



Everest Industries Ltd.

DIRECTORS' REPORT

TO THE MEMBERS OF EVEREST INDUSTRIES LIMITED

Your Directors are pleased to present their Seventy First Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2004.

FINANCIAL RESULTS

	Current Year (Rs. in lakhs)	Previous Period (Fifteen Month) (Rs. in lakhs)
Profit before Tax & Exceptional Items.	1,958.07	1,507.01
Exceptional Item – Profit on Sale of Land.	5,177.32	—
Profit before Tax	7,135.39	1,507.01
Deduct:		
Provision for Taxation		
– Current	1,093.07	119.00
(Net of Adjustment for earlier years)		
– Deferred	85.00	437.29
Profit after Tax	5,957.32	950.72
Add:		
Balance brought forward.	1,996.49	1,641.74
Amount available for appropriation	7,953.81	2,592.46
Appropriation:		
General Reserve	596.00	95.08
Proposed Dividend	370.00	444.00
Interim Dividend - Special	4,440.01	—
Tax on Distributed Profits	616.28	56.89
Balance Carried to Balance Sheet	1,931.52	1,996.49

DIVIDEND

Your Directors are pleased to recommend a final dividend payment at the rate of 25 % viz. Rs.2.50 per share for the financial year under review in addition to the special dividend of 300% viz. Rs. 30 per share paid by the Company in March, 2004.

OPERATIONS

Overall performance of the Company has shown further significant improvement despite highly competitive market conditions. The income for the year 2003-04 was at Rs. 20,107.02 lacs as compared to the Rs. 21,115.54 lacs for the fifteen month period ended 31st March, 2003. Profit before tax & exceptional items for the year under review stood at Rs. 1,958.07 lacs as against Rs 1,507.01 lacs for the previous period of fifteen month. The year witnessed the Company stabilising its operation after ACC's takeover. The industry's demand grew by 10.4% (Compounded Annual Growth Rate in last 3 years). The prices of the fibre cement products continued to be under severe pressure due to capacity overhang coupled with intense under cutting of prices by the competitors.

The sales volume of value added asbestos free building boards saw growth of 44 % as against the corresponding twelve month period. Your Company has also achieved break through in exporting these boards.

MULUND LAND

You would be aware that your Company has entered into an Development Agreement with M/s. Nirmal Lifestyles for development and sale of its land at Mulund. The Company has handed over possession of part of the land to the developer against which it has realised a consideration of Rs.64.92 crores. Your Company has also entered into an MOU with the said developer to sell Transferable Development Rights (TDR) for Rs.12.48 crores.

NEW PROJECT

Your Company is examining the feasibility of implementing a Compressed Board Project. Your Company has already entered into an MOU with M/s. Dansk Eternit, Denmark not only for technology transfer and purchase of machinery but also for buy back of the products.

LABOUR RELATIONS

It was another year of good industrial harmony at all Works of your Company. The manpower optimisation at all the locations is being carried out with the proper understanding with the representing workers union.

HEALTH & SAFETY

Safety, Health and Environment excellence continued to be the top priority of the Company. Air monitoring standards are in compliance with international requirements. Emission & Fibre counts were well within the authorised limits set internationally.

QUALITY

Your Company's non-asbestos products boards branded as "E-Board", "E-Board Classic", and non-asbestos roofing sheets "Eternia" became the first non-asbestos fibre cement products to be given the ISI approval from Bureau of Industrial Standards.

CAPACITY EXPANSION

Your Company has undertaken projects for capacity expansion at Kymore Works, Podanur Works and Kolkata Works. These are to be completed during the current financial year. All these investments besides increasing capacity would also contribute towards further improvement in quality of the product, in reducing pollution load as also automation of the plants for economising on manpower.

DIRECTORS

The Board of Directors of your Company have re-appointed Mr.M.L.Gupta as Managing Director w.e.f. 8th July, 2004 upto 28th February, 2006 and Mr.Manish Sanghi as Executive Director (Marketing) for a period of two years w.e.f. 8th July, 2004 upto 7th July, 2006 respectively. Your Company seeks confirmation of their re-appointment from you in this meeting.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. D.C.Shroff and Mr. A.K.Jain retire by rotation and are eligible for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION; AND FOREIGN EXCHANGE EARNINGS / OUTGO.

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings /outgo is appended hereto and forms part of this Report.

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with the (Companies Particulars of Employees) Rules, 1975, regarding employees forms part of this Report for the year ended 31.3.2004.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 and on the basis of the information and advice received by them your Directors confirm that :

- 1) in the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;

- 2) the Company had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit and loss of the Company for the said period.
- 3) the Company had taken proper and sufficient care for maintaining of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) the Company had prepared the Annual Accounts on a going concern basis.

CORPORATE GOVERNANCE

A separate report on the practices followed by the Company on Corporate Governance along with Auditor's certificate on its compliance is annexed and forms part of this Report.

AUDITORS

M/s Deloitte Haskins & Sells, Chartered Accountants, the existing Auditors of your Company retire at the end of this meeting and are eligible for reappointment. They have under Section 224 (IB) of the Companies Act, 1956 furnished the necessary certificate of their eligibility if they get reappointed.

ACKNOWLEDGEMENT

The Board places on record its sincere gratitude to the Company's valued customers, suppliers, financial institutions, banks and the Shareholders for their continued support, confidence and faith in the Company.

The Board wishes to place on record its appreciation of the wholehearted efforts and impressive contribution made by the employees at all levels during the year.

On behalf of the Board of Directors,

T.M.M. Nambiar

Chairman

M.L.GUPTA

Managing Director

Mumbai
April 23, 2004

ANNEXURE REFERRED TO IN THE DIRECTORS' REPORT ON THE ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2004.

Conservation of Energy

During the year, automatic power factor controller with power capacitor alongwith variable frequency drives were installed at Lakhmapur Works which resulted in saving energy. Conservation of electric energy has been an on going process at all works of the Company. At Lakhmapur Works, Diesel Generators have been modified for usage of LDO instead of High Speed Diesel resulting an annual saving of Rs 8.28 lacs. All other works have also undertaken modifications in various processes to save electricity. By doing modification in the vacuum circuit at all works, your Company saved demoulding oil to the tune of Rs. 30 lakhs during the period under review.

Expenditure on R&D	Rs. in lakhs
(a) Capital	0.38
(b) Recurring	24.84
Total	25.22

(c) Total R&D expenditure as percentage of turnover 0.13 %

Technology Absorption, Adaptation and Innovations;

At Podanur and Kymore Works, the sheeting machines were converted to 5 Vats from 4 Vats, which increased productivity of the machine by 15%, besides improving the quality of the products. At Podanur, imported steel moulds were added in sheet handling section to improve machine speed & maintain sheet curing time.

Imported technology

Your Company has entered into an MOU with M/s. Dansk Eternit of Denmark for providing Technical Know-how for Compressed board technology. Your Company is examining to implement this project as a part of diversification project. After importation of Plant & Machinery from Denmark, the Company plans to commission the same in the next financial year.

Your Company also has an understanding with M/s.Etex Group of Belgium to assist in improving the quality and productivity of NT products and also for training of our manpower on installation of Boards.

Foreign Exchange Earnings/Outgo.

The relevant figures pertaining to foreign exchange earnings and import of materials and other expenditure in foreign currency are given in the statement of additional information appended to the accounts.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT
IN FORTHCOMING ANNUAL GENERAL MEETING**

Name of Director	Mr. D.C. Shroff	Mr. A.K. Jain	Mr. M.L. Gupta	Mr. Manish Sanghi
Date of Birth	08.08.1944	25.12.1947	03.02.1941	04.02.1963
Date of appointment	12.02.2002	12.02.2002	08.07.2002	08.07.2002
Expertise in specific functional areas	Corporate, Commercial & Employment Laws	Marketing / Refractory	Technical/Gen. Management	Marketing
Qualifications	B.A.(Hons.) LL.B	B.Tech (Hons.) Chemical	B.Tech.(Hons.)	B.E.(Mechanical), PGDM(IIM)
List of Public Companies in which outside Directorship held as on 31st March, 2004	1) Avi-Oil India Pvt. Ltd. 2) Bayer ABS Ltd. 3) Bayer Polychem (India) Ltd. 4) Ciba Specialty Chemicals (India) Ltd. 5) CMP Pvt. Ltd. 6) Fulford (India) Ltd. 7) Ingersoll-Rand (India) Ltd. 8) Kulkarni Power Tools Ltd. 9) Lubrizol India Pvt. Ltd. 10) Maersk Logistics India Pvt. Ltd. 11) Professional Oral Care Products Pvt. Ltd. 12) Siemens Ltd. 13) SKF Bearings India Ltd. 14) Swiss Re Services India Pvt. Ltd. 15) S&M Agencies Pvt. Ltd. 16) S&M Logistics Pvt. Ltd. 17) Sea-Land Holdings (India) Pvt. Ltd. 18) Unifrax India Ltd. 19) UTV Software Communications Ltd.	1) The Associated Cement Companies Ltd. 2) Cement Marketing Company of India Ltd. 3) Bulk Cement Corporation (I) Ltd. 4) Almatiss ACC Ltd. (Formerly Alcoa ACC Industrial Chemicals Ltd.) 5) Bargarh Cement Ltd. (Formerly IDCOL Cement Ltd.)	N.A.	N.A.
Chairman/Member of the Committees of the Board of Public Companies on which he/she is a Director as on 31st March, 2004	1) Ciba Specialty Chemicals (India) Ltd. – Audit Committee – Member 2) Ciba Specialty Chemicals (India) Ltd. – Shareholders'/Investors' Grievance Committee – Member 3) Ingersoll-Rand (I) Ltd. – Audit committee – Member 4) Ingersoll-Rand (I) Ltd. – Share Transfer cum Investor Grievance Committee – Chairman 5) Siemens Ltd. – Investor Grievance Committee – Chairman 6) Siemens Ltd. – Remuneration Committee – Member 7) SKF Bearings (I) Ltd. – Audit Committee – Chairman 8) SKF Bearings (I) Ltd. – Share Transfer/ Investor Grievance Redressal Committee – Member 9) SKF Bearings (I) Ltd. – Remuneration Committee – Member	3) Bulk Cement Corporation (I) Ltd. - Audit Committee - Member. 2) Bargarh Cement Ltd. - Audit Committee - Member.	N.A.	N.A.

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2004

Employed for full period							
S. No.	Name	Designation & Nature of duties	Remuneration Gross (Rs.)	Qualifications	Date of Commencement of Employment	Age in years	Last Employment
1.	Gupta M. L.	Managing Director	39,37,280.00	B.Tech (Hons.)	08-07-2002	63	A C C Limited
2.	Sanghi Manish	Executive Director Marketing	32,78,282.00	B.E. (Mech.), PGDM (IIM)	16-01-2001	41	Delphi Automotive Systems Ltd.

- Notes (i) Gross Remuneration shown above is subject to tax and comprises salary, allowances, incentives, monetary value of perquisites, company's contribution to provident fund, officer's superannuation fund, incentives to Directors.
- (ii) In addition to the above remuneration, employees are entitled to gratuity, medical benefits etc. in accordance with the company's rules.

CORPORATE GOVERNANCE

EVEREST INDUSTRIES LIMITED (EIL) PHILOSOPHY ON CORPORATE GOVERNANCE

EIL believes in professional management of its business where the freedom of management is exercised within a well defined framework which ensures that the decision making powers vested in the executive management are used to meet stakeholders aspirations and social expectations. A framework that ensures total transparency and complete accountability through adequate checks and balances.

EIL is fully committed to its responsibility to the society at large by adopting environment friendly processes to produce and sell products that conform to the highest standards of quality.

BOARD OF DIRECTORS (COMPOSITION, STATUS, ATTENDANCE AT BOARD MEETINGS & LAST ANNUAL GENERAL MEETING)

- The Board consists of seven Directors out of whom two are Executive Directors and others being Non-Executive Directors, including the Chairman. The day to day management of the Company is conducted by the Managing Director subject to the supervision and control of the Board of Directors of the Company.

- In the financial year ended 31.03.2003, the Board met 7 times (on 25.4.2003, 20.6.2003, 28.7.2003, 17.10.2003, 17.01.2004, 17.02.2004 and 11.03.2004) with clearly defined agenda, circulated well in advance before each meeting.

- Attendance record of the participating Directors (present & past) as at 31.03.2004 are as follows :

Name of Director	No. of Board Meetings attended	Attendance at previous AGM on 20.06.2003	No. of outside Directorship held	No. of outside Membership / Chairmanship in other Board Committees	Executive/ Non Executive/ Independent
Mr. T.M.M.Nambiar	5	Present	4	4 (1 as Chairman)	Non Executive
Mr. M.L.Gupta	7	Present	Nil	Nil	Executive
Dr. N.K.Sengupta	3	Not Present	6	Nil	Non Executive & Independent
Mr. D.C.Shroff	6	Present	19	9 (3 as Chairman)	Non Executive & Independent
Mr. P.K. Sinor	7	Present	4	1 as Chairman	Non Executive
Mr. A.K.Jain	7	Present	5	2, (1 as Chairman)	Non Executive
Mr. Manish Sanghi	6	Present	Nil	Nil	Executive

- All the Non Executive Directors hold Directorships within the limit as prescribed under the Companies Act, 1956. They are also holding membership/ chairmanship in Committees of various Companies within the limits stipulated under the Clause 49 of the Listing Agreement.

- The Statutory Registers that are required to be kept under various enactments are properly maintained and continuously updated.

- The Company has the following four committees of the Board:

a) INVESTOR GRIEVANCE/SHARE TRANSFER COMMITTEE

Share Transfer/Investors Grievance Committee of the Board consists of Mr.T.M.M. Nambiar, Chairman, Dr. N.K.Sengupta, NonExecutive Directors and Mr. M.L.Gupta, Managing Director. The Committee is responsible for approving the transfer, transmission of shares, issuance of duplicate share certificates etc. The Committee approved transfers' etc. 23 times in the last financial year ended 31st March, 2004 and there are no pending shares to be transferred. During the year April, 2003 – March, 2004, the Company received 43 complaints from shareholders & investors. All the complaints have been resolved

to the satisfaction of the complainants except for disputed cases and sub-judice matters, which would be solved on final disposal by the courts.

b) BANKING FACILITY COMMITTEE

Banking Facility Committee of the Board consists of Mr. T. M. M. Nambiar, Chairman, Dr. N.K.Sengupta, Non Executive Directors and Mr. M.L. Gupta, Managing Director. The Committee is responsible for reviewing any borrowings from the Company's bankers, from time to time, by way of Cash Credit including Commercial Paper (C.P.) and other facilities, availing of other non-fund based facilities from the Company's bankers, to secure these borrowings by way of hypothecation of such of the Company's movable assets as may be agreed to between the Committee and the Banks. There has been NIL Banking Facility Committee meetings held during the financial year ended 31st March, 2004.

c) AUDIT COMMITTEE

Audit Committee of the Board consists of Mr.D.C.Shroff, Chairman, Dr. N. K. Sengupta and Mr.P.K.Sinor all being Non-Executive Directors and all having Financial & Accounting knowledge. Mr. Suresh Menon, Vice President & Company Secretary is the Secretary to the Committee. The Audit Committee is responsible for the areas specified by Clause 49 of the Listing Agreement & Section 292-A of the Companies Act, 1956, besides other roles as may be referred by the Board of Directors. There has been five Audit Committee meetings as against the requirement of three meetings (25.4.2003, 26.7.2003, 17.10.2003, 17.01.2004 and 17.2.2004), during the financial year ended 31st March, 2004 and one for the review of Audited Financial Results for the financial year ended 31st March, 2004 held on 23rd April, 2004. Dr.N.K.Sengupta being M.P. (Lok Sabha) could attend only two meetings out of the five meetings held as his parliamentary sessions/assignments clashed with the dates of the Committee meetings.

d) REMUNERATION COMMITTEE

Remuneration Committee of the Board consists of Dr.N.K.Sengupta, Chairman, Mr.T.M.M. Nambiar and Mr.P.K. Sinor. There has been two Remuneration Committee meetings (25.4.2003, 27.7.2003), during the financial year ended 31st March, 2004.

The Remuneration Committee has been constituted to recommend / review the remuneration package of Managing Director / Wholtime Director in line with the group remuneration policy.

7. REMUNERATION OF WHOLETIME DIRECTORS

Name and Designation	Mr. M.L. Gupta Managing Director	Mr. Manish Sanghi Executive Director- Marketing
Tenure of Appointment	Current tenure is upto 7th July, 2004. Proposed tenure: From 8th July, 2004 to 28th February, 2006.	Current tenure is upto 7th July, 2004. Proposed tenure: From 8th July, 2004 to 7th July, 2006.
Salary (Rs.)	8,64,000	6,96,000
Perquisites / Allowances (Rs.)	14,40,000	12,00,000
Performance Incentive/ Commission (Rs.)	14,00,000	10,00,000
Contributions to Provident Fund/ Superannuation Fund (Rs.)	2,33,280	1,87,920
Other payments*	—	1,94,362
Total (Rs.)	39,37,280	32,78,282

* Performance Incentive paid for the period 1/1/2002 to 7/7/2002.

Notice period for termination of appointment of Managing Director / Wholtime Director is three months on either side.

The Non-Executive Directors do not draw any remuneration from the Company. However, the Non-Executive Directors (other than Mr.A.K.Jain and Mr.P.K.Sinor) are paid Sitting Fees at the rate of Rs.5,000/- for each Board/Committee Meetings and w.e.f. 17.10.2003 at the rate of Rs.20,000/- for each Board Meeting; at the rate of Rs.10,000/- for each Audit Committee Meeting / Remuneration Committee Meeting; and at the rate of Rs.5,000/- for each Investor Grievance/Share Transfer Committee Meeting. The total amount of sitting fees paid during the year is Rs.2,65,000/-. Mr.D.C.Shroff is a Senior Partner of Crawford Bayley & Co. Solicitors & Advocates, who have professional relationship with the Company on need to need basis. During the year, the Company has paid Rs. 3,65,000/- as professional fees to Crawford Bayley & Co. Your Board strongly feels that such payments does not impinge on the Independence of Mr.D.C.Shroff.

8. GENERAL BODY MEETINGS (held in last 3 years)

Year	Venue	Date	Time
2003	Voltas Thane Works Auditorium, 2nd Pokhran Road, Subhash Nagar, Thane (West) - 400601, Maharashtra.	20.06.2003	11.30 a.m.
2002	Indian Merchants Chamber Conference Hall (Walchand Hirachand Hall), 76, Veer Nariman Road, Near Churchgate Station, Mumbai 400 020	09.05.2002	11.30 a.m.
2001	Indian Merchants Chamber Conference Hall (Walchand Hirachand Hall), 76, Veer Nariman Road, Near Churchgate Station, Mumbai 400 020	20.06.2001	11.30 a.m.

There was no other General Body Meeting in the last three years and no resolution was put through postal ballot.

9. DISCLOSURES

During the financial year ended 31st March, 2004, there has been no materially significant transaction entered by the Company with any party, which is considered to have potential conflict with the interests of the Company at large.

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

10. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the Unaudited Financial Results in the proforma prescribed by the Stock Exchange within one month of the close of the quarter/half year and announces forthwith the results to all the Stock Exchanges where the shares of the Company are listed. The quarterly/half yearly results are published within 48 hours after the Board meeting in Newspapers as prescribed (Business Standard & Sakal, Mumbai, Economic Times, Delhi). The Company publishes the Annual Audited Results within the stipulated period of three months as required by the listing agreement with the Stock Exchanges. These results can also be accessed on the Company's website www.everestind.com. The Company also informs by way of a press release all matters which in its opinion are material and of relevance to the Shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. HIGHLIGHTS OF PERFORMANCE / EVENTS

- Sales volume up by 16.7 % as compared to 10.1 % by industry.
- Profit before tax & exceptional income at Rs. 1958.07 lacs during financial year ended 31st March, 2004 as against Rs. 1507.01 lacs during the previous period of fifteen months ended 31st March, 2003.
- Development Agreement with M/s. Nirmal Lifestyles for development and sale of its land at Mulund.
- Declaration of special dividend of 300%.

B. INDUSTRY STRUCTURE AND DEVELOPMENT

Fibre Cement Roofing Industry was pioneered in India by Everest Industries Limited in 1934 by establishing its plant at Kymore, MP. The

Industry today have an installed capacity of about 2 million MT/annum. This is significantly higher than the total demand for the industry which stood at 1.67 million tonnes for the year ended 31st March, 2004. The industry has been growing at a CAGR (Compounded Annual Growth Rate) of 10.4% in the last 3 years. This excess capacity continues to drive prices down putting margins under pressure.

The non asbestos fibre cement boards manufactured by the Company have been finding wide acceptance as building material in industrial, commercial, residential as well as pre-fabricated applications. The major applications are false ceilings, partitioning, paneling, doors and pre-fabricated structures.

C. INDUSTRY OUTLOOK & OPPORTUNITIES

The roofing industry has been growing rapidly particularly in the rural segment of the Indian market. With improvement in the general standard of living in the country, people have been upgrading houses with thatch roofs to more permanent structures and this has given a boost to fibre cement industry. The construction industry as a whole has seen a buoyant growth in the Indian economy with steady rise in the GDP growth of the country. The industrial sector has shown healthy growth this year and we expect the trend to continue. The trend towards faster and cleaner construction has given a major fillip to the pre-fabricated industry where our Non Asbestos Fibre Cement boards have seen a major increase in use. Also the growth in the textile sector has given a boost to the false ceiling applications. The traditionally conservative construction industry is today much more willing to experiment and try out new products and this would increase the scope of applications of our new high tech products like Eternia, E-Board and Suraksha. The sentiment is also further boosted by the high price of steel which is major competitor of fibre cement in all segments in the market.

D. INDUSTRY – THREATS, RISKS AND CONCERNS

Further addition of new capacities through expansion and modernisation has resulted in prices continuing to decrease this year as well. The situation has been made further more difficult by the increase in cost of freight, power and raw materials. The industry association, The Chrysotile Asbestos Cement Products Manufacturers Association (CACPM) undertook a major initiative to counter the malafide anti asbestos campaign and successfully managed to make the general public and key decision makers understand that there are no risks associated with the use and manufacture of fibre cement products, when all necessary precautions are taken.

E. COSTS AND PROFITABILITY

The Company was able to achieve significant cost reduction through better product mix, efficient use of plant and machinery resulting in better yield, concentration on markets with low freight, increased productivity and reduction on overheads. This enabled the Company to off set the adverse impact of the pressure on margins due to fall in the selling prices.

F. INTERNAL CONTROL SYSTEM & ADEQUACY

The Company has set adequate control system in terms of monthly financial reporting, efficiency of operations and compliance with various rules, regulations etc. In order to check and ensure all systems are being followed, the Internal Audit team of ACC conducts exhaustive audits at each locations of the Company on the basis of an Audit plan approved by the Audit Committee. The Audit Reports are placed before the Audit Committee, who after reviewing the same ensures that Audit findings are complied with by the management. The management places an Action Taken Report periodically on all audit findings. All observations made by the Audit Committee are duly considered and acted upon by the Board of Directors of the Company.

G. HUMAN RESOURCES

Industrial Relations in all manufacturing units have been normal and peaceful.

H. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the current industry structure, outlook & opportunities reflects the Company's assessment and perception of the situation. It may differ materially depending on the environmental regulations stipulated globally and also the changes in government regulations, policies and other related factors.

SHAREHOLDER INFORMATION

1. Annual General Meeting Day, Date, Time and Venue	Friday, the 25 th 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 (Maharashtra)
2. Date of Book Closure	21st June, 2004 to 25th June, 2004 (both days inclusive)
3. Posting of Annual Report	On or before 31 st May, 2004
4. Dividend Payment date	Dividend, if any, declared in the forthcoming 71 st Annual General Meeting will be paid within 30 days of the date of declaration.
5. Last date for receipt of proxy forms	23 rd June, 2004 before 11.30 AM.
6. Unclaimed/Unpaid Dividend for the previous years	All unclaimed/unpaid dividends upto the financial year ended December 31, 1995 have been either transferred to the General Revenue Account of the Central Government pursuant to Section 205A of the Companies Act, 1956 or transferred to the Investor Education & Protection Fund established and notified by the Central Government, in view of the amendments in Section 205A of the Companies (Amendment) Act, 1999. Members who have not encashed their dividend warrants for the year w.e.f. 1996 onwards may approach the Company for obtaining demand drafts in lieu of unpaid dividend warrant.
7. Financial Calender (Tentative) a) Financial reporting for the quarter ending June 30, 2004, quarter and half year ending September 30, 2004, quarter and nine months period ending December 31, 2004. b) Financial reporting for the financial year ending March 31, 2005 (Audited)	Within one month from the end of each quarter as stipulated under the Listing Agreement. Within three months from the end of the last quarter as stipulated under the Listing Agreement.
8. Listing of Equity Shares	The Stock Exchange, Mumbai & The National Stock Exchange of India Ltd. at Mumbai.

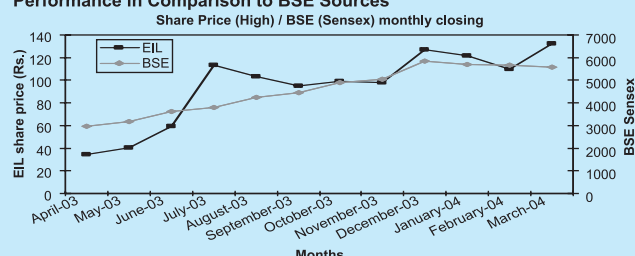
9. Stock Code
For dealing in shares in the dematerialisation form, code no. (ISIN-INE295A01018) has been allotted to the securities of our Company by Central Depository Services (India) Limited and National Securities Depository Limited.
10. Stock Market Data

MONTHLY HIGH / LOW SHARE PRICE* (YEAR 2003-2004)

MONTH	The Stock Exchange, Mumbai		The National Stock Exchange of India Ltd.	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2003	34.40	23.60	34.00	23.75
May, 2003	40.50	34.90	41.00	34.90
June, 2003	59.40	38.20	59.50	35.00
July, 2003	113.60	56.00	100.90	54.10
August, 2003	103.00	83.00	103.00	82.00
September, 2003	95.00	72.00	95.00	72.00
October, 2003	99.00	77.50	99.05	75.05
November, 2003	98.00	77.00	96.00	77.05
December, 2003	126.90	88.05	121.00	90.00
January, 2004	121.70	78.25	126.00	78.25
February, 2004	109.50	75.30	110.00	75.00
March, 2004	132.05	63.50	132.40	58.50

* Based on newspaper quotations.

Performance in Comparison to BSE Sources



(Source: www.bseindia.com)

11. Share Transfer Agent M/s. MCS Limited, Sri Venkatesh Bhawan, W-40, Okhla Industrial Area, Phase-II, New Delhi-110020. Ph. No.: 011-26384909, 26384911, 26384914 Fax No.: 011-26384907
12. Share Transfer System
Meetings of the Investor Grievance/Share Transfer Committee of the Board are held twice a month. All the requests received from shareholders for transfer, transmission etc. are processed by the Share Transfer Agent of the Company within the time limit (one month) as stipulated in the Listing Agreement with the Stock Exchanges.
13. Distribution of Shareholding as on 31st March, 2004
The Company had a shareholders base of 9601, including members holding their shares in demat form.

No. of shares held	No. of Shareholders	% of Shareholders	Aggregate shares held	% of Shareholding
1 to 500	8249	85.92	1366103	9.23
501 to 1000	960	10.00	685846	4.64
1001 to 2000	233	2.43	344801	2.33
2001 to 3000	64	0.67	164044	1.11
3001 to 4000	24	0.25	86507	0.58
4001 to 5000	22	0.23	106825	0.72
5001 to 10000	30	0.31	229067	1.55
10001 and above	19	0.20	11816827	79.84
Total	9601	100.00	14800020	100.00

The shareholding pattern of the Company as on 31st March, 2004 is as follows:

Category	No. of shares held	Percentage of shareholding
A Promoter's holding		
1 Promoter's		
- Indian Promoters	11250030	76.01
- Foreign Promoters	NIL	NIL
2 Persons acting in concert	NIL	NIL
Sub-Total	11250030	76.01
B Non-Promoters holding		
3 Institutional Investors		
A Mutual Funds and UTI	7175	0.05
B Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-government Institutions)	21989	0.15
C Fills	1575	0.01
Sub-Total	30739	0.21
4 Others		
A Private Corporate Bodies	429881	2.91
B Indian Public	3074335	20.77
C NRIs/OCBs	14835	0.10
D Any other – Administrator General of West Bengal	200	0.00
Sub-Total	3519251	23.78
GRAND TOTAL	14800020	100.00

14. Dematerialisation of Shares
The equity shares of the Company are available for dematerialization under the Depository System operated by Central Depository Services (India) Limited as well as National Securities Depository Limited. The percentage of shares in demat form as on 31.03.2004 is 94.46 % to total shareholding of the Company.
15. Nomination facility for Shareholders
In accordance with the provisions of the Companies (Amendment) Act, 1999, facility for making nomination is now available for shareholders in respect of the shares held by them. Nomination forms can be obtained from the Vice President & Company Secretary at E-62, Greater Kailash-I, New Delhi-110048.
16. Payment of Dividend through Electronic Clearing Service
The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividend through Electronic Clearing Service (ECS) to the investors wherever ECS and bank details are available. A blank mandate form for payment of dividend through Electronic Clearing Service (ECS) for Shareholders holding shares in physical form is enclosed in this Annual Report.
17. Location of the Plants of the Company
- | | |
|--|---|
| Kymore Works
Everest Nagar,
P.O. Kymore - 438 880
Madhya Pradesh (Via Jukehi, C.R.) | Calcutta Works
'Everest House',
Taratola Road, Garden Reach,
Calcutta - 700 024 |
| Lakhmapur Works
GAT No. 152,
Lakhmapur, Taluka Dindori,
Nashik - 422 202 (Maharashtra) | Podanur Works
Podanur
P.O. Coimbatore - 641 023
(Tamil Nadu) |



18. Address for Correspondence - Investor Services

- a) For any complaints relating to non-receipt of shares after transfer, transmission, Change of address, Mandate etc., dematerialization of shares or any other query relating to shares shall be forwarded to the Share Transfer Agents directly at the address given hereunder. Members are requested to provide complete details regarding their queries quoting folio number, number of shares held etc.

M/s. MCS Limited, (Unit: Everest Industries Limited)
Sri Venkatesh Bhawan, W-40, Okhla Industrial Area, Phase-II,
New Delhi-110020.
Ph. No.011-26384909, 26384911
Fax No.011-26384907

- b) For any query on any point in Annual Report, non-receipt of Annual Report, non-receipt of dividend etc., the complaint should be forwarded to the kind attention of Mr. Suresh Menon, Vice President & Company Secretary (Compliance Officer) at the following address:

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

CERTIFICATE

TO THE MEMBERS OF EVEREST INDUSTRIES LIMITED
(Formerly ETERNIT EVEREST LIMITED)

1. We have examined the compliance of conditions of Corporate Governance by Everest Industries Limited (the Company), for the period 1st April, 2003 to 31st March, 2004, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with conditions of the Certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except for three of the five audit committee meetings, wherein only one independent Director was present.
4. As required by the Guidance Note issued by The Institute of Chartered Accountants of India in respect of Shareholders'/Investors grievances, the 'Registrars and Share Transfer Agents' of the Company, who have maintained the records pertaining to the Shareholders'/Investors grievances, have, on a monthly basis, certified that there were no investors grievances remaining unattended/pending for more than 30 days.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
JITENDRA AGARWAL
Partner
(Membership No. 87104)

Mumbai, April 23, 2004

AUDITORS' REPORT

TO THE MEMBERS OF EVEREST INDUSTRIES LIMITED
(formerly ETERNIT EVEREST LIMITED)

1. We have audited the attached Balance Sheet of Everest Industries Limited, as at 31st March, 2004 the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004;
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors, as on 31st March, 2004 and taken on record by the Board of Directors, we report

that none of the Directors are disqualified as on 31st March, 2004 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

For DELOITTE HASKINS & SELLS
Chartered Accountants
JITENDRA AGARWAL
Partner
(Membership No. 87104)

Mumbai,
April 23, 2004

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date)

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The Company has a programme of physically verifying its fixed assets in a phased manner designed to cover all assets over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. In accordance with this programme, the Management had carried out a physical verification of fixed assets at a few locations during the year and necessary adjustments were made for discrepancies arising out of such verification.
2. The Company has, during the year, disposed of a substantial portion of industrial land which was not in use consequent to the closure of operations at the manufacturing facility situated on that land. This sale will however not affect the ability of the Company to continue as a going concern.
3. The stocks of finished goods, work-in-process, stores and spare parts and raw materials were physically verified by the Management during the year at reasonable intervals. In our opinion, the frequency of such verification is reasonable in relation to the size of the Company and the nature of its business.
4. In our opinion, the Company has maintained proper inventory records. The discrepancies noticed between the physical stocks and book records were not material and the same have been properly dealt with in the books of account.
5. The Company has not taken or granted any loans, secured or unsecured, from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
6. Based on the examination of the books of account and related records and according to the information and explanations provided to us there are no transactions with companies, firms or other parties which need to be listed in the register maintained under Section 301 of the Companies Act, 1956.
7. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
8. The Company has not accepted any deposits from the public during the year.
9. In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.
10. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
11. According to the information and explanations given to us and the records of the Company examined by us:
 - a. The Company has generally deposited its statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, sales tax, custom duty, excise duty, cess within the prescribed time with the appropriate authorities during the year. There are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which have remained outstanding as at 31st March, 2004 for a period of more than six months from the date they became payable.
 - b. As set out in note 18 of Schedule O, dues of sales tax and excise duty aggregating to Rs. 3,445.64 lakhs, and Rs. 45.22 lakhs respectively, have not been deposited on account of various disputes. We have been further informed that there are no dues in respect of income tax, wealth tax, custom duty and cess which have not been deposited on account of any dispute.
12. The Company does not have any accumulated losses and has not incurred any cash losses during the current financial year and the immediately preceding financial period.
13. Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not defaulted in repayment of dues to the banks.
14. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
15. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. Based on the examination of the books of account and related records and according to the information and explanations provided to us, the Company has not utilised funds raised on short-term basis for long term investment and vice versa.
17. The Company has not made any fresh allotment of equity shares during the year.
18. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
JITENDRA AGARWAL
Partner
(Membership No. 87104)

Mumbai
April 23, 2004

BALANCE SHEET AS AT MARCH 31, 2004

	Schedule	As at March 31, 2004 Rs.Lakhs	As at March 31, 2003 Rs.Lakhs
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	A	1,480.00	1,480.00
(b) Reserves and Surplus	B	8,494.61	7,963.58
		9,974.61	9,443.58
2. LOAN FUNDS			
(a) Secured Loans	C	213.80	1,524.42
(b) Unsecured Loans	D	5.60	7.53
		219.40	1,531.95
3. STOCKISTS' DEPOSITS (UNSECURED)		180.97	93.30
4. DEFERRED TAX LIABILITY (Net)		1,105.98	1,020.98
5. TOTAL FUNDS		11,480.96	12,089.81
II. APPLICATION OF FUNDS			
1. FIXED ASSETS	E		
(a) Gross Block		11,749.01	12,651.03
(b) Less- Depreciation		5,296.20	4,788.11
(c) Net Block		6,452.81	7,862.92
(d) Capital Work-in-Progress		30.85	16.28
		6,483.66	7,879.20
2. INVESTMENTS	F	0.97	0.97
3. CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	G	4,705.80	4,899.65
(b) Sundry Debtors	H	521.94	411.39
(c) Cash and Bank Balances	I	3,019.84	969.97
(d) Other Current Assets	J	4.41	0.02
(e) Loans and Advances	K	829.93	615.30
		9,081.92	6,896.33
4. LESS - CURRENT LIABILITIES AND PROVISIONS			
(a) Sundry Liabilities	L	3,916.80	2,480.51
(b) Provisions	M	615.10	887.38
		4,531.90	3,367.89
5. NET CURRENT ASSETS		4,550.02	3,528.44
6. MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	N	446.31	681.20
7. TOTAL ASSETS (NET)		11,480.96	12,089.81
8. NOTES ON ACCOUNTS	O		

As per our Report of even date attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner
Mumbai
April 23, 2004

For and on behalf of the Board,

T.M.M. NAMBIAR
Chairman
MANISH SANGHI
Executive Director
(Marketing)
SANDEEP JAIN
Sr. Vice President
(Finance)

SURESH MENON
Vice President & Company Secretary
Mumbai
April 23, 2004

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2004

	Schedule	Year ended March 31, 2004 Rs.Lakhs	15 month Period ended March 31, 2003 Rs.Lakhs
INCOME			
1. SALE OF PRODUCTS AND OTHER INCOME	1	20,107.02	21,115.54
EXPENDITURE			
2. MANUFACTURING AND OTHER EXPENSES	2	17,520.88	18,735.06
3. DEPRECIATION		584.06	741.46
4. INTEREST	3	44.01	132.01
		18,148.95	19,608.53
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		1,958.07	1,507.01
5. PROFIT ON SALE OF LAND (See note 11)		5,177.32	-
PROFIT BEFORE TAX		7,135.39	1,507.01
6. PROVISION FOR TAXATION			
(I) CURRENT TAX		1,093.07	119.00
(Net of Adjustment for earlier years)			
(II) DEFERRED TAX		85.00	437.29
		1,178.07	556.29
PROFIT AFTER TAX		5,957.32	950.72
7. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		1,996.49	1,641.74
AMOUNT AVAILABLE FOR APPROPRIATION		7,953.81	2,592.46
APPROPRIATIONS			
8. GENERAL RESERVE		596.00	95.08
9. PROPOSED DIVIDEND		370.00	444.00
10. INTERIM DIVIDEND-SPECIAL ...		4,440.01	-
11. TAX ON DISTRIBUTED PROFITS		616.28	56.89
		6,022.29	595.97
BALANCE CARRIED TO BALANCE SHEET		1,931.52	1,996.49
EARNINGS PER EQUITY SHARE (Face value of Rs. 10 per share - See note 12)			
Basic and Diluted earnings per share before exceptional items	Rupees	9.50	6.42
Basic and Diluted earnings per share after exceptional items	Rupees	40.25	6.42
12. NOTES ON ACCOUNTS	O		

As per our Report of even date attached.

For DELOITTE HASKINS & SELLS
Chartered Accountants

JITENDRA AGARWAL
Partner
Mumbai
April 23, 2004

For and on behalf of the Board,

T.M.M. NAMBIAR
Chairman
MANISH SANGHI
Executive Director
(Marketing)
SANDEEP JAIN
Sr. Vice President
(Finance)

SURESH MENON
Vice President & Company Secretary
Mumbai
April 23, 2004



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE - 1, SALE OF PRODUCTS AND OTHER INCOME

	For the year ended March 31, 2004	15 month period ended March 31, 2003
	Rs. Lakhs	Rs. Lakhs
1. SALES		
(a) Fibre Cement Products	19,879.28	20,916.33
(b) Resale Materials	45.51	52.40
	19,924.79	20,968.73
2. OTHER INCOME		
(a) Sale of Scrap Materials, etc.	23.54	23.02
(b) Excess Provisions made in Previous Years written back	64.72	104.57
(c) Profit on Sale of Fixed Assets (Net)	6.28	—
(d) Interest from bank and others (income tax deducted at source Rs. 4.84 lakhs- Previous period Rs. 0.72 lakhs)	37.17	6.50
(e) Miscellaneous Income	50.52	12.72
(Including Gain on Exchange Rs.42.95 Lakhs (Net), Previous period - Rs. 12.72 Lakhs (Net))	182.23	146.81
TOTAL ..	20,107.02	21,115.54

SCHEDULE - 2, MANUFACTURING AND OTHER EXPENSES

1. PURCHASE OF RESALE PRODUCTS	22.29	46.40
2. CONSUMPTION OF RAW MATERIALS	8,558.83	10,275.35
3. PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
(a) Salaries, Wages and Bonus	1,514.16	1,815.73
(b) Contributions to Provident and Other Funds	207.02	345.39
(c) Workmen and Staff Welfare Expenses	149.82	192.75
(d) Compensation Under VRS- Current Year	52.80	—
{See Note 2(xi)}	1,923.80	2,353.87
4. PACKING MATERIALS	78.76	68.00
5. OPERATION AND OTHER EXPENSES		
(a) Stores and Spares Consumed	936.31	1,032.99
(b) Power and Fuel	837.83	973.20
(c) Repairs to Building	52.12	74.59
(d) Repairs to Machinery	164.49	120.12
(e) Repairs to Other Items	43.54	78.33
(f) Rent	153.23	238.56
(g) Rates and Taxes	119.58	109.05
(h) Royalty	10.20	36.26
(i) Insurance	23.98	34.27
(j) Depot Handling Expenses	138.00	153.13
(k) Discount, Rebates and Allowances	72.92	61.47
(l) Commission on Sales	101.07	125.00
(m) Travelling	227.91	241.76
(n) Bad Debts Written Off	3.42	20.53
(o) Advertisement and Sales Promotion Expenses	329.58	247.31
(p) Loss on Sale of Fixed Assets	—	21.26
(q) Loss on Impairment of Fixed Assets	—	0.57
(r) Other Expenses	567.52	519.78
	3,781.70	4,088.18
Less : Stores and Spares Capitalised	37.79	72.42
	3,743.91	4,015.76
6. OUTWARD FREIGHT CHARGES ON FINISHED GOODS	2,656.93	2,691.59
7. PAYMENT TO AUDITORS		
(a) Audit Fees	9.00	10.00
(b) Tax Audit Fee	2.00	—
(c) Fees for Other Services	6.60	5.53
(d) Reimbursement of Expenses*	1.87	2.45
(e) Reimbursement of Service Tax*	1.41	1.05
(* Include Payment to Previous Auditors Rs. Nil- Previous period Rs. 2.22 Lakhs)	20.88	19.03
8. MISCELLANEOUS EXPENDITURE WRITTEN OFF		
(a) Compensation under voluntary retirement schemes for earlier years	234.89	305.33
(See Note 2(xi))		
9. REDUCTION/(ACCRETION) TO STOCK-IN-TRADE AND WORK-IN-PROGRESS ADDED /(DEDUCTED)		
(a) Closing Stocks -		
(i) Stock- in -Trade	1,543.94	1,927.06
(ii) Work-in-Progress	1,004.21	901.68
	2,548.15	2,828.74
(b) Opening Stocks -		
(i) Stock- in -Trade	1,927.06	1,143.24
(ii) Work-in-Progress	901.68	645.23
	2,828.74	1,788.47
	280.59	(1,040.27)
TOTAL ..	17,520.88	18,735.06

SCHEDULE - 3, INTEREST

1. Cash Credit Accounts	
2. Term Loans	
3. Others	
TOTAL..	

For the year ended March 31, 2004	15 month period ended March 31, 2003
Rs. Lakhs	Rs. Lakhs
27.52	102.67
-	10.49
16.49	18.85
44.01	132.01

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - A SHARE CAPITAL

AUTHORISED -

- 1,50,00,000 Equity Shares of Rs. 10 each
(Previous period 1,50,00,000 Equity Shares of Rs. 10 each)
- ISSUED -
1,48,00,020 Equity Shares of Rs. 10 each
(Previous period 1,48,00,020 Equity Shares of Rs. 10 each)
- SUBSCRIBED AND PAID UP -
1,48,00,020 Equity Shares of Rs. 10 each fully paid up
(Previous period 1,48,00,020 Equity Shares of Rs. 10 each)

Of the above:

- 15,000 (Previous Period -15,000) Equity Shares are allotted as fully paid up pursuant to a contract without payment being received in cash.
- 1,33,50,020 (Previous Period - 1,33,50,020) Equity Shares are allotted as fully paid up by way of Bonus Shares by capitalisation of General Reserve.
- 1,12,50,030 (Previous Period - 1,12,50,030) Equity Shares are held by The Associated Cement Companies Limited., The holding Company. {See Note 1}

As at March 31, 2004	As at March 31, 2003
Rs. Lakhs	Rs. Lakhs
1,500.00	1,500.00
1,480.00	1,480.00
1,480.00	1,480.00

SCHEDULE - B RESERVES AND SURPLUS

- GENERAL RESERVE
Add - Amount transferred from Profit and Loss Account
- PROFIT AND LOSS ACCOUNT

TOTAL..

As at March 31, 2004	As at March 31, 2003
Rs. Lakhs	Rs. Lakhs
5,967.09	5,872.01
596.00	95.08
6,563.09	5,967.09
1,931.52	1,996.49
8,494.61	7,963.58

SCHEDULE - C SECURED LOANS

- AMOUNTS DRAWN AGAINST CASH CREDIT ACCOUNTS WITH BANKS -
(including Working Capital Demand Loan - Rs.Nil - Previous period - Rs.1,100.00 Lakhs)

(Secured by creation of a *pari passu* charge by way of hypothecation of stocks, present and future, book debts and receivables, and a second charge on fixed assets, including land and buildings).

As at March 31, 2004	As at March 31, 2003
Rs. Lakhs	Rs. Lakhs
213.80	1,524.42

SCHEDULE - D UNSECURED LOAN (other than short term)

Finance lease obligation (See Note 9(a))

As at March 31, 2004	As at March 31, 2003
Rs. Lakhs	Rs. Lakhs
5.60	7.53

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - E FIXED ASSETS

(Rupees Lakhs)

	GROSS BLOCK AT COST				TOTAL DEPRECIATION					NET BLOCK	
	As At 01.04.2003	Additions / Adjustments	Deductions/ Adjustments	As At 31.03.2004	As At 01.04.2003	For the Year	Deductions	Adjustment for retirement of assets / assets held for disposal	As At 31.03.2004	As At 31.03.2004	As At 31.03.2003
1. Goodwill	1.50	-	1.50	-	1.50	-	1.50	-	-	-	-
2. Technical knowhow	10.00	-	10.00	-	10.00	-	10.00	-	-	-	-
3. Freehold Land	1,610.90	147.00	1,174.45	583.45	31.54	-	-	-	31.54	551.91	1,579.36
4. Leasehold Land	73.71	-	-	73.71	13.72	6.10	-	-	19.82	53.89	59.99
5. Buildings - On freehold land	1,871.43	7.69	-	1,879.12	648.87	87.98	-	-	736.85	1,142.27	1,222.56
6. Buildings - On leasehold land	130.47	-	2.69	127.78	97.00	2.46	2.69	-	96.77	31.01	33.47
7. Leasehold improvements	37.11	2.16	13.49	25.78	16.95	1.09	13.49	-	4.55	21.23	20.16
8. Railway sidings	1.39	-	-	1.39	1.39	-	-	-	1.39	-	-
9. Roads	118.58	-	-	118.58	20.61	3.92	-	-	24.53	94.05	97.97
10. Water supply lines	27.12	-	-	27.12	18.82	0.83	-	-	19.65	7.47	8.30
11. Plant and Machinery	8,057.82	114.78	10.00	8,162.60	3,454.68	406.38	10.00	-	3851.06	4,311.54	4,603.14
12. Furniture, Fixtures and Office equipments	564.38	46.07	13.47	596.98	388.03	52.60	12.33	-	428.30	168.68	176.35
13. Vehicles	138.12	32.89	27.01	144.00	83.79	20.27	25.96	-	78.10	65.90	54.33
14. Leased vehicles	8.50	-	-	8.50	1.21	2.43	-	-	3.64	4.86	7.29
	12,651.03	350.59	1,252.61	11,749.01	4,788.11	584.06	75.97	-	5,296.20	6,452.81	7,862.92
Previous period	12,796.99	234.40	380.36	12,651.03	4,344.99	741.46	298.91	0.57	4,788.11	7,862.92	8,452.00

Notes :

- Cost of Land-Freehold as at March 31, 2004 includes Rs. 495.21 Lakhs (previous period -Rs. 1,522.66 Lakhs) representing Land-freehold held for sale, out of which, Freehold Land costing Rs. 166.54 Lakhs was revalued at Rs. 135.00 Lakhs based on an independent valuation and accordingly Rs. 31.54 Lakhs was provided for "Loss on impairment of fixed assets" in earlier years
- Building on Leasehold land includes buildings constructed on land taken on lease from the Port Trust Authorities at Calcutta, which is under the process of renewal (See note 4)
- Cost of Plant & Machinery and depreciation thereon, as at March 31, 2004 includes Rs. 122.57 Lakhs (previous period- 122.57 Lakhs) respectively, in respect of Plant & Machinery at Kymore works no longer required and held for disposal.

SCHEDULE - F INVESTMENTS (AT COST)

OTHER INVESTMENTS, LONG TERM, UNQUOTED

Government securities

SCHEDULE - G INVENTORIES

1. RAW MATERIALS

(a) On Hand

(b) In Transit

2. STORES AND SPARE PARTS

(a) Packing Materials

(b) Stores and Spares

3. STOCK-IN-TRADE

(a) Finished Goods

(b) Traded Items

4. WORK-IN-PROGRESS

Manufactured Products

TOTAL..

SCHEDULE - H SUNDRY DEBTORS

(Unsecured, considered good)

1. Over six months

2. Others

TOTAL..

SCHEDULE - I CASH AND BANK BALANCES

1. Cash on hand

(Includes Cheques On Hand - Rs. 225.69 Lakhs - Previous period Rs. 328.41 Lakhs)

2. Current Accounts with Banks

(Balances with Scheduled Banks)

3. Term Deposit with Scheduled Bank

4. Fixed Deposits

(Balances with Scheduled Banks-Under lien)

TOTAL..

SCHEDULE - J OTHER CURRENT ASSETS

ACCRUED INTEREST ON DEPOSIT WITH BANKS

SCHEDULE - K LOANS AND ADVANCES

(Unsecured, Considered Good)

1. ADVANCES AGAINST CAPITAL EXPENDITURE

2. BALANCES WITH EXCISE, CUSTOMS AND PORT TRUST AUTHORITIES ON CURRENT ACCOUNTS

3. SUNDRY ADVANCES AND DEPOSITS, ETC.

(a) Advances to Suppliers

(b) Sales Tax, Freight and Excise Duty

(c) Advances and Deposits with Government Bodies and others

(d) Prepaid Expenses

(e) Loans and Advances to Employees

(See note below)

4. SECURITY AND OTHER DEPOSITS

5. ADVANCES RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED

TOTAL..

Note:Maximum amount outstanding due from a Director during the year Rs. Nil - Previous period - Rs.17.08 Lakhs

SCHEDULE - L SUNDRY LIABILITIES

1. SUNDRY CREDITORS

(a) For Capital Expenditure

(b) For Goods Supplied

(c) For Advance Payments

(d) Others (See note below)

2. RETENTION MONIES

3. INVESTOR EDUCATION AND PROTECTION FUND

(Appropriate amount shall be transferred to "Investor Education and Protection Fund" if and when due)

(a) Unpaid Dividend

4. OTHER LIABILITIES

TOTAL..

Note: Sundry Creditors-Others include Rs. 24.00 Lakhs- Previous period Rs. 18.00 Lakhs due to Directors.

SCHEDULE - M PROVISIONS

1. GRATUITY

2. LEAVE ENCASHMENT

3. PROPOSED DIVIDEND

4. PROVISION FOR TAXATION

(Net of Advance Tax -Rs. 3,537.61 Lakhs- Previous period Rs. 3,753.45 Lakhs)

TOTAL..

SCHEDULE - N MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

1. DEFERRED REVENUE EXPENDITURE [See Note 2 (vi)]

(a) Opening Balance

(b) Additions during the year

(c) Less: Amortised during the year

TOTAL..

SCHEDULE - O NOTES ON ACCOUNTS

1. The Company is a subsidiary of The Associated Cement Companies Limited (ACC). As at 31st March, 2004, ACC holds 76.01% of the equity shares of the Company.

The name of the Company has been changed from Eternit Everest Limited to **Everest Industries Limited** with effect from 25th July, 2003.

2. SIGNIFICANT ACCOUNTING POLICIES

(i) Accounting Convention :

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with applicable mandatory Accounting Standards issued by The Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.

Pursuant to a change in the accounting period in the previous year, prior period comparatives are for the 15 months period 1st January, 2002 to 31st March, 2003.

(ii) Fixed Assets and Depreciation :

All fixed assets are stated at cost. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use.

Depreciation on all assets is charged proportionately from the month of acquisition/installation on a straight line basis on rates prescribed by Schedule XIV of the Companies Act, 1956 other than for the following assets where rates higher than those mentioned in Schedule XIV have been used:

Furniture, fixtures and office equipment	10%
(except Data Processing Equipment)	
Buildings	5%
Factory roads	3.34%
Vehicles	20%
Pallets used for autoclaving	20%

These have been determined by the Company based on the useful life of the assets.

Leasehold land and improvements are amortised over the term of the lease.

Assets acquired under financial lease are depreciated over the lease term or useful life, whichever is shorter.

Assets acquired under finance lease are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

(iii) Revenue Recognition :

Revenue from sale of products is recognised on despatch of goods to customers. Sales are net of rebates (except freight rebate) and sales taxes, wherever applicable.

(iv) Investments :

Investments are stated at cost. Provision is made for permanent diminution in the value of investments.

(v) Inventories :

Inventories are valued at cost or net realisable value, whichever is lower. The basis for determining cost for various categories of inventories is as follows:

Stores and spare parts	- Weighted average
Raw materials	- Weighted average
Materials in transit	- At cost
Work-in-process and	- Material cost plus appropriate
Finished goods	share of labour, manufacturing and other overheads.

(vi) Research and Development Costs :

Revenue expenditure on research and development is charged to revenue in the period in which it is incurred.

(vii) Retirement Benefits :

The Company has various schemes of retirement benefits namely provident fund, gratuity and superannuation schemes, which are administered by trustees of independently constituted trusts recognised by the Income-tax authorities. Periodic contributions to the superannuation and provident fund are charged to revenue. Further, provision is made for the shortfall, if any, between the amount required to be contributed to meet the accrued liability for gratuity as determined by the Life Insurance Corporation of India on an actuarial basis, and the available corpus of the fund.

(viii) Leave Encashment :

Provision for the balance of the unavailed leave due to employees at the year end is made on the basis of an actuarial valuation.

(ix) Foreign Exchange Transactions :

Transactions in foreign currency are recorded at the exchange rates prevailing at the time of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the profit and loss account except in the case of fixed assets, where the exchange differences is adjusted to the carrying amount of the related fixed asset.

In the case of current assets and current liabilities (not relating to fixed assets), the difference on conversion at the rates prevailing at the year-end is adjusted in the profit and loss account. In the case of liabilities incurred for acquisition of fixed assets, the loss or gain on conversion, at the rates prevailing at the year end is adjusted to the carrying amount of the related fixed assets.

In respect of forward contracts taken by the Company, the difference between the forward rate and the exchange rate at the date of the transactions is recognised as expense over the life of the forward contract.

(x) Taxation :

Income tax comprises current tax and deferred tax. Deferred tax assets and liabilities are recognised for the future tax consequences of timing difference, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the Balance Sheet date.

(xi) Deferred Revenue Expenditure :

The Company has charged to Profit and Loss account, expenditure incurred on Voluntary Retirement Schemes (VRS) during the year, instead of past practice of deferring the costs to be amortised over a period of five years. However, in respect of voluntary retirement scheme expenditure incurred upto 31st March, 2003, the Company continues to charge them off over a period of five years as was done in the past. Pursuant to such change in accounting policy, the profit of the year is lower by Rs. 42.24 lakhs.

(xii) Earnings Per Share :

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

3. CONTINGENT LIABILITIES

a) Contingent liabilities not provided for in respect of:

	As at March 31, 2004	As at March 31, 2003
	(Rs. Lakhs)	(Rs. Lakhs)
i. Sales tax matters	51.29	43.60
ii. Customs and excise matters	45.22	45.49
iii. Claims against the Company not acknowledged as debts	34.17	31.81

b) Inventories on hand and in transit, other book debts and receivables, both present and future, have been hypothecated to banks for guarantees issued by the bank, in favour of the Company to the extent of Rs. 35.17 lakhs (Previous period Rs. 30.16 lakhs)

c) Estimated amount of contracts to be executed on capital account (net of advances - Rs. 147.83 lakhs) - Rs.435.68 lakhs - Previous period Rs. 31.28 lakhs (net of advance Rs.5.10 lakhs).

4. The factory at Calcutta has been built on land taken on lease from Calcutta Port Trust (CPT). The lease agreement expired in February 1998 and CPT offered to renew it at substantially higher rates, which have been contested by the Company in Calcutta High Court. The Company has made payments to CPT based on the interim relief but continues to make provision based on original demand received from CPT.

5. The Company has been granted exemption from payment of excise duty under the Notification No. 6/2003-CE dated 1st March, 2003 of the Excise Act, whereby goods in which not less than 25% by weight of fly-ash has been used are exempted from levy of excise duty.

6. DEFERRED TAXATION

	As at March 31, 2004	Charged/ (Credited) to P&L	As at March 31, 2003
	(Rs. Lakhs)	(Rs. Lakhs)	(Rs. Lakhs)
a. Deferred tax assets —			
i. Provision for expenses not allowed under Income-tax Act, 1961	149.99	11.27	161.26
ii. Expenditure covered by Section 43B of Income-tax Act, 1961	43.51	23.73	67.24
iii. Carry forward of long term capital loss	-	121.31	121.31
iv. Tax credit for minimum alternate tax	-	21.71	21.71
v. Excess of voluntary retirement expenses (VRS) provided in accounts over expenses allowed in Income-tax.	22.01	(22.01)	-
Total deferred tax assets	215.51	156.01	371.52
b. Deferred tax liabilities —			
i. Excess of depreciation allowable under Income-tax law over depreciation provided in accounts.	1,245.33	(32.64)	1,277.97
ii. Excess of voluntary retirement expenses (VRS) allowable in Income-tax over VRS provided in accounts.	-	(6.09)	6.09
iii. Excess of custom duty on closing stock allowable under Income-tax laws over custom duty provided in accounts.	76.16	(32.28)	108.44
Total deferred tax liability	1,321.49	(71.01)	1392.50
Deferred tax liability (net)	1,105.98	85.00	1020.98

7. MANAGERIAL REMUNERATION

a. Remuneration paid to Directors:

	Year ended March 31, 2004	Period ended March 31, 2003
	Rs. Lakhs	Rs. Lakhs
i. Salaries and perquisites	42.00	62.68
ii. Contributions to provident and superannuation fund	4.21	5.96
iii. Performance Incentive to Executive Directors	24.00	18.00
iv. Directors sitting fees	2.65	0.54

Note: Contribution to group gratuity scheme has not been considered, as person-wise details are not available.

b. Computation of net profits as per Section 349 of the Companies Act, 1956:

	Year ended March 31, 2004	Period ended March 31, 2003
	Rs. Lakhs	Rs. Lakhs
Profit before tax as per Profit and Loss account	7,135.39	1,507.01
Add: Managerial remuneration	72.86	87.18
Compensation under Voluntary Retirement Scheme	287.69	305.33
[Refer 3(d.) and 8(a.) of Schedule 2]		
Loss on sale/retirement of fixed assets	-	21.83
	7,495.94	1,921.35
Less: Profit on sale of fixed assets (including profit on sale of land)	5,183.60	-
Loss brought forward as per Section 349	-	328.18
Net profit for the year	2,312.34	1,593.17
Maximum remuneration to Executive Directors @ 10% of net profit	231.23	159.32
Restricted to	72.86	87.18

8. RELATED PARTY DISCLOSURES

a. List of related parties

- Parties where control exists and with which there have been transactions during the year.
 - The Associated Cement Companies Limited (ACC)
- Fellow Subsidiaries with which there have been transactions during the year.
 - ACC Machinery Company Limited
- Key Management Personnel and relatives
 - Mr. M. L. Gupta, Managing Director
 - Mr. Manish Sanghi, Executive Director (Marketing)

b. Transactions during the year

Particulars	Holding Company	Fellow Subsidiaries	Key Management Personnel
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
i. Purchase of goods	2,253.43	-	-
	(2,237.23)	(-)	(-)
ii. Sale of goods	2.59	-	-
	(-)	(-)	(-)
iii. Interest expense	0.58	-	-
	(6.39)	(-)	(-)
iv. Rent paid	11.64	-	-
	(10.46)	(-)	(2.18)
v. Royalty paid	-	-	-
	(-)	(3.93)	(-)
vi. Loan taken from Holding Company	147.00	-	-
	(500.00)	(-)	(-)
vii. Loan repaid to Holding Company	147.00	-	-
	(500.00)	(-)	(-)
viii. Other Transactions	5.21	5.91	70.21
	(2.06)	(-)	(86.64)
ix. Dividend	3,656.26	-	-
	(337.50)	(-)	(-)

Note: Figures in brackets are in respect of previous period.

c. Balances outstanding at the year end

Particulars	Amount (Rs. Lakhs)
i. Share Capital owned by Holding Company	1,125.00 (1,125.00)
ii. Security Deposit to Holding Company	30.00 (30.00)
iii. Amount payable to Holding Company	7.15 (15.83)
iv. Other recoverable from Holding Company	- (0.90)
v. Capital advances paid to Fellow subsidiaries	63.31 (-)
vi. Performance Incentives payable to key managerial personnel	24.00 (18.00)
vii. Dividend payable to Holding Company	281.25 (337.50)

Note: Figures in brackets are in respect of previous period.

9. UNSECURED LOANS

a. Obligations on long term finance lease

The Company has acquired vehicle on finance lease. The finance lease obligation has been disclosed under unsecured loans (Schedule D) and comprise of the present value of minimum lease payments as at the year end.

The reconciliation between total minimum lease payments and their present value at the Balance Sheet, date, as stated in the respective agreements is as follows:

Particulars	Amount (Rs. Lakhs)
Total minimum lease payments as on 31 st March, 2004	6.51 (9.34)
Less: Rental Charges	0.91 (1.81)
Total	5.60 (7.53)

Note: Figures in brackets are in respect of previous period.

The minimum lease payments and their present value over the future periods as stated in the respective agreements as at the year end is as follows:

Particulars	Total minimum lease payments (Rs. Lakhs)	Present value of leased assets (Rs. Lakhs)
For less than one year	2.83 (2.83)	2.22 (1.94)
For more than one year but less than five years	3.68 (6.51)	3.38 (5.59)
Total	6.51 (9.34)	5.60 (7.53)

Note: Figures in brackets are in respect of previous period.

10. The Company is in the business of manufacture of building materials used for roofing, partitioning and panelling and all its products fall in the same segment, as nature of the products, production process, method used for distribution, the regulatory environment and the resulting risks and rewards associated with these business lines are not materially different and is consequently, not subject to segment reporting.

11. Pursuant to the agreement dated 24th February, 2004 between the Company and the developer for development and sale of its land at Mulund, the Company has handed over possession of part of the land to the developer against which it has realised a consideration of Rs. 6492 lakhs. The balance amount of Rs. 1248 lakhs will be realised by the Company after the sale of the Transferable Development Rights (TDRs) to the developer.

12. EARNING PER SHARE (EPS)

	Year ended March 31, 2004	Period ended March 31, 2003
i. Number of Equity shares of Rs.10 each fully paid up, at the year beginning and year end	1,48,00,020	1,48,00,020
ii. Net Profit for the year after exceptional items – (Rs. Lakhs)	5,957.32	950.72
iii. Basic and Diluted Earnings per Share after exceptional items (Rupees)	40.25	6.42
iv. Exceptional Item – Profit on sale of land (Rs. Lakhs) (See note 11)	5,177.32	—
v. Tax expenses on exceptional item – current and deferred (Rs. Lakhs)	624.46	—
vi. Net Profit for the year before exceptional items – (Rs. Lakhs) [ii. – (iv. – v.)]	1,404.46	950.72
vii. Basic and Diluted Earnings per Share before exceptional items (Rupees)	9.50	6.42
viii. Nominal value of Equity Share (Rupees)	10.00	10.00

13. PARTICULARS OF CAPACITY, PRODUCTION AND SALES

	Year ended March 31, 2004	Period ended March 31, 2003
	(Metric Tonnes)	(Metric Tonnes)
Fibre Cement Products:		
(a) Licensed capacity	Not Applicable	Not Applicable
(b) Installed capacity	288,000	360,000
(certified by the management, being a technical matter)		
(c) Production	292,399	330,515
(d) Sales*	304,311	311,766

*Includes 3,036 tonnes (Previous period 514) on account of net breakages / salvages and materials used for internal consumption.

14. PARTICULARS OF STOCK

	Year ended March 31, 2004	Period ended March 31, 2003
	Quantity Tonnes	Quantity Tonnes
	Amount Rs Lakhs	Amount Rs Lakhs
a. Closing stock		
Fibre cement products		
i. Finished goods	29,587 1,479.30	38,463 1,848.59
ii. Resale materials	64.64	78.47
	1,543.94	1,927.06
iii. Work-in-process	1,004.21	901.68
	2,548.15	2,828.74
b. Opening stock		
Fibre cement products		
i. Finished goods	38,463 1,848.59	19,714 1,062.93
ii. Resale materials	78.47	80.31
	1,927.06	1,143.24
iii. Work-in-process	901.68	645.23
	2,828.74	1,788.47

15. PARTICULARS OF RAW MATERIALS CONSUMED

	Year ended March 31, 2004	Period ended March 31, 2003
	Quantity Tonnes	Quantity Tonnes
	Amount Rs Lakhs	Amount Rs Lakhs
Raw Fibre	20,496 4,141.56	22,899 5,410.15
Cement	119,779 2,790.03	138,264 3,179.80
Other materials	94,250 1,627.24	105,078 1,685.40
	8,558.83	10,275.35

16. VALUE OF ALL IMPORTED/INDIGENOUS RAW MATERIALS, STORES, SPARE PARTS AND COMPONENTS CONSUMED.

	Year ended March 31, 2004		Period ended March 31, 2003	
	(Rs. Lakhs)	%	(Rs. Lakhs)	%
Raw materials				
(i) Imported	4,575.03	53.45	5,794.81	56.40
(ii) Indigenous	3,983.80	46.55	4,480.54	43.60
	<u>8,558.83</u>	<u>100.00</u>	<u>10,275.35</u>	<u>100.00</u>
Stores, spare parts and components (including packing materials)				
(i) Imported	0.33	0.04	1.82	0.18
(ii) Indigenous	976.95	99.96	1,026.75	99.82
	<u>977.28</u>	<u>100.00</u>	<u>1,028.57</u>	<u>100.00</u>

17. OTHER ADDITIONAL INFORMATION

	Year ended March 31, 2004	Period ended March 31, 2003
	(Rs. Lakhs)	(Rs. Lakhs)
a. Imports (CIF) Value		
(i) Raw materials	3,409.18	4,459.83
(ii) Capital goods	24.95	—
(iii) Stores and spares	0.27	—
b. Expenditure in foreign currency (on cash basis)		
(i) Traveling Expenses	10.27	1.15
(ii) Royalty (net of tax)	27.28	23.10
(iii) Others	4.33	2.20
c. Earnings in foreign exchange		
FOB value of goods exported	85.58	15.84

18. Information pursuant to clause 4(ix) (b) of the Companies (Auditor's Report) Order, 2003 in respect of dues disputed, not deposited, pending with various authorities.

Nature of Dues	Amount (Rs. Lakhs)	Forum where the dispute is pending
A. SALES TAX		
i.	2,512.06*	Matter referred back to Assessing Authority by the Supreme Court.
ii.	869.87*	High Court
iii.	8.67**	Appellate Tribunal
iv.	0.55**	Commissioner (Appeals)
v.	46.89**	Deputy Commissioner (Appeals)
vi.	7.60**	Assessing Authority
TOTAL	3,445.64	
B. EXCISE DUTY		
i. Additional duty	1.94	High Court
ii. Modvat credit disallowed	0.40	Tribunal
iii. Duty demand	42.88***	Commissioner (Appeals)
TOTAL	45.22	

* Demand on account of disallowance of stock transfers, being considered as inter state sales.

** Includes demand due to non / late receipt of statutory declaration forms.

*** Includes demand due to disallowance of equalised freight.

19. Previous period figures have been recast / regrouped wherever necessary to conform to current years' presentation.

For and on behalf of the Board,

T.M.M. NAMBIAR
Chairman

MANISH SANGHI
Executive Director
(Marketing)

SURESH MENON
Vice President & Company Secretary

Mumbai
April 23, 2004

M.L.GUPTA
Managing Director

SANDEEP JAIN
Sr. Vice President
(Finance)



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2004

	Year ended March 31, 2004 (Rs. Lakhs)	15 month period ended March 31, 2003 (Rs. Lakhs)
A. Cash flow from operating activities		
1. Net Profit / (Loss) before Tax	7,135.39	1,507.01
Adjustments for :		
2. Exceptional item - Profit on sale of land	(5,177.32)	—
3. Depreciation	584.06	741.46
4. (Profit)/ Loss on Sale of Other Fixed Assets (Net)	(6.28)	21.26
5. Unrealised Foreign Exchange (Gain) / Loss	(33.78)	16.04
6. Interest Income	(37.17)	(6.50)
7. Interest Expense	44.01	132.01
8. Loss on Retirement of Fixed Assets	—	0.57
9. Miscellaneous Expenditure	234.89	305.33
10. Provision for Leave Encashment and Gratuity	(46.89)	9.27
Operating profit before working capital changes	2,696.91	2,726.45
Adjustments for :		
11. Trade receivables	(110.54)	78.69
12. Inventories	193.85	(1,535.54)
13. Other receivables	(71.90)	(263.48)
14. Trade payables	710.04	392.69
15. Miscellaneous expenditure	—	(617.52)
Cash generated from operations	3,418.36	781.29
16. Direct Taxes - Refund / (Paid)	(1,234.97)	(117.01)
Net Cash flow from Operating activities	2,183.39	664.28
B. Cash flow from investing activities-		
17. Purchase of Fixed Assets/Capital advances	(517.36)	(237.88)
18. Sale of Fixed Assets	6,360.25	60.19
19. Interest Received	32.78	7.74
Net cash used in Investing activities	5,875.67	(169.95)
C. Cash flow from financing activities-		
20. Interest Paid	(44.01)	(139.81)
21. Proceeds from/(Repayment of) Short term Borrowings (Net)	(1,310.62)	228.94
22. Proceeds from/(Repayment of) Long term Borrowings (Net)	(1.94)	(292.47)
23. Dividend paid	(4,026.85)	(1.11)
24. Dividend Tax paid	(625.77)	—
Net cash used in Financing activities	(6,009.19)	(204.45)
Net increase/(decrease) in cash and cash equivalents A + B +C	2,049.87	289.88
Cash and cash equivalents		
- Opening Balance as at 31 st March, 2003	969.97	680.09
- Closing Balance as at 31 st March, 2004	3,019.84	969.97

- Notes :
1. All figures in brackets are outflow
 2. Figures for the Period 1st April, 2003 to 31st March, 2004 have been regrouped / restated wherever necessary to make them comparable.
 3. Direct Taxes paid are treated as arising from Operating Activities and are not bifurcated between Investing and Financing activities.
 4. Cash and Cash Equivalent is Cash and Bank Balances as per Balance Sheet.

For and on behalf of the Board,

T.M.M. NAMBIAR
Chairman

MANISH SANGHI
Executive Director (Marketing)

SURESH MENON
Vice President & Company Secretary

Mumbai
April 23, 2004

M.L. GUPTA
Managing Director

SANDEEP JAIN
Sr. Vice President (Finance)

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of Everest Industries Limited derived from the audited financial statements of the Company for the period 1st April, 2003 to 31st March, 2004 and found the statement to be in accordance therewith and also with the requirements of Clause 32 of the listing agreement with the stock exchanges.

For DELOITTE HASKINS & SELLS
Chartered Accountants
JITENDRA AGARWAL
Partner

Mumbai
April 23, 2004

**Additional information Pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile**

I. Registration Details

Registration No.

2 0 9 3

State Code

1 1

Balance Sheet Date

3 1 - 0 3 - 0 4

Date Month Year

II. Capital raised during the period (Amount in Rs. '000)

Public Issue

N I L

Bonus Issue

N I L

Rights Issue

N I L

Private Placement

N I L

III. Position of mobilisation and deployment of funds (Amount in Rs. '000)

Total Liabilities

1 1 4 8 0 9 6

Sources of funds

Paid-Up Capital (including advance against equity)

1 4 8 0 0 0

Secured Loans

2 1 3 8 0

Deferred tax liability (net)

1 1 0 5 9 8

Application of funds

Net Fixed Assets

6 4 8 3 6 6

Net Current Assets

4 5 5 0 0 2

Total Assets

1 1 4 8 0 9 6

Reserves & Surplus

8 4 9 4 6 1

Unsecured Loans*

1 8 6 5 7

* (includes Stockists' Deposits
Rs. 18097 Thousands)

Investments

9 7

Misc. Expenditure

4 4 6 3 1

IV. Performance of Company (Amount in Rs. '000)

Turnover (including other income)**

2 5 2 8 4 3 4

** (Includes Profit on sale of Land Rs. 517732 Thousands)

Profit/(Loss) Before Tax

7 1 3 5 3 9

Earnings Per Share in Rs.

4 0 . 2 5

Total Expenditure

1 8 1 4 8 9 5

Profit/(Loss) After Tax

5 9 5 7 3 2

Dividend Rate (%)

3 2 5

V. Generic names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)

6 8 1 1 1 0 . 0 0

Product Description

A S B E S T O S C E M E N T

C O R R U G A T E D S H E E T S

Item code No. (ITC code)

6 8 1 1 2 0 . 1 0

Product Description

A S B E S T O S C E M E N T S H E E T S

O T H E R T H A N C O R R U G A T E D

Item code No. (ITC code)

6 8 1 1 9 0 . 0 0

Product Description

A S B E S T O S C E M E N T

M O U L D E D G O O D S

For and on behalf of the Board,

T.M.M. NAMBIAR
Chairman

M.L. GUPTA
Managing Director

MANISH SANGHI
Executive Director (Marketing)

SANDEEP JAIN
Sr. Vice President (Finance)

Mumbai
April 23, 2004

SURESH MENON
Vice President & Company Secretary