

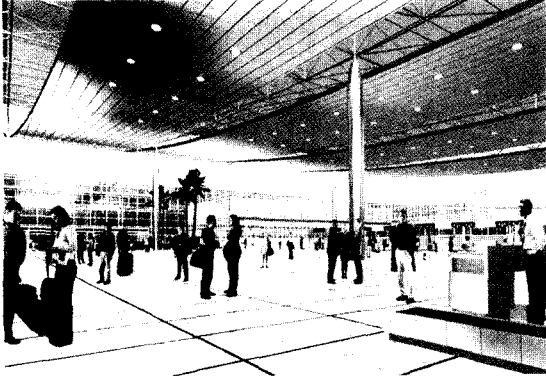
73rd ANNUAL REPORT 2005-06



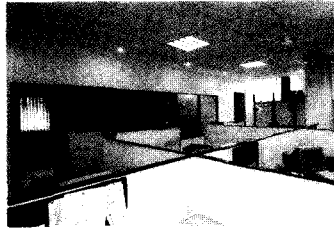
EVEREST INDUSTRIES LIMITED

PRODUCT APPLICATIONS

Roof Sarking



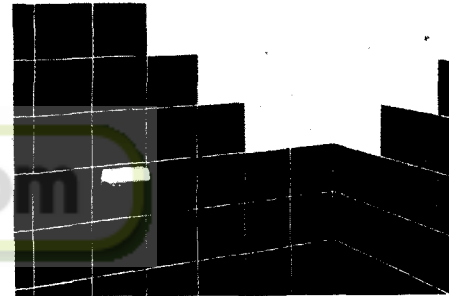
False Ceiling & Partitioning using E-Board



Eaves & Soffitlining



Prefab Structures



Tile Underlay

ROOFING Paneling WET AREA LINING PREFAB Structures
 PANELING False Ceiling WALL CLADDING Facade
 PARTITIONING Roof Sarking EAVES & SOFIT LINING



External Wall using Rapicon



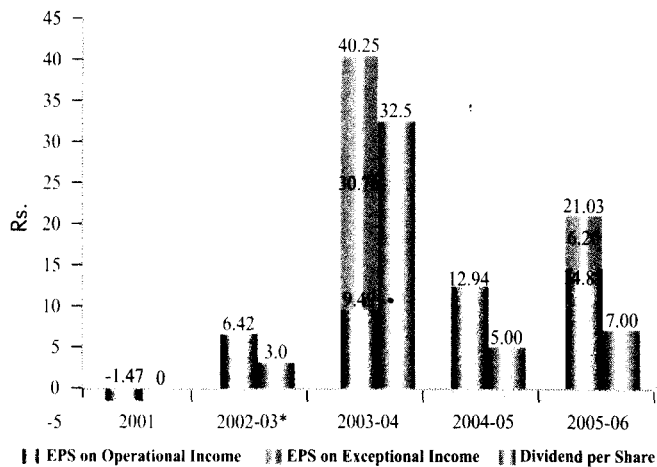
Partitioning using E-Board



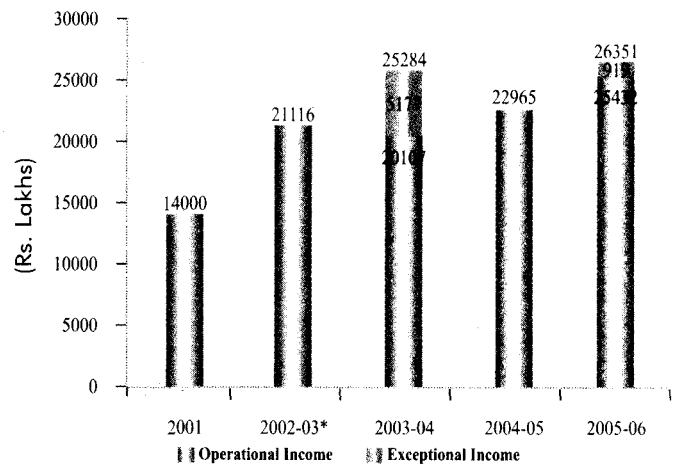
False Ceiling using E-Board

PERFORMANCE AT A GLANCE

Earning per Share (EPS) & Dividend

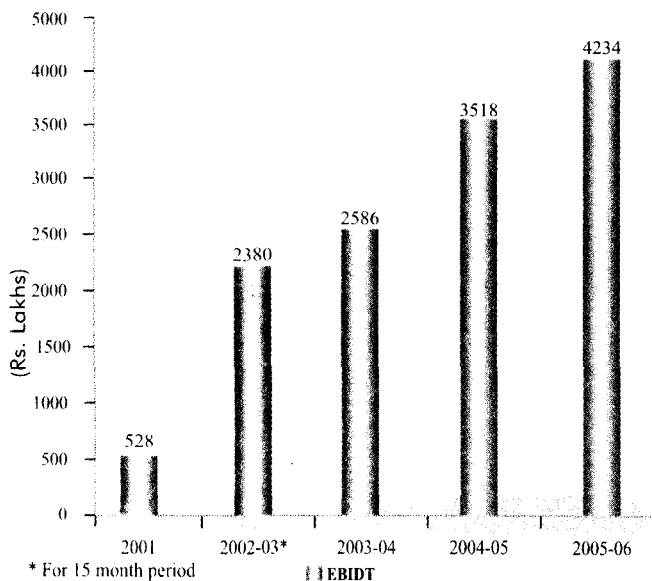


Total Income

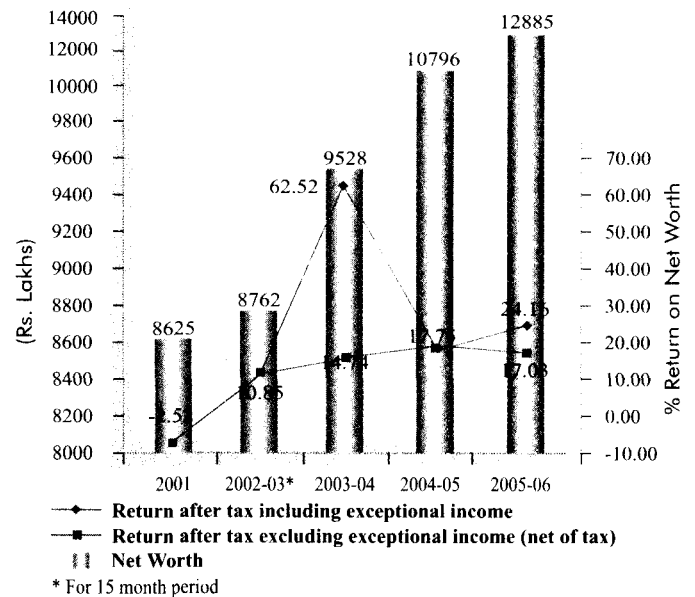


Report Junction.com

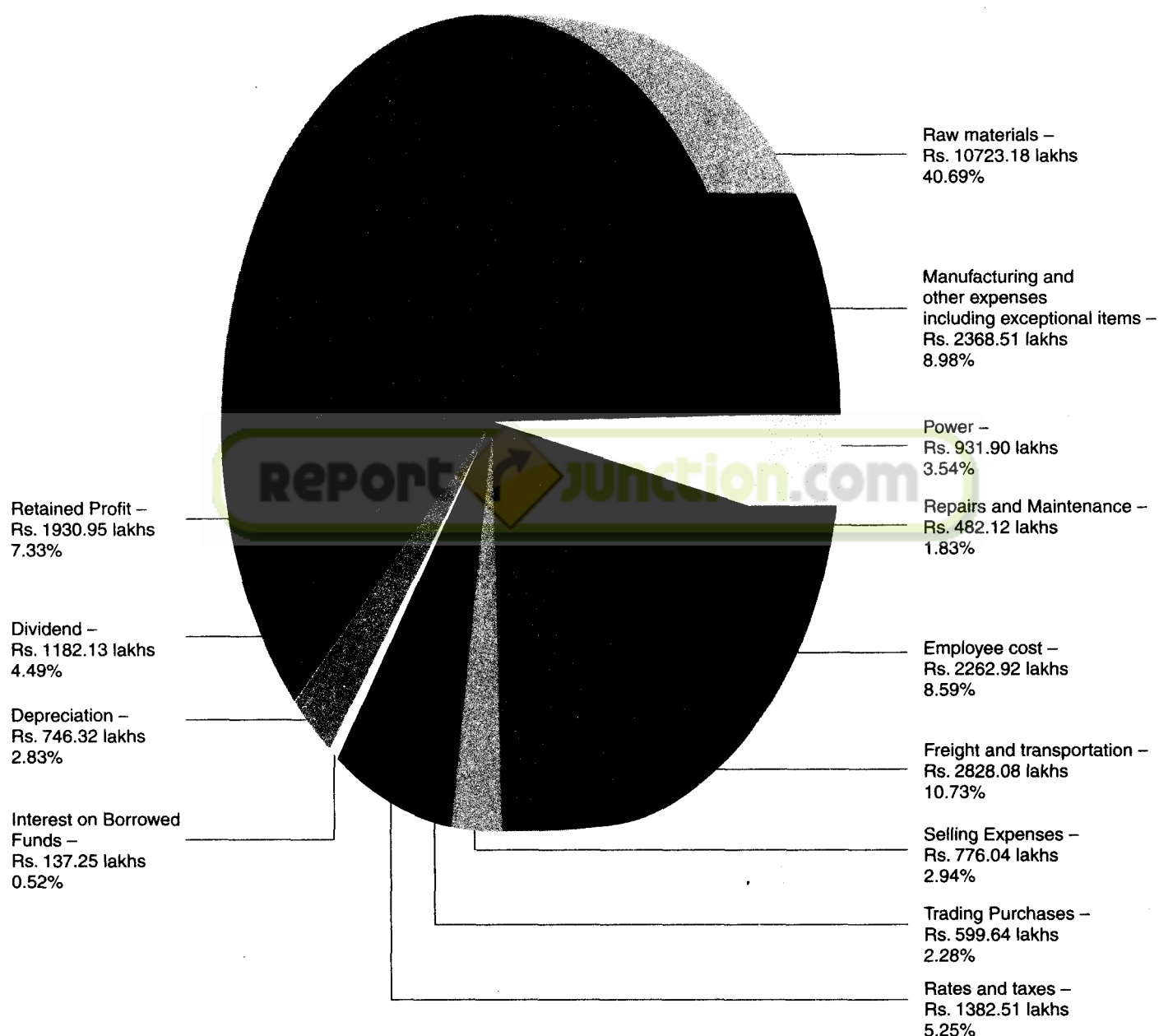
Earning Before Interest, Depreciation & Tax (EBIDT) excluding exceptional income



Net Worth and Return on Net Worth



HOW EACH RUPEE EARNED HAS BEEN SPENT DURING 2005-06



Board of Directors

Mr. Aditya Vikram Somani	Director
Mr. Anil Singhvi	Director
Mr. Sandeep Junnarkar	Director
Mr. Mohanlal Bhandari	Director
Mr. M.L. Gupta	Managing Director
Mr. Manish Sanghi	Executive Director

Vice President & Company Secretary

Mr. Suresh Menon

Auditors

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

Bankers

State Bank of India
ICICI Bank Limited

Registered Office :

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:

Wednesday, 26th July, 2006, 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.**NOTICE**

Notice is hereby given that the Seventy Third 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 400020 on Wednesday, the 26th July, 2006 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, 2006, the Balance Sheet as at that date, the Auditors' Report and the Directors' Report thereon.
2. To declare final dividend.
3. To appoint a Director in place of Mr.Mohanlal Bhandari, who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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

5. To consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution :
"RESOLVED THAT in accordance with the provisions of Section 198, 309(4) and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, the Articles of Association of the Company and subject to all applicable approval(s) as may be required, the consent of the Company be and is hereby accorded to the payment of commission for a period of five years commencing from 1st April, 2006, to the non executive Directors of the Company as may be decided by the Board from time to time provided that the total commission payable to the non executive Directors per annum shall not exceed one percent of the net profits of the Company as computed in the manner referred to under Section 198(1) of the Companies Act, 1956, with authority to the Board to determine the manner and the proportion in which the amount be distributed among the non executive Directors."
6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr.Aditya Vikram Somani, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 07.11.2005, pursuant to Article 117(a) of the Articles of Association of the Company, and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom a notice in writing, alongwith the requisite deposit, pursuant to Section 257 of the Companies Act, 1956 has been received, from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation."
7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Mr.Anil Singhvi, who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 07.11.2005, pursuant to Article 117(a) of the Articles of Association of the Company, and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, but who is eligible for re-appointment and in respect of whom a notice in writing, alongwith the requisite deposit, pursuant to Section 257 of the Companies Act, 1956 has been received, from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation."
8. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
"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, the Company hereby approves of the re-appointment and remuneration of Mr. M.L. Gupta, Managing Director of the Company, for a period of three years commencing from 1st March, 2006 to 28th February, 2009 upon the terms and conditions (including as to the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) set out in the draft Agreement submitted to this Meeting and signed by a Director for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Remuneration Committee / Board of Directors to 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 it and Mr.Gupta."
9. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
"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, the Company hereby approves of the re-appointment and remuneration of Mr. Manish Sanghi, Executive Director of the Company, for a period of five years commencing from 8th July, 2006 to 7th July, 2011 upon the terms and conditions (including as to the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) set out in the draft Agreement submitted to this Meeting and signed by a Director for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Remuneration Committee / Board of Directors to 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 it and Mr. Sanghi."

NOTES :

1. The Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business set out under items 5 to 9 are 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 17.07.2006 to 26.07.2006 (both days inclusive).
4. The final dividend as recommended by the Board of Directors, if approved by the Shareholders at their 73rd Annual General Meeting, shall be paid to those members whose names appear on the Register of Members of the Company on 26.07.2006. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on the closing hours of business on 14.07.2006 as per the details furnished by the respective Depositories for this purpose.
5. In accordance with the Circular issued by SEBI that the ECS facility should mandatorily be used by Companies for distribution of dividend to its members, your Company has sent the required forms and details to all the members on various occasions. Those members, who have not yet sent the duly filled in ECS form to avail of the benefits of this facility are once again requested to send the same at the earliest.
6. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unpaid/unclaimed for a period of 7 years would be transferred to the "Investor Education and Protection Fund (IEPF)", constituted by the Central Government and member(s) would not be able to claim any amount of dividend so transferred to the Fund from the fund. As such, member(s) who have not yet encashed his/their dividend warrant(s) is/are requested in his/their own interest to write to the Company immediately for claiming the outstanding dividend declared by the Company during the year ended 31.12.2000 and onwards.
7. 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. M/s.MCS Ltd., Sri Venkatesh Bhawan, W-40, Okhla Industrial Area, Phase-II, New Delhi-110020.
8. 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, 21st April, 2006

Registered Office:

Everest Industries Limited
ACC Ltd., Research & Consultancy Directorate,
CRS Complex, LBS Marg, Thane (West) – 400604, Maharashtra.

EXPLANATORY STATEMENT

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

Item No.5

In the current competitive business environment, the Directors are required to take far more complex business decisions than before and are required to commit their time and provide expertise for the Company's business.

In consideration of the contributions made by the Directors in furthering the interests of the Company by their expert advice and able guidance not only at the Board Meetings but also between Board Meetings, the members had, in the 67th Annual General Meeting held on 9th June, 2000, authorized payment of a commission not exceeding 1% of the net profits of the Company to non-executive Directors for a period of 5 years commencing from 1st April, 2000.

In accordance with the provisions of Section 309 of the Companies Act, 1956 such approvals are renewable by the Shareholders after the expiry of five years. Accordingly, the resolution is placed before you for your consideration.

All non-executive Directors may be considered to be interested in the passing of this resolution as it relates to the payment of commission to them.

Item No.6

Mr.Aditya Vikram Somani was appointed as an Additional Director of the Company w.e.f. 07.11.2005. Mr.Somani has done MBA from University of Pittsburgh, USA, PG Diploma in Business Management from S P Jain Institute of Management and Research, Mumbai and Masters of Commerce (Banking & Finance) from Sydenham College of Commerce and Economics, Mumbai. Mr.Somani has ten years of varied experience in the business of real estate, construction, textile manufacturing and information management. Mr. Somani is also involved in various social service, philanthropic and educational activities in Rajasthan and Mumbai. In view of his varied experience, it is eminently in the Company's interest to appoint Mr.Aditya Vikram Somani as a Director of the Company.

Mr.Somani is holding 500 Equity Shares in the Company.

Mr.Aditya Vikram Somani is concerned or interested in the Resolution at Item 6.

Everest Industries Ltd.**Item No.7**

Mr. Anil Singhvi was appointed as an Additional Director of the Company w.e.f. 07.11.2005. Mr. Singhvi is a chartered accountant by qualification and has twenty three years of experience in the areas of finance & treasury. Mr. Singhvi joined Gujarat Ambuja Cements Limited in 1986 and has held very senior managerial position over last 18 years. He was elevated to the company's main Board of Directors in 1999. In Gujarat Ambuja Cements Limited, he is responsible for Corporate Finance, Treasury, Mergers and Acquisitions, Strategic plans and General Corporate Affairs. Mr. Singhvi is appointed as the Managing Director of GACL with effect from 30.01.2006 and is now incharge of the day to day management of GACL. He is also on the Board of several associate and subsidiary companies of Gujarat Ambuja Cements Limited which are engaged in cement and other activities. He was ranked the best CFO in 2001 by The Economist Intelligence Unit, India. He is architect of the foundation of the Indian Association of CFOs and Corporate Treasurers which was founded in 2002. In view of his vast and varied experience it is eminently in the Company's interest to appoint Mr. Anil Singhvi as a Director of the Company.

Mr. Singhvi is not holding any shares of the Company.

Mr. Anil Singhvi is concerned or interested in the Resolution at Item 7.

Item No.8

The tenure of earlier re-appointment of Mr. M.L. Gupta, Managing Director of the Company was for a period commencing from 8th July, 2004 upto 28th February, 2006. The Board of Directors at their meeting held on 23rd February, 2006 have re-appointed Mr. Gupta as the Managing Director of the Company for a period of three years with effect from 1st March, 2006 upto 28th February, 2009, subject to the approval of the Members of the Company.

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 terms of re-appointment and remuneration of Mr. Gupta inter alia contain the following principal terms and conditions :

- (i) Basic Salary : Rs.1,25,000 per month (in the grade Rs.1,25,000 - 25,000 - 2,50,000).

The annual increments will be effective 1st April each year and will be decided by the Remuneration Committee / 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 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.

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 shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

- (iv) Performance Incentive

Such remuneration by way of performance incentive payment, 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 Mr. M.L. Gupta 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 Mr. M.L. Gupta, 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.

The terms and conditions of Mr. Gupta's re-appointment as Managing Director may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Companies Act, 1956 or any amendments made hereafter in this regard.

In compliance with the provisions of the Companies Act, 1956, the re-appointment and terms of remuneration specified above are now being placed before the Members in General Meeting for their approval. The Board commends the Resolution at Item 8 for acceptance by the Members.

The abstract of the re-appointment of Mr. Gupta under section 302 of the Companies Act, 1956 alongwith the terms of his appointment, has already been sent to all the Members of the Company.

Mr. M.L. Gupta is concerned or interested in the Resolution at Item 8 of the Notice.

Item No.9

The tenure of earlier re-appointment of Mr. Manish Sanghi, Executive Director of the Company was for a period commencing from 8th July, 2004 upto 7th July, 2006. The Board of Directors at their meeting held on 23rd February, 2006 have re-appointed Mr. Sanghi as Executive Director of the Company with effect from 8th July, 2006 upto 7th July, 2011, subject to approval of the Members of the Company.

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

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

- (i) Basic Salary : Rs.1,00,000 per month (in the grade Rs.1,00,000 - 10,000 - 1,50,000).

The annual increments will be effective 1st April each year and will be decided by the Remuneration Committee / 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 Executive Director; such 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.

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 shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

- (iv) Performance Incentive

Such remuneration by way of performance incentive payment, 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 Mr. Manish Sanghi 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 Mr. Manish Sanghi, 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.

The terms and conditions of Mr. Sanghi's re-appointment as Executive Director may be varied, altered, increased, enhanced or widened from time to time by the Board as it may in its discretion deem fit, within the maximum amounts payable in accordance with the provisions of the Companies Act, 1956 or any amendments made hereafter in this regard.

In compliance with the provisions of the Companies Act, 1956, the re-appointment and terms of remuneration specified above are now being placed before the Members in General Meeting for their approval. The Board commends the Resolution at Item 9 for acceptance by the Members.

The abstract of the re-appointment of Mr. Sanghi under section 302 of the Companies Act, 1956 alongwith the terms of his appointment has already been sent to all the members of the Company.

Mr. Manish Sanghi is concerned or interested in the Resolution at Item 9 of the Notice.

Inspection of Documents

The Memorandum & Articles of Association of the Company and the draft Agreements proposed to be entered into with each 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 AM and 1.00 PM and shall also be accessible for inspection throughout continuance of the 73rd Annual General Meeting.

By Order of the Board
For EVEREST INDUSTRIES LIMITED

SURESH MENON
Vice President & Company Secretary

Mumbai, 21st April, 2006

Registered Office:
Everest Industries Limited
ACC Ltd., Research & Consultancy Directorate,
CRS Complex, LBS Marg, Thane (West) – 400604, Maharashtra.

Everest Industries Ltd.

DIRECTORS' REPORT

TO THE MEMBERS OF EVEREST INDUSTRIES LIMITED

Your Directors are pleased to present their Seventy Third Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March 2006.

Financial Results

	Current Year (Rs. in lakhs)	Previous Period (Rs. in lakhs)
Profit (+)/Loss (-) before Tax & Exceptional Items.	3350.29	2895.33
Exceptional Item – Profit on Sale of Land.	919.32	–
Profit (+)/Loss (-) before Tax	4269.61	2895.33
Deduct:		
Provision for Taxation – Current	911.53	1065.00
(Net of Adjustment for earlier years)		
– Deferred	197.00	(86.34)
Fringe Benefit Tax	48.00	–
Profit after Taxation	3113.08	1916.67
Add:		
Balance brought forward	2812.40	1931.52
Amount available for appropriation	5925.48	3848.19
Appropriation:		
General Reserve	312.00	192.00
Proposed Dividend	444.00	740.00
Interim Dividend	592.00	–
Tax on Distributed Profits	146.13	103.79
Balance Carried to Balance Sheet	4431.35	2812.40

Dividend

Your Director's are pleased to recommend a final Dividend payment at the rate of 30 % viz. Rs.3/- per share for the financial year under review in addition to the interim dividend of 40% viz. Rs. 4/- per share paid by your Company in August 2005.

Operations

Your Company's performance for the year under review was very satisfactory inspite of the competition getting severe. The total income of your company saw a growth of 11% to Rs. 25,432.23 lakhs as against Rs. 22,965.24 lakhs of last year. Profit before tax and exceptional item stood at Rs. 3,350.29 lakhs as against the previous year figure of Rs. 2,895.33 lakhs being higher by 15.71%.

The sales volume of roofing sheets grew by 8.8% over the last financial year 2004-05, however the flat boards continued to grow at 32%. On the export front, your Company has made further inroads in select foreign markets and saw a volume growth of 112.6% over last year. The export turnover of your Company for the period under review stood at Rs. 499 lakhs (approx.) against Rs. 203 lakhs (approx.) (previous year) being an increase of 146% over the last year. Your Company plans a further thrust on this front in the year 2006-07.

Change of Shareholding

Pursuant to Share Purchase Agreement (SPA) entered by M/s Everest Finvest (India) Pvt. Ltd. with ACC Limited (former holding Company) on October 14, 2005, 74,00,020 shares (sale shares) representing 50.00% of the Equity share capital of the Company was acquired from the ACC Ltd. M/s Everest Finvest (India) Pvt. Ltd. after making a Public Offer to acquire 20% of the Equity Shares from the Public pursuant to SEBI (Substantial Acquisition of Shares and Take Overs) Regulations, 1997 acquired 0.09% of Equity share capital of the Company from the public. The aggregate shareholding of M/s Everest Finvest (India) Pvt. Ltd. in your Company now is 50.09%.

Mulund Land

Your Company has received the balance consideration of Rs. 12.37 crores out of the total consideration of Rs. 77.40 crores from M/s. Nirmal Lifestyles in terms of the earlier Memorandum of Understanding entered with them. With this, your Company has concluded the sale of the Mulund land.

Commissioned Projects**Compressed Board**

The Compressed Fibre Cement Board plant imported by your Company from M/s. Dansk Eternit, Denmark, under the technology transfer agreement entered with them was commissioned at Lakhmapur in November 2005. Due to higher demand of flat boards, your Company has been producing flat boards only, from it, so far for domestic & international markets. Your Company is now in this process of producing compressed boards manufactured from this plant which will be of international quality.

Podannur (Line 2) with Polypropylene Technology

Your Company also commissioned the PW2 line to manufacture roofing sheets with Polypropylene fibres viz. Hi-tech under the technical know-how agreement with M/s. Brasilit, Brazil (a wholly owned subsidiary company of M/s Saint Gobain, France). Due to insufficient market demand of the products initially, and also due to want of requisite quality of certain raw materials, your Company could not fully utilize the production capability from this line. However, your Company has been now able to stabilize the product fully. Further, the markets have also shown interest in this product and your Directors are very confident that this product would be successful in Indian and International markets.

New Projects**Rapicon**

Your Company is putting up new manufacturing facility at Lakhmapur to

manufacture Sandwiched Panel of E-Board with the core of light weight aerated concrete viz. "Rapicon panels" with an initial capacity of 12,000 units per year. The product is mainly applied as 'dry wall partitions' in commercial establishments, mezzanine flooring, and industrial sheds with cladding and pre-fabricated structure.

Uttaranchal

Your Company is now in the process of putting up a new multi-manufacturing facility at Bhagwanpur, Dist. Haridwar, to manufacture fibre cement roofing sheets, flat boards and Rapicon panels. The project is expected to be commissioned within the financial year 2006-07.

Labour Relations

It was another year of cordial industrial relations at all the works of the Company.

Health & Safety

Your Company's record on Health and Safety continued to be of the high standards and environment excellence continued to be the top priority of the Company. Your Company continued with the International practices on safety and environmental norms by conducting regular Audit checks.

Employee stock option scheme

No options were granted to the employees of the Company in the financial year under the Employees Stock Option Scheme (ESOS).

Management

Mr. M.L. Gupta was re-appointed as the Managing Director of the Company for a period of 3 years with effect from 1st March, 2006 subject to the approval of the Shareholders of the Company. Mr. Manish Sanghi was re-appointed as the Executive Director of the Company for a period of 5 years with effect from 8th July 2006. The resolution pertaining to the re-appointment of Mr. Gupta & Mr. Sanghi as Managing Director & Executive Director of the Company and the remuneration as payable to them are set out at Item no. 8 & Item no. 9 of the notice and the relevant Explanatory Statement. The resolution is commended to the members for acceptance.

Directors

Mr. Anil Singhvi and Mr. Aditya Vikram Somani were appointed as Additional Directors w.e.f. November 07, 2005. Mr. Sandeep Junnarkar was also appointed as an Independent Director w.e.f. November 07, 2005 to fill the casual vacancy created by resignation of Dr. N.K. Sengupta.

Mr. M. L. Narula, was appointed as Director in your Company on July 11, 2005 to fill in the casual vacancy created by the resignation of Mr. T. M. M. Nambiar, Director (w.e.f. 07.07.2005).