengthen future capital allocation decisions?

Let me clarify. There is absolutely no change in the Board's capital allocation strategy or appetite to invest in all three businesses in various degrees. It is only a question of timing. We decided that it is more important to execute the turnaround at this point and strengthen the execution capabilities within the company then earn the way to make significant capital investments in new plants. In the case of Boards, we will definitely be investing in an additional plant capacity once our latest plant

Mysore gets fully utilized and it is likely to be closer.

That new plant is likely to be closer to urban areas where the demand growth for our boards is most significant, not in the rural areas. In the case of PEB also, we definitely intend to invest in incremental plant capacity in the south where we do not currently have a presence close to where the industrial and warehouse demand growth is the highest rather than poor CAPEX now in Andhra Pradesh and Assam which would have only caused more distraction to our management team at this point and result in further lowering the company's roce.

The Board felt this approach is far more prudent and protecting shareholder interests. Item number six. The next question was the Assam project inside Everest Build Pro, the same subsidiary that just absorbed a 28.7 crore impairment and carries 140 crore parent guarantee plus 112.93 crore uncalled liability on partly paid shares. Is this subsidiary structurally viable or is the Board deferring a larger write down in future? Please let me clarify. We are ramping up on the plant capacity at Mysore and the sales from this plant are growing consistently quarter on quarter.

We expect to achieve 80 to 85% capacity utilization by the end of this fiscal year. We expect to achieve positive EBITDA and positive free cash flow this fiscal year and positive PBIT next fiscal year. We also are looking for new products to launch in this plant which have a better margin and therefore will get a faster payback. The Annual Report the next question is the Annual report introduces the Annual report introduces initiatives such as Must Win Battles, Ways of Working and Solution Selling.

Could the board identify three to five measurable KPIs that shareholders can track next year to objectively assess whether these initiatives are delivering results? How has the first quarter been as compared to the industry in the all lines of business? So as I said, free cash flow. Please measure that. It's public information. Pbit, ROCE and Revenue Growth this is what I would recommend you judge us on as other companies release their results. Because we are one of the first in the industry to release.

You can judge for yourself how we are doing versus the best competitors. The next question was the pre engineered buildings business experienced a significant decline during fiscal year 2526. What milestones and timelines has the Board established for restoring sustainable growth and profitability in this business? Is this business still viable or is there a need to sell it considering also land? This is kind of a repeat question, but let me just say that we took a pause in revenue growth to address all the execution issues in the business including people, processes and systems.

We have engaged with Vector Consulting on a theory of constraints based approach to turn the business around since December of 25. So we've been already at it for six months and we are gaining more and more traction by the day. We are seeing tangible improvements since the second half. Q1 segment results were very encouraging. Reported those despite revenue reducing approximately 33 odd percent. As you saw, we generated a much better free cash flow as compared to the same period last year and there were no causes.

Let me clarify, there were in this first quarter no requirement for any provisions either for receivables or inventory. You should now expect to see steady improvement in the top line and bottom line. As I said earlier, we see this as an attractive industry and an integral part of our core business. We have no desire to sell this business. The company recognizes provisions of course. I mean the only exception to that would be someone just gives us boatloads of money. You know, then we'll always consider that.

But there is no plan to jettison the business. The company recognized provisions related to obsolete inventory and doubtful debts during the year. Were these primarily driven by external market conditions or by shortcomings and forecasting and execution? And what structural improvements have been implemented documented to prevent the recurrence? The provisions were entirely due to our poor planning and execution. We take the accountability for that. Shame on us. We have engaged, as I said, with Vector consulting since the last two quarters and are reinstituting very robust processes or planning and theory of constraints based execution that are based on executing full kids or full block if you recognize that term in the industry.

That is what we are doing right now. It is being supplemented by a project management software also named Vector Pro which gives us a clear dashboard of the status of every project across its value chain, whether it is in engineering, whether it is in manufacturing, procurement. All this is now visible. We have instituted a rigorous cadence of cross functional internal project reviews with the ESBS head. Hemant himself gets involved in those and weekly interactions. Let me repeat weekly interactions with every customer to keep them updated very transparently on project progress and understanding and responding appropriately to any changes in their requirements in an agile manner the company has experienced changes in majority of senior leadership positions.

Could the Board share its assessment of leadership stability today? Explain the reasons for these changes at a high level? What is the Board's assessment of capability of the leadership to deliver results in this year and what actions will be taken in case we see another similar year? As you've seen already, it's not another similar year. Q1 is dramatically different from the past. The top leadership changes. Let me clarify that power top leadership changes we made are over. We are done with those.

The new team is firing on all cylinders very strongly. I am delighted to inform you that they are working with each other very collaboratively and they place their egos at the doorstep of Everest when they enter the walls of the inside of Everest. I have already informed you about the accountability structure the Board is committed to. Next question is how does the Board evaluate the performance of the MD and senior leadership? Which financial, operational and strategic KPIs determine whether the management has successfully created long term shareholder value and will these be disclosed to shareholders?

Of course. We are a very transparent company. As you know, all employees from MD onwards are held accountable to behave in line with our core values of REI respect, excellence and integrity. This now carries as of this fiscal year a 20 weight in everyone's work plans. This was not the case in the past. We have introduced it now quantitatively. Hemant is on a three year variable plan which you are aware of this has been publicly disclosed which has a 50% weight on revenue growth and than 50% weight to ROCE.

In addition, he gets significant ESOPs every year. For the rest of the senior management team, the variable compensation can be as much as 25% of their total count for each CXO as well as one level down. In that scheme, 50% of that variable is based on revenue growth and 50% is based on free cash flow. We want those senior people to focus on generating free cash flow, not just ebitda, not just pbit because this is what will ensure the ROCE performance for all of you. As you go down the organization, the fixed component grows to 90%, variable reduces to 10%.

So at the top level more of the variable is tied to company level performance and as you go down it gets tied to business unit level performance or function level performance. All of these measures of course are completely visible to shareholders. We have nothing to hide. The next question is the

company repeatedly highlights people and culture as strategic priorities. Does the board monitor employee engagement, leadership effectiveness and regrettable attrition of critical talent? If so, what trends has it observed over the past two years and what actions are being taken to strengthen organizational capability?

So I would say I had I had personally facilitated a high performance teamwork intervention with the earlier CXO team which helped to a certain extent. This included psychometric assessments as well as 360 degree feedback surveys on each CxO. After they completed one year with the company. We now now that the new team is in place, we plan to reinstitute this high performance teamwork intervention with our new leadership team this fiscal year for the next two levels of the organization. We have a very deep leadership intervention which involves rational emotive behavioral therapy as well as 360 degree feedback.

It involves three two day workshops every two three months with practices to do in between. We have already taken two batches of 25 people per batch through it and seen very very strong results of improvement in these leaders who have stayed with us. We plan to fan this intervention out further this year we are also doing a first time manager program and we intend to improve it going forward. This year we have an annual REI or Respect Excellence Integrity Awards function which we just concluded last week in the presence of Padmini and and me along with of course the top 50 leaders of the company.

This year we recognized 100 employees, including shop floor employees in this forum for great behaviors in line with our core values. In terms of attrition, we are not proud of it. The trend has been downwards. So it is concerning. But a part of it is because we consciously also asked many people to leave given their performance and non alignment with our values. And also when you as you will appreciate when you have changes at the top, people get nervous. Plus when the performance of the company is not good, people do get nervous.

And yes, we've had a lot of undesired attrition also. But I'm very confident now that things are turning around, this picture will also turn around and we are of course keeping very close track of it. And we will also report these numbers to you at the end of the next time we meet. So I would say these were all the questions that we have received. So with that I will now move to the rest of the procedural items of the 93rd. I do hope that I have answered the questions in a reasonable and transparent manner.

Okay. Members may note that the voting on the NSDL platform, as I mentioned earlier, will continue to be available for the next 15 minutes after I close the meeting. Therefore, members who have not yet cast their votes are requested to please do so. Ms. Jigyasa Ved, the partner for Parik and Associates Practicing Company Secretary, is the scrutinizer for this E voting process. The combined result of the earlier remote E voting which was held last week and AGME voting will be uploaded along with the scrutinizers report on the company website as well as on bse, NSE and NSDL websites within two working days from the conclusion of this agm.

The resolutions as set forth in the notice shall be deemed to be passed today subject to the receipt of the requisite number of votes. I once again sincerely thank all the shareholders for participating in this meeting and look forward to your continued support to the company. I also thank sincerely my colleagues, the directors on the board, particularly also the management team that has worked very, very hard and diligently to support your best interests, the employees of the company, the customers, business partners and government for their continued support.

I also thank our statutory auditors, the secretarial auditors, the register transfer agents, the

scrutinizer, NSDL and the entire Everest team who have contributed to making this AGM a smooth one, including the Company secretary and team. Let me remind you that the voting, the E voting, will remain again open now for the next 15 minutes. The shareholders who have not yet voted, please do so if you wish. I hereby declare the proceedings as closed and everyone may log off. Best regards to you and thank you.