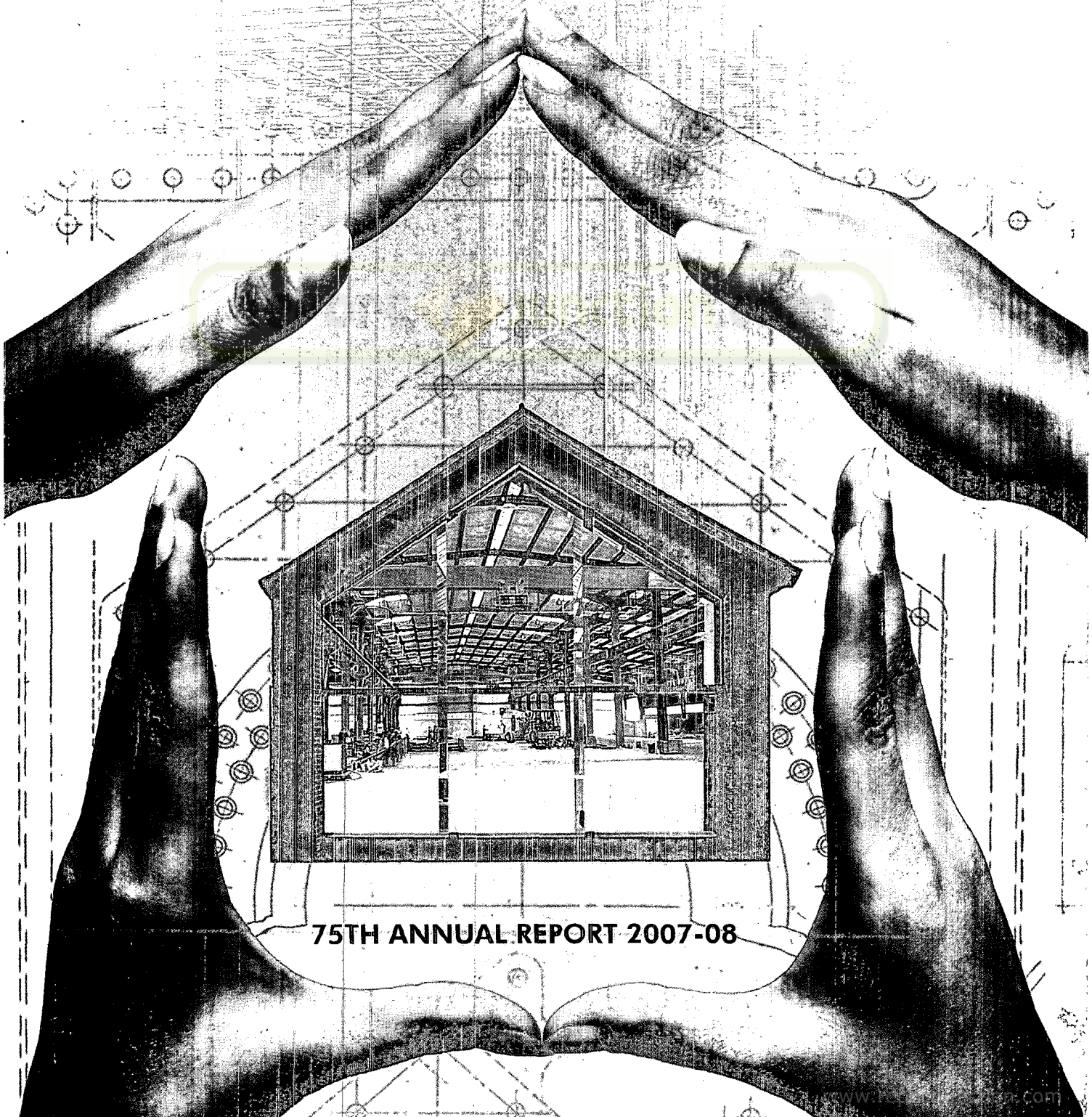
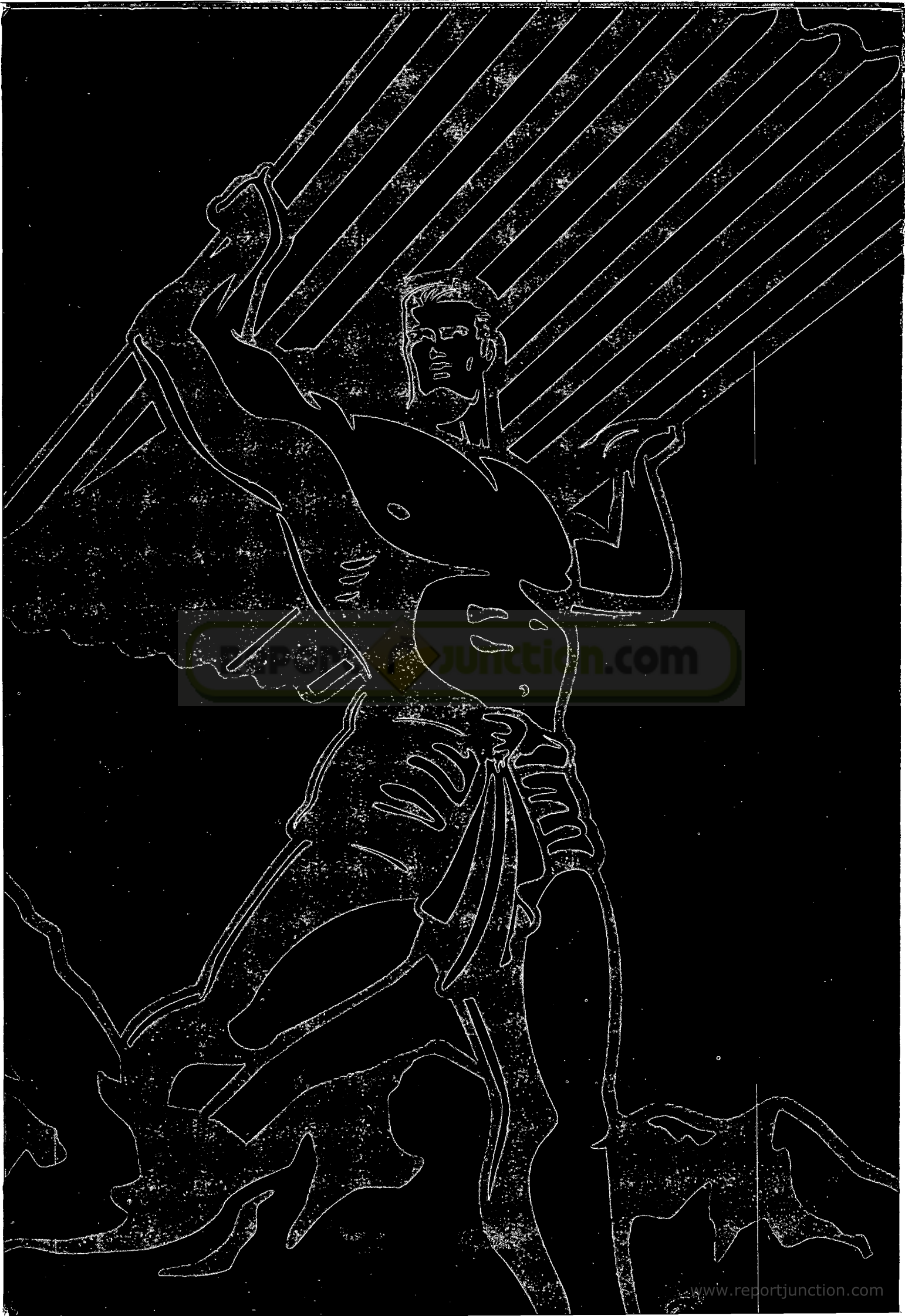




Everest Industries Limited



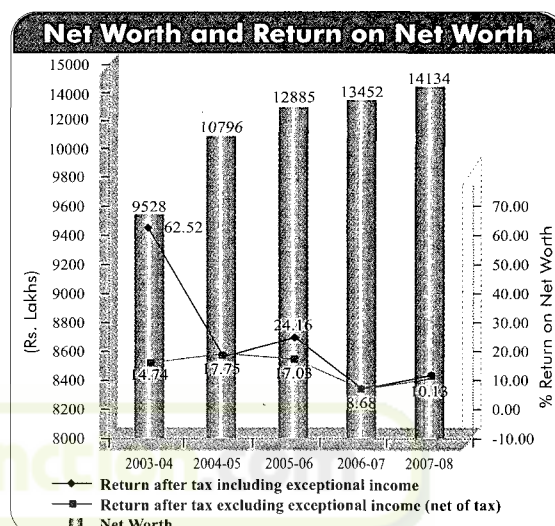
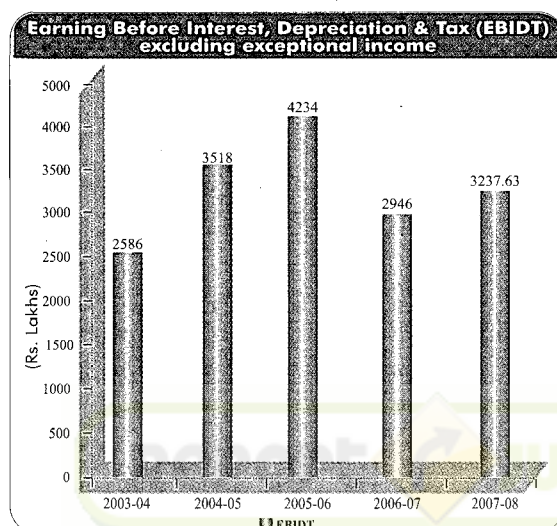
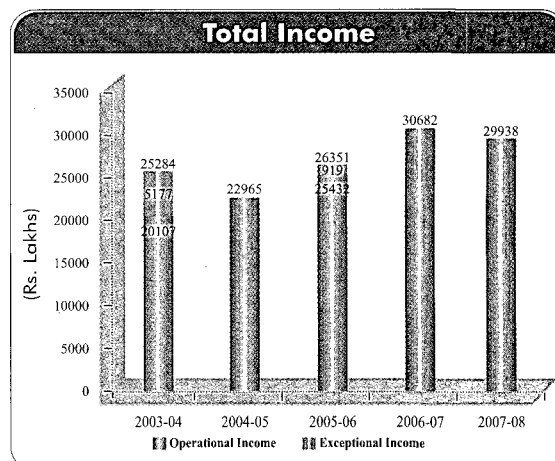
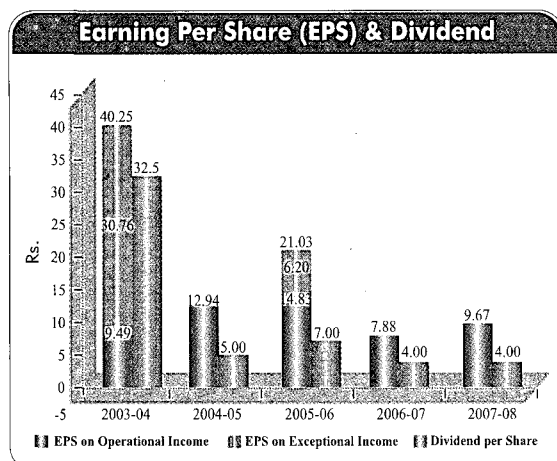
75TH ANNUAL REPORT 2007-08



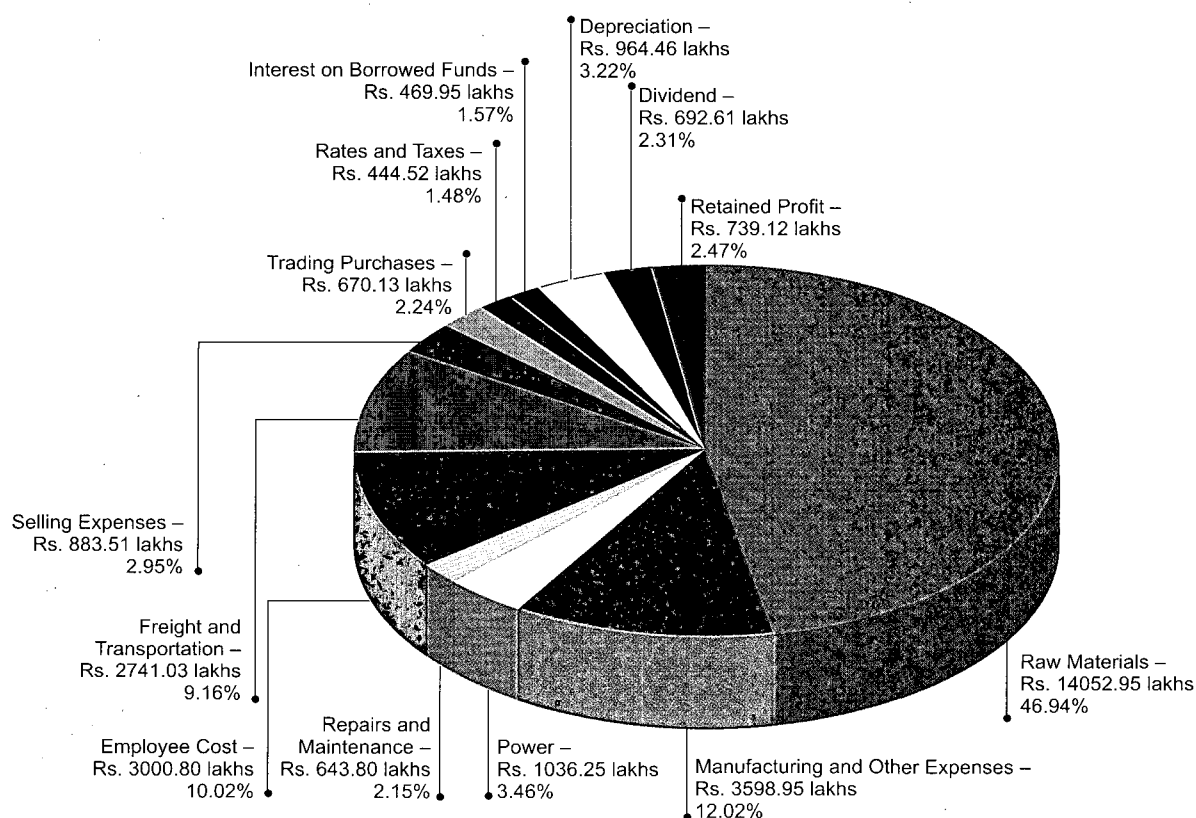
[Contents]

Management Discussion and Analysis	4-11
Notice	12-16
Directors' Report	17-18
Annexures to Directors' Report	19-23
Corporate Governance Report	24-31
Auditors' Certificate on Corporate Governance	32
Auditors' Report	33-35
Balance Sheet	36
Profit and Loss Account	37
Cash Flow Statement	38
Schedules to Accounts	39-53
Balance Sheet Abstract and Company's General Business Profile	54
Statement under Section 212	55
Accounts - Subsidiary Company	56-62
Consolidated Financial Statements	63-81

Performance at a glance



How each rupee earned has been spent during 2007-08





Board of Directors

Mr. M.L. Gupta	Managing Director
Mr. Aditya Vikram Somani	Director
Mr. Mohanlal Bhandari	Director
Mr. Sandeep Junnarkar	Director
Mr. M. L. Narula	Director
Mr. Manish Sanghi	Executive Director
Mr. Y. Srinivasa Rao	Executive Director (Operations)

Company Secretary & Head - Legal

Mr. Neeraj Kohli

Auditors

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

Bankers

State Bank of India
ICICI Bank Limited
Axis Bank Limited

Registered Office:

GAT No. 152, Lakhmapur,
Taluka Dindori,
Nashik - 422 202, Maharashtra.

Head Office:

G-1, Genesis,
A-32, Mohan Co-operative Industrial Estate,
Mathura Road, New Delhi - 110 044

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 July, 2008, at 11.30 a.m.
at GAT No. 152, Lakhmapur, Taluka Dindori,
Nashik - 422 202 (Maharashtra)
(Members are requested to kindly bring their
copies of the Annual Report to the Meeting)

Management Discussion and Analysis

Supported by strong fundamentals, the Indian Economy reached the trillion dollar mark in 2007-2008. Real GDP growth is in excess of 9%. This makes India the second fastest growing major economy in the world. Services and manufacturing sectors are the main growth drivers of this rapid growth and have a positive impact on housing, commercial and infrastructure sectors. Everest operates in these sectors. We see exciting times ahead.

To make the growth process more inclusive, the 11th Five Year Plan indicates a strong focus on infrastructure investment, social development and agriculture and rural development. To improve credit availability to farmers the Government is providing Rs. 280,000 crore for the year 2008-09 and an outlay of Rs. 20,000 crore has been made for irrigation. Further, the Government has provided an expenditure of Rs. 31,280 crore for rural development through its flagship programme Bharat Nirman. This will bring renewed vigour and infrastructural growth in India's rural and agricultural economy. This sector comprises 18.5% of India's GDP and directly affects the lives of 70% of India's population.

Everest is a trusted brand for corrugated roofing sheets and is distributed through a retail network of more than 5000 outlets across India. Fibre cement roofing sheets are the most economical roofing material in the country and provide shelter and durability with a life of more than 50 years. The company has geared up to meet the increase in demand which will arise from the Government's initiative and rural prosperity.

The industrial and construction sector in India has recorded high growth rates in the last five years. New projects in segments such as ports, railways, roads, airports, manufacturing, power, oil and gas, and urban infrastructure are on the anvil. The need of the hour is **Speed**. Everest fulfills the need for faster construction with a variety of offerings like Roofing Solutions, Ceiling Solutions, Wall Solutions, Cladding Solutions, Floor Solutions, Door Solutions and Steel Building Solutions. Everest has also focused on export markets in Middle East, Africa, Europe and Asia Pacific.

The year under review has been a challenging year for Everest. Cement prices increased by 23% and fibre prices by 7%. Thus input costs increased by 9%.

Demand for building products grew, as anticipated by our industry, and continues to expand rapidly. The last two years saw a spurt in Industry capacity and supply which has put pressure on sales realisations. Production for the industry increased 10% from 29.63 lac MT to 32.5 lac MT and Sales volumes were 31.80 lac MT as compared to 28.4 lac MT last year, an increase of 12% but realisations declined by 9%. The new financial year has already started with increase in demand and improved sales realisations. Demand is expected to see strong growth rates. Your company has initiated several programmes to expand the market, offer more choices and solutions to its customer and further expand the product range, service capability and production capacity. The positive impact of these initiatives will be visible in coming years.

Financial Performance

The key features of your Company's financial and operational performance are as follows:

	2007-08	2006-07
Net Sales	28,513.54	30,377.30
Other Income	1,424.54	304.38
Total Income	29,938.08	30,681.68
Manufacturing and Other Expenses	26,700.45	27,735.66
Profit before Depreciation, Interest & Tax	3,237.63	2,946.02
Exceptional Item	—	—
Depreciation	964.46	891.27
Interest	469.95	272.34
Profit before Tax	1,803.22	1,782.41
Current Tax, Deferred Tax & Fringe Benefit Tax	371.49	616.44
Profit after Tax	1,431.73	1,165.97

- a) Net Sales for the year 2007-08 was Rs.285.14 crores down from Rs. 303.77 crores for 2006-07 recording a decrease of 6.13%.
- b) PBDIT for the year 2007-08 was Rs.32.38 crores as compared to Rs. 29.46 crores for 2006-07. Consequently, PAT at Rs.14.32 crores was higher than that of the previous year i.e. Rs. 11.66 crores.

Operations

Central India - Kymore Works :

Kymore Works, the first fibre-cement roofing plant of the country, continues to excel in production efficiency. During the year production volumes increased by 5.3% over previous year. Products from Kymore Works dispatched to high-freight northern markets will now be replaced by supplies from our new Bhagwanpur Works in Uttarakhand. This will reduce outward freight cost in Financial Year 2008-09.

Eastern India - Kolkata Works :

Kolkata Works performance remained stable. Capacity enhancement and quality improvement projects are planned in Financial Year 2008-09.

Southern India - Podanur Works (Coimbatore):

Podanur Works improved machine productivity and efficiency during the year by 9%. A capacity improvement project is under implementation and results will be visible in FY 2008-09. The Hi-Tech roofing plant has been stabilized in productivity and quality through various R&D initiatives.

Western India - Lakhmapur Works (Nashik):

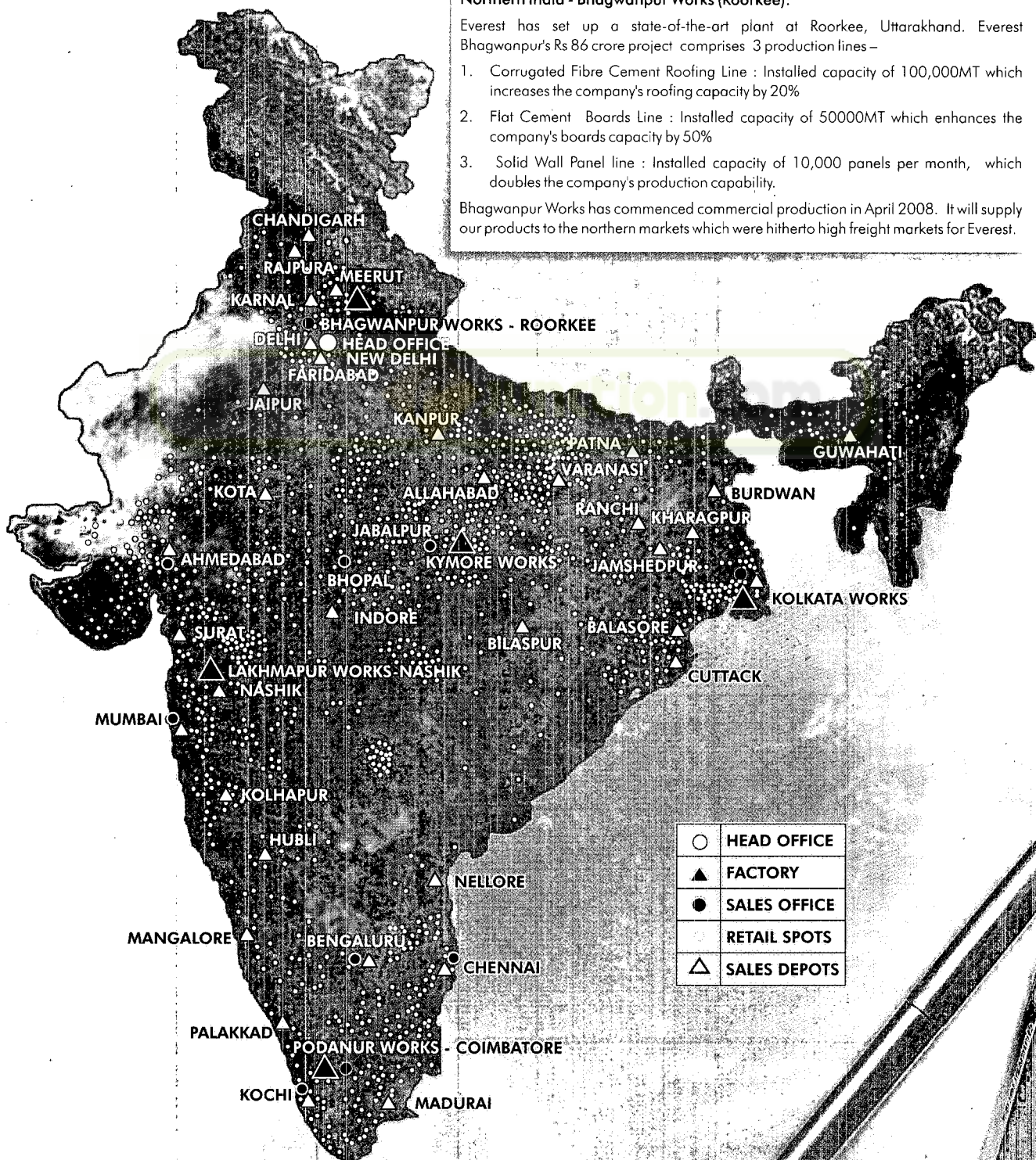
Roofing line at Lakhmapur Works improved production volumes by 5.2% and raw material yield by 4% during the year.

Northern India - Bhagwanpur Works (Roorkee):

Everest has set up a state-of-the-art plant at Roorkee, Uttarakhand. Everest Bhagwanpur's Rs 86 crore project comprises 3 production lines –

1. Corrugated Fibre Cement Roofing Line : Installed capacity of 100,000MT which increases the company's roofing capacity by 20%
2. Flat Cement Boards Line : Installed capacity of 50000MT which enhances the company's boards capacity by 50%
3. Solid Wall Panel line : Installed capacity of 10,000 panels per month, which doubles the company's production capability.

Bhagwanpur Works has commenced commercial production in April 2008. It will supply our products to the northern markets which were hitherto high freight markets for Everest.



○	HEAD OFFICE
▲	FACTORY
●	SALES OFFICE
○	RETAIL SPOTS
△	SALES DEPOTS



Dealer training programme organized by Everest

Human Resources

Everest is committed to the welfare and career growth of its people. Team Everest comprises of a manpower resource of 1285 employees as on 31st March, 2008. Our strength lies in our ability to attract and retain talent. We believe in engaging this resource effectively by means of Cross Functional Teams, training initiatives, active ladies clubs and ESOP and reward schemes. Senior management keeps constant personal touch and a friendly human approach in dealing with their colleagues. We encourage families to participate in community celebration of achievements, festivals and distinctions.

Expansion and Growth Plans

Everest has embarked on a vigorous growth phase with the establishment of Everest Steel Building Solutions. The concept of metal frame buildings is taking root amongst corporate India and the industry is growing at 40 % annually. Everest's Steel Building Solutions Division will have a strong design team of structural engineers and will manufacture and erect customized steel rigid frame buildings.

A greenfield plant at Everest's Bhagwanpur Unit at Uttarakhand with a production capacity of 30,000 MT per annum, will cater to

the growing demand for pre-engineered factories, warehouses, workshops, railway stations, aircraft hangers, sports halls and distribution centres.

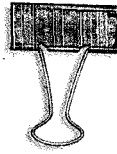
The project is underway as per target and is expected to be completed this financial year.

Health and Safety

Everest is committed to ensure safety and health to all its people, associates, customers and the community. All existing factories are certified for ISO:14000 for its environmental management systems. And now, the new unit at Bhagwanpur, is also poised to get the ISO certification.

Research and Development

Everest is continuously upgrading products and processes through R&D initiatives. The emphasis is on product variants and their applications. R&D initiated a number of projects for substitute raw materials for fibre-cement products in order to have cost leadership. Our R&D team works closely with various technical experts to enhance the quality of our products and applications to deliver our promise of Strength, Speed and Safety.



Information Technology and Management of Information Systems

Everest is continuously upgrading its service to suppliers and customers. The installation of VPN (Virtual Private Network) linking all factories, depots and marketing offices aids faster decision making. Everest is currently developing an integrated system to leverage the best of today's software and technology for better servicing.

Corporate Social Responsibility



Everest Award of Excellence at Mumbai University

Everest has instituted "Everest Award of Excellence" at leading Architectural Colleges across India to promote young talent. The company organises seminars on architectural developments and modern practices to encourage young architects. All our Plants and Marketing establishments are empowered to undertake various projects in the communities they operate in.

Risks, Threats and Concerns

High inflation has a major impact on both, our input costs and demand. We expect that various RBI and Government initiatives, to reign in the prices of steel and cement, will result in stable prices in 2008-09. Increasing fuel cost remains a matter of great concern.

The depreciation of the Indian Rupee against the US Dollar can adversely impact the import bill. Everest imports in 2007-08 were Rs 78.98 crores. Everest now has a natural hedge with exports of Rs 15.51 crores, which will reduce the impact.

Global inflation, pressures on shipping lines, port congestion and high international demand have pushed up Crysolite Fibre prices by 7%. We are ensuring regular supply at reasonable cost of raw materials, through better supply chain management.

Risk Management

Everest has a formal system to periodically identify risk areas, to understand their consequences and to initiate risk mitigation

strategies, as required. The Company remains optimistic about its prospects in 2008-09.

Internal Control Systems and their Adequacy

Everest has adequate systems in place to closely monitor and evaluate the efficacy and adequacy of internal control systems, their compliance with operating systems and accounting procedures and policies. The Internal Audit Department, headed by the Chief Internal Auditor, functions independently to ensure smooth functioning of the organization. The Audit Committee periodically reviews and implements the suggestions contained in the Audit Reports submitted by this Department and by the Statutory Auditors.

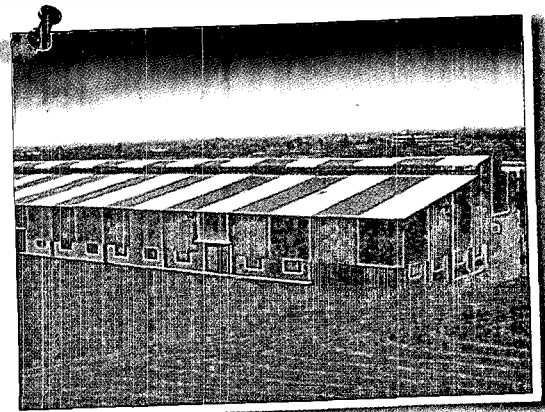
Complete Building Solutions Range

Roofing Solutions

Corrugated Fibre Cement Roofing System

Everest Corrugated Sheets are made from high quality cement and fibre through a specially developed fibre orientation process. They undergo rigorous quality controls, higher than ISI, giving a product of lasting value and high durability. Your brand is trusted by customers and the strong dealer network across India.

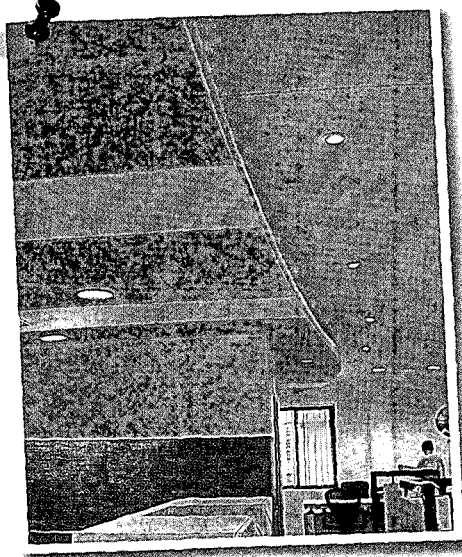
Modern Roofing System with HIPP Technology



Everest Hi-Tech is a modern non-asbestos roofing system using specially developed HIPP technology (High Impact Poly Propylene) with technology imported from Brasilit, a division of St Gobain. It is manufactured in a world class production facility, conforming to all relevant international standards.

Everest Hi-Tech is an ideal roofing and cladding solution for factories and warehouses, especially preferred by sectors such as petrochemicals, food, pharmaceuticals, automobiles, engineering, metallurgy, chemicals, textiles etc.

Ceiling Solutions



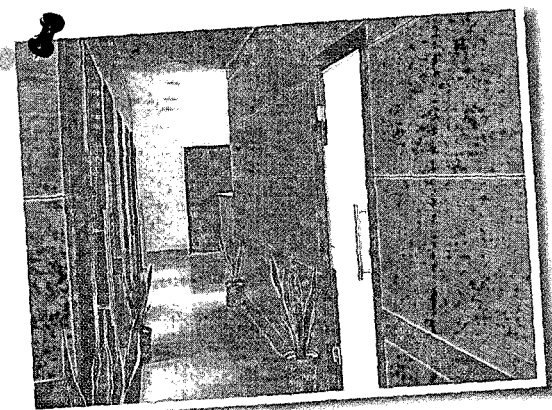
Everest Ceiling Solutions help you create smooth surfaces and clean lines, which are typical characteristics of contemporary interior design. Our products blend functionality with aesthetics for commercial spaces, retail outlets, industrial false ceilings and homes.

Everest Ceiling Solutions are available in the form of :

- Everest Acoustic Ceilings
- Everest Designer Ceilings
- Everest Standard Ceilings

Everest Ceiling Solutions are complimented with Everest Ceiling Grid Systems.

Wall Solutions

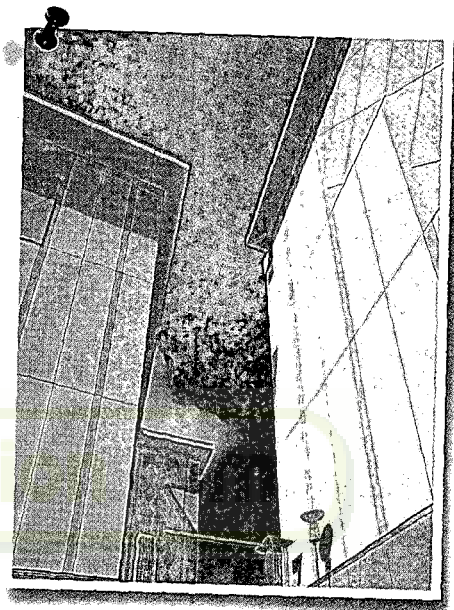


Everest Wall Solutions are synonymous with hassle-free, speedy construction. Dry-wall construction allows for maximum space utilization and fastest erection time. While offering design flexibility, these solutions maintain resistance to moisture, termites

and fire. Everest Wall Solutions are available in the form of :

- Everest Wall Boards
- Everest Designer Wall Boards
- Everest Heavy Duty Wall Boards
- Everest Solid Wall Panels

Cladding Solutions



Modern construction techniques prefer the use of external wall claddings as the key design element in commercial and industrial buildings. Everest Cladding Solutions help architects create buildings that possess inimitable style and supreme functionality. Everest Cladding Solutions are available in the form of :

- Everest Siding
- Everest Colour Cladding

Everest Steel Building Solutions

Everest Steel Building Solutions provide multiple customized possibilities in steel construction. These can be used for industries, airports, stations, residential complexes, stadiums, warehouses, villas, resorts, sports facilities, site office, canteen and utility buildings.