



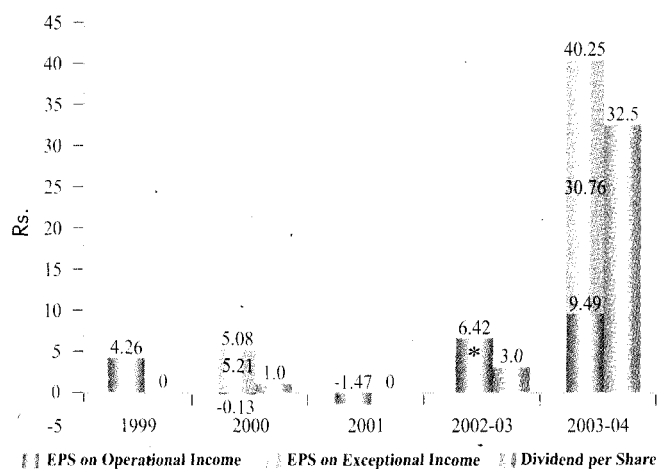
71st Annual Report

2003-04

ANNUAL REPORT
Aiming High...

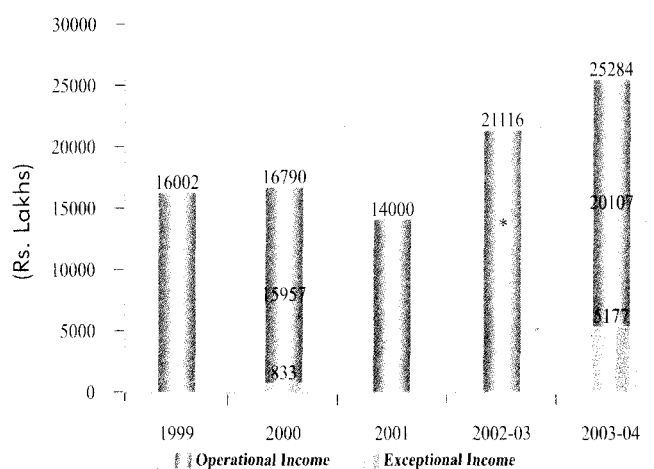
PERFORMANCE AT A GLANCE

Earning per Share (EPS) & Dividend



* For 15 month period

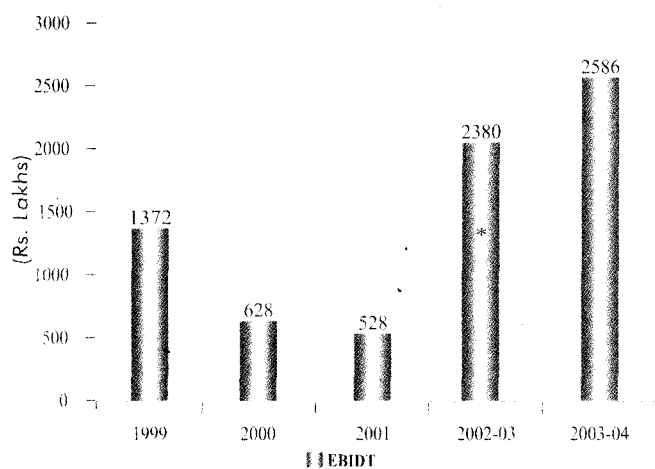
Total Income



* For 15 month period

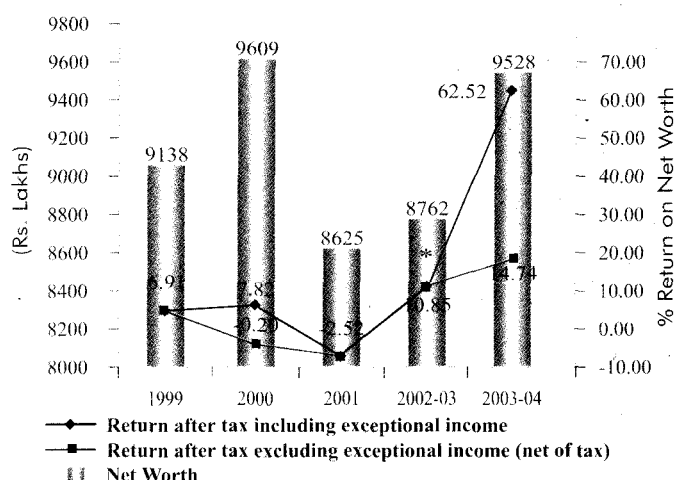
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Earning Before Interest, Depreciation & Tax (EBIT) excluding exceptional income



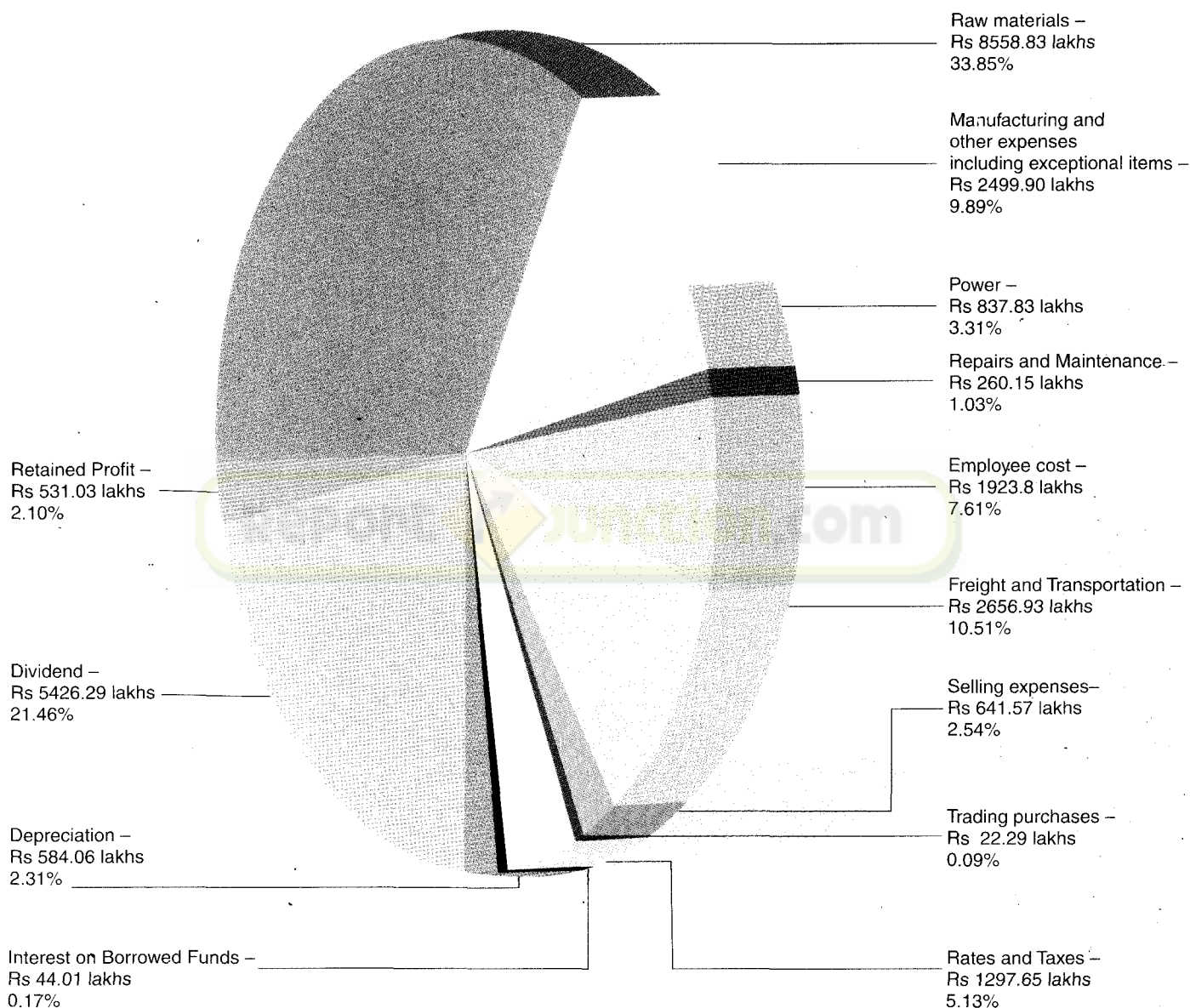
* For 15 month period

Net Worth and Return on Net Worth



* For 15 month period

HOW EACH RUPEE EARNED HAS BEEN SPENT DURING 2003-04

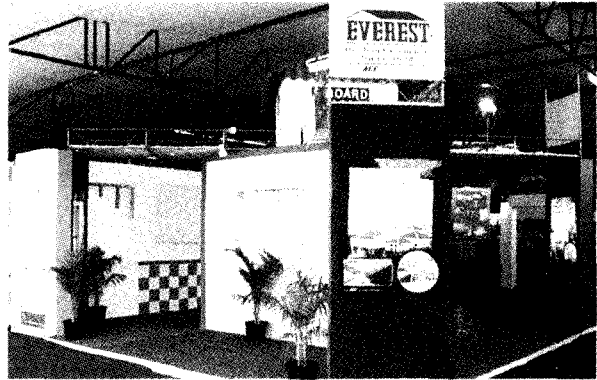


Marketing

Designing the future

The Everest presence is strongly evident at all major building material exhibitions held in the country and abroad. The Everest Stall is one of the most popular, attracting thousands of visitors. The occasions are a platform to showcase the Company's new innovations in products and services, where important market players are brought up to date on your Company's innovations and capabilities.

Everest products were aesthetically displayed in exhibitions held at Mumbai, Ahmedabad, Cochin, Goa, Hyderabad, Pune, Chandigarh, Kolkatta and also in Kuwait, with practical applications clearly demonstrating the strength of Everest. Your Company's products are used to create magical Jointless False Ceilings, Roofing, Panelling, Prefab Offices, and much more.



Everest Stall - Exhibition



Participation in Nasik Kumbh Mela

Motivational Mantra

To ensure strong bonding within the Everest family, it is important to keep our rich traditional heritage alive. In this view, Everest regularly holds several cultural events, celebrating the spirit of camaraderie, unity and friendship between employees and all the Company's partners and associates.

Our stalls at the recently held Kumbh Mela in Nasik and Trumbakeshwar, turned out to be huge success, infusing everyone with a feeling of belongingness. Team Everest is fully geared to jointly meet the challenges thrown up in our dynamic and swiftly-changing market environment.

Building blocks of success

To ensure that the Everest Growth Engine climbs ever-steeper gradients successfully, innovative schemes like the Van Campaign, the Door Campaign and the Everest Shubhlabh Scheme were launched and executed successfully during the year. Each of these initiatives elicited tremendous response, reaching new markets and taking the Everest Product range to previously untouched horizons.



Rural Marketing Campaign

Activities

Facilitating the Architects of change

Your Company realises the value of keeping in close touch with Architects and Builders, and organises regular formal occasions with prominent players in the market. In a recently organised event, renowned personalities and organisations graced the Everest Architect Meet, where new innovations and launches were formally presented to the discerning audience. Relationships were forged, deals were struck, and the Everest Growth Engine powered ever onward.

Where great minds gather

At Everest Industries Limited, consolidation and expansion are an ongoing effort. The management is always on the lookout for new frontiers and the opening up of un-realised markets. The Company has truly spread its wings, increasing its reach across the nation, by unleashing a new avatar in association with its parent, the ACC Group.

Everest Industries Limited regularly hosts Stockists' Meets, inviting enthusiastic participation by Dealers and Traders from all corners of India. Covering the length and breadth of the nation, your Company provides a rich and varied information bank to its valued associates and partners, where everyone leaves empowered and fully motivated to reach and exceed set targets.

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Stockist function held at Nainital - North Zone



Stockist function held at Hyderabad - East Zone

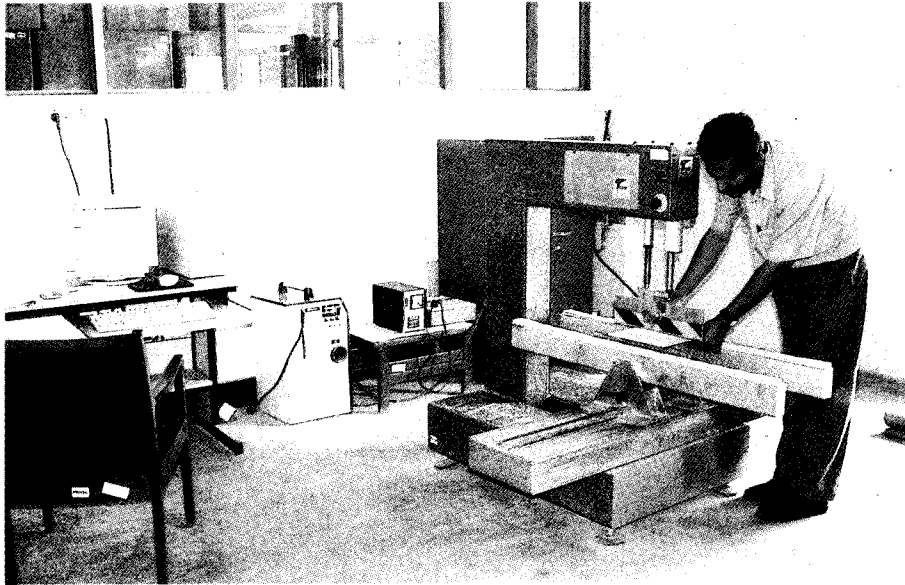


Stockist function held at Jodhpur - West Zone

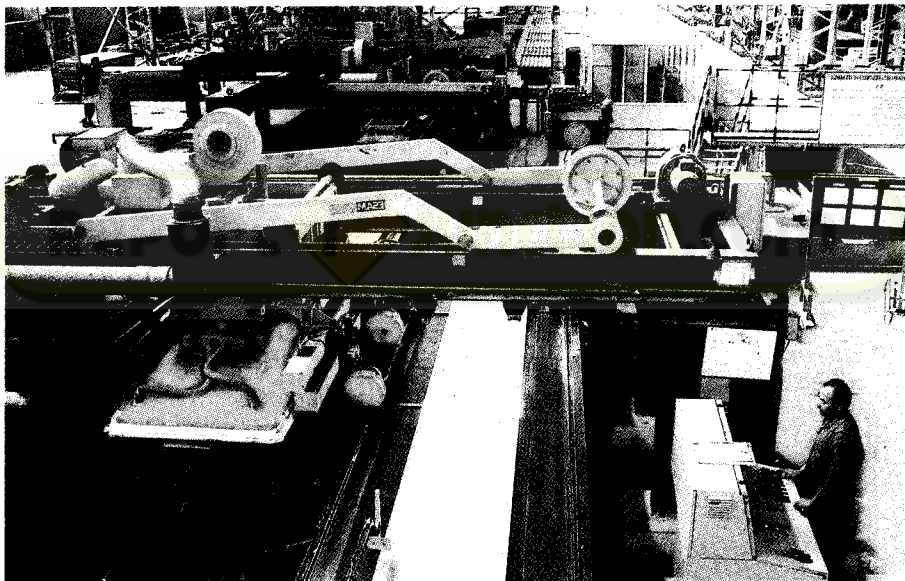


Stockist function held at Ooty- South Zone

Manufacturing Operations & Community Development Activities



At Everest quality comes first
E-Board being tested for Quality Compliances



A panoramic view of imported high-tech plant for **world class roofing products**
at Lakhamapur works



Social Responsibilities : EIL's doctors conducting medical check up at a village
near Lakhamapur works

Board of Directors

Mr. T.M.M. Nambiar	Chairman
Mr. M.L. Gupta	Managing Director
Dr. N.K. Sengupta	Director
Mr. D.C. Shroff	Director
Mr. P.K. Sinor	Director
Mr. A.K. Jain	Director
Mr. Manish Sanghi	Executive Director (Marketing)

Vice President & Company Secretary

Mr. Suresh Menon

Auditors

M/s Deloitte Haskins & Sells,
Chartered Accountants, New Delhi.

Bankers

State Bank of India
ICICI Banking Corporation Limited

Solicitors

Crawford Bayley & Co.

Registered Office :

The ACC Ltd., Research & Consultancy Directorate
CRS Complex, LBS Marg,
Thane (West) - 400 604, Maharashtra.

Head Office :

"Everest House",
E-62, Greater Kailash - I
New Delhi - 110 048

Website :

www.everestind.com

Share Transfer Agents :

MCS Limited, Sri Venkatesh Bhawan,
W-40, Okhla Industrial Area, Phase - II
New Delhi - 110 020.

Date of Annual General Meeting: Friday, 25th June, 2004, at 11.30 a.m.
at Indian Merchants Chamber,
Conference Hall (Walchand Hirachand Hall),
76, Veer Nariman Road, Near Churchgate Station,
Mumbai - 400 020.
(Members are requested to kindly bring their
copies of the Annual Report to the Meeting)

Everest Industries Ltd.

Formerly known as Eternit Everest Ltd.

NOTICE

Notice is hereby given that the Seventy First Annual General Meeting of the Members of Everest Industries Limited will be held at the Indian Merchants Chamber, Conference Hall (Walchand Hirachand Hall), 76, Veer Nariman Road, Near Churchgate Station, Mumbai - 400 020 on Friday, the 25th June, 2004 at 11.30 a.m to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the financial year ended 31st March, 2004, the Balance Sheet as at that date, the Auditors' Report and the Directors' Report thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr.D.C.Shroff, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr.A.K.Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution : -
 "RESOLVED THAT M/s.Deloitte Haskins & Sells, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at the remuneration to be determined by the Audit Committee/ Board of Directors of the Company."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
 "RESOLVED THAT the Salary of Mr. M.L. Gupta, Managing Director of the Company be and is hereby increased to Rs 84,000 per month, in the grade of Rs. 40,000 to Rs. 1,00,000 (other terms & conditions remaining same) w.e.f. 1st April 2004 for the remainder of his current term i.e till 7th July 2004.
 RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, Mr.M.L.Gupta be and is hereby re-appointed as Managing Director of the Company with effect from 8th July, 2004 upto 28th February, 2006 on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during Mr.M.L.Gupta's tenure) as set out in the draft Agreement submitted to this meeting and signed by the Chairman for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement including as to remuneration in such manner as may be agreed to between the Board of Directors and Mr.Gupta and also detailed hereunder :
 (i) Salary : Rs.84,000/- per month in the grade (Rs.40,000 to Rs.1,00,000)
 The annual increments will be effective 1st April each year and will be decided by the Remuneration Committee and the Board of Directors of the Company each year and will be on the basis of merit and the performance of the Company.
 (ii) Perquisites & Allowances :
 In addition to the salary, the Managing Director 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, personal accident insurance 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; such perquisites and allowances will be subject to a maximum of Rs.1,20,000/- 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. Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
 (iii) Provident Fund, Superannuation/Annuity Fund :
 Further, Mr. M.L. Gupta shall be entitled to the Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure.
 (iv) Performance Incentive :
 Such remuneration by way of performance incentive payment upto an amount equivalent to a maximum of twenty four months of his salary, in addition to the salary, perquisites and allowances payable, in a particular financial year as may be determined by the Board of Directors of the Company or the Remuneration Committee at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. The specific amount payable to the Managing Director will be decided by the Board or the Remuneration Committee of the Board entirely at its discretion.
 (v) Minimum Remuneration :
 Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified above, subject to the provisions of Schedule XIII of the Companies Act, 1956.
 (vi) Annual Leave :
 Thirty (30) days for every completed year of service. Unavailed leave may be accumulated upto 300 days. Encashment at the end of the tenure will not be included in the computation of the ceiling on perquisites."
7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
 "RESOLVED THAT the Salary of Mr. Manish Sanghi, Executive Director (Marketing) of the Company be and is hereby increased to Rs 66,000 per month, in the grade of Rs 30,000 to Rs 75,000 (other terms & conditions remaining same) w.e.f. 1st April, 2004 for the remainder of his current term i.e till 7th July 2004.
 RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII, and other applicable provisions, if any, of the Companies Act, 1956, Mr.Manish Sanghi be and is hereby re-appointed as Executive Director (Marketing) of the

Company for a period of two years with effect from 8th July, 2004 on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during Mr.Manish Sanghi's tenure) as set out in the draft Agreement submitted to this meeting and signed by the Chairman for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement including as to remuneration, in such manner as may be agreed to between the Board of Directors and Mr.Sanghi and also detailed hereunder :

(i) Salary : Rs.66,000/- per month in the grade (Rs.30,000/- to Rs.75,000)

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

(ii) Perquisites & Allowances :

In addition to the salary, the Wholtime Director 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, personal accident insurance 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 Wholtime Director; such perquisites and allowances will be subject to a maximum of Rs.1,00,000/- 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. Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

(iii) Provident Fund, Superannuation/Annuity Fund :

Further, Mr. Manish Sanghi shall be entitled to the Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure.

(iv) Performance Incentive :

Such remuneration by way of performance incentive payment upto an amount equivalent to a maximum of twenty four months of his salary, in addition to the salary, perquisites and allowances payable, in a particular financial year as may be determined by the Board of Directors of the Company or the Remuneration Committee at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. The specific amount payable to the Wholtime Director will be decided by the Board or the Remuneration Committee of the Board entirely at its discretion.

(v) Minimum Remuneration :

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Wholtime Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified above, subject to the provisions of the Schedule XIII of the Companies Act, 1956.

(vi) Annual Leave :

Thirty (30) days for every completed year of service. Unavailed leave may be accumulated upto 300 days. Encashment at the end of the tenure will not be included in the computation of the ceiling on perquisites."

NOTES :

1. The Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business set out under items 6 & 7 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 21st June, 2004 to 25th June, 2004 (both days inclusive).
4. Shareholders are hereby informed that after the amendment of the Companies Act, 1956, the Company is obliged to transfer any money lying in the Unpaid Dividend Account in respect of dividend for the year 31.3.1996 and onwards, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("the Fund") established by the Central Government. In accordance with Section 205C of the Act, no claim shall lie against the Company or Fund in respect of Individual amounts of dividend remaining unclaimed or unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.
5. As per the provisions of the Companies Act, 1956, the facility for making nominations is now available to the shareholders in respect of the equity shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents, viz. MCS Ltd., Sri Venkatesh Bhawan, W-40, Okhla Industrial Area, Phase-II, New Delhi-110 020.
6. Members wishing to seek further information or clarification on the Annual Accounts or operations of the Company at the Meeting are requested to send their queries at least a week in advance of the date of the Meeting addressed to the Vice President & Company Secretary at the following address :

Everest Industries Limited,
"Everest House", E-62, Greater Kailash – I, New Delhi - 110 048.

By Order of the Board
For EVEREST INDUSTRIES LIMITED

SURESH MENON
Vice President & Company Secretary

Mumbai, 23 April, 2004
Registered Office:
The ACC Ltd., Research & Consultancy Directorate,
CRS Complex, LBS Marg, Thane (West) – 400 604, Maharashtra.

Everest Industries Ltd.

Formerly known as Eternit Everest Ltd.

EXPLANATORY STATEMENT

The following Explanatory Statements in terms of Section 173(2) of the Companies Act, 1956 annexed to and forming part of the Notice convening the Seventy First Annual General Meeting.

Item No.6

Mr. M. L. Gupta was appointed as Managing Director with effect from 8th July, 2002 for a period of two years at the basic Salary of Rs. 60,000 in the grade of Rs. 40,000 to Rs. 80,000. The terms of appointment of Mr. Gupta, including subsequent increase in his salary to Rs. 72,000 were approved by the members in their last Annual General Meeting held on 20th June, 2003. Mr. Gupta's term will expire on 7th July, 2004. The Board of Directors at their meeting held on 23rd April, 2004 have re-appointed Mr. Gupta as the Managing Director of the Company with effect from 8th July, 2004 upto 28th February, 2006, upon and subject to the terms, conditions stipulated in the Agreement signed by the Chairman for identification, material terms of which are set out in the resolution, subject to approval of the Members of the Company. The Board of Directors of the Company in the said meeting also increased the salary of Mr. Gupta to Rs. 84,000 (in the grade of Rs. 40,000 to Rs. 1,00,000) w.e.f 1st April 2004.

The terms of re-appointment of Mr. M. L. Gupta, the increase in his Salary w.e.f 1/4/2004 and the payment of remuneration including minimum remuneration in case of loss or inadequacy of profits payable to Mr. Gupta as Managing Director during his tenure are being placed before the Members in 71st Annual General Meeting for approval as required under section 198, 269, 309, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956.

The terms and conditions of the Managing Director's appointment may be varied, altered, increased, enhanced or widened from time to time by the Remuneration Committee/Board as it may at its discretion deem fit, within the maximum amount payable in accordance with the provisions of the Companies Act, 1956 or any amendments here after in this regard.

This notice may also be treated as the abstract of the re-appointment of Mr. Gupta under section 302 of the Companies Act, 1956.

No Director of the Company other than Mr. Gupta is concerned or interested in the Resolution.

Item No.7

Mr. Manish Sanghi was appointed as Executive Director (Marketing) with effect from 8th July, 2002 for a period of two years at the basic Salary of Rs. 50,000 in the grade of Rs. 30,000 to Rs. 70,000. The terms of appointment of Mr. Sanghi, including his subsequent increase in his salary to Rs. 58,000 were approved by the members in their last Annual General Meeting held on 20th June, 2003. Mr. Sanghi's term will expire on 7th July, 2004. The Board of Directors at their meeting held on 23rd April, 2004 have re-appointed Mr. Sanghi as Executive Director (Marketing) of the Company with effect from 8th July, 2004 upto 7th July, 2006, upon and subject to the terms, conditions stipulated in the Agreement signed by the Chairman for identification, material terms of which are set out in the resolution, subject to approval of the Members of the Company. The Board of Directors of the Company in the said meeting also increased the salary of Mr. Sanghi to Rs. 66,000 (in the grade of Rs. 30,000 to Rs. 75,000) w.e.f 1st April 2004.

The terms of re-appointment of Mr. Manish Sanghi, the increase in his Salary w.e.f. 1/4/2004 and the payment of remuneration including minimum remuneration in case of loss or inadequacy of profits payable to Mr. Sanghi as Executive Director (Marketing) during his tenure are being placed before the Members in 71st Annual General Meeting for approval as required under section 198, 269, 309, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956.

The terms and conditions of the Executive Director (Marketing) appointment may be varied, altered, increased, enhanced or widened from time to time by the Remuneration Committee/Board as it may at its discretion deem fit, within the maximum amount payable in accordance with the provisions of the Companies Act, 1956 or any amendments here after in this regard.

This notice may also be treated as the abstract of the re-appointment of Mr. Sanghi under section 302 of the Companies Act, 1956.

No Director of the Company other than Mr. Sanghi is concerned or interested in the Resolution.

Inspection of Documents

The Memorandum & Articles of Association of the Company and the terms of appointment of Mr. M.L. Gupta and Mr. Manish Sanghi are available for inspection of the Members at the Registered Office of the Company on any working day between 11.00 a.m. and 1.00 p.m. and shall also be accessible for inspection throughout continuance of the 71st Annual General Meeting.

By Order of the Board
For EVEREST INDUSTRIES LIMITED

SURESH MENON
Vice President & Company Secretary

Mumbai, 23 April, 2004
Registered Office:
The ACC Ltd., Research & Consultancy Directorate,
CRS Complex, LBS Marg, Thane (West) – 400 604, Maharashtra.