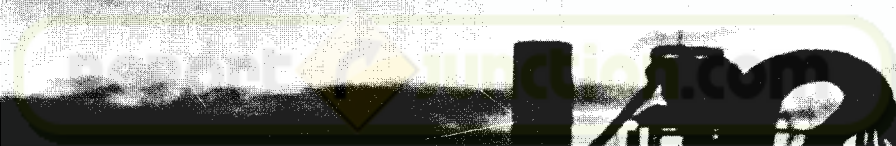


# **ANNUAL REPORT 2002 ~ 2003**



**Ambuja Cement Eastern Limited**

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## **AMBUJA CEMENT EASTERN LIMITED**

### **ANNUAL REPORT 2002-2003**

#### **BOARD OF DIRECTORS**

Suresh Neotia, Chairman

A L Kapur

P B Kulkarni

A C Singhvi

S V Haribhakti

A K Puri

Subhash M. Bathe, Special Director, BIFR

Santosh Senapati

Harshavardhan Neotia, Managing Director

Report Junction.com

#### **CORPORATE OFFICE**

'Vishwakarma'  
86C, Topsia Road (S)  
Kolkata 700 046

#### **COMPANY SECRETARY**

R Kalidas

#### **REGISTERED OFFICE**

Village – Rawan  
Tehsil – Baloda Bazar  
District – Raipur  
Chhattisgarh – 493 331

#### **BANKS**

State Bank of India

Canara Bank

State Bank of Travancore

Bank of India

Union Bank of India

Credit Lyonnais

#### **AUDITORS**

Lodha & Co.

N. M. Raiji & Co.

## NOTICE

NOTICE is hereby given that the Twenty-first Annual General Meeting of the Members of Ambuja Cement Eastern Limited will be held at the Registered Office at village : Rawan, Tehsil: Baloda Bazar; Dist: Raipur, Chhattisgarh – 493 331 on Friday, the 3rd October, 2003 at 4.00 pm to transact the following business :

1. To consider and adopt the Profit and Loss Account for the Corporate Financial Year ended 30th June, 2003, the Balance Sheet as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri A L Kapur who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri P B Kulkarni who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint M/s Lodha & Co., retiring auditors, as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
5. To appoint M/s S. R. Batliboi & Associates as the Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. M/s N M Raiji & Co., retiring Auditors have not offered themselves for re-appointment as Auditors of the Company.

### SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Special Resolution :

“Resolved that in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement with the Stock Exchanges, Clause 5 and 6 and other applicable Clauses of the SEBI (Delisting of Securities) Guidelines, 2003 or any amendments or modifications thereof and subject to such other approvals as may be necessary and such conditions and modifications as may be prescribed or imposed by the Authorities in the concerned Stock Exchanges while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company, consent be and is hereby accorded to delist the equity shares of the Company from the Delhi Stock Exchange Association Limited and Madhya Pradesh Stock Exchange having regard to the fact that trading volumes in the Company's equity shares at the said Exchanges are either nil or insignificant.”

“Resolved further that authority be and is hereby accorded to the Board/Person(s) authorised by the Board to settle all questions, difficulties, if any, that may arise in this connection

and to do all such acts, deeds as may be necessary and expedient for giving effect to this resolution.”

By order of the Board of Directors

Place: Kolkata

Date: 1st August, 2003

R. Kalidas

Company Secretary

### NOTES :

1. As per the requirements of the section 190 of the Companies Act, 1956, members are informed that notice pursuant to section 225(1) of the Companies Act, 1956 has been received from a member proposing the appointment of M/s S. R. Batliboi & Associates, Chartered Accountants, as auditors of the Company. M/s N M Raiji & Co., retiring auditors, have not offered themselves for re-appointment as auditors of the company. M/s S. R. Batliboi & Associates have confirmed that their appointment if approved by the members will be in accordance with the provisions contained in sections 224(1B) and 226(3)(e) of the Companies Act, 1956.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be valid must be deposited with the Company at its Registered Office not less than 48 hours before the Meeting.
3. The Register of Members and the Share Transfer Books will remain closed from 2nd September to 5th September, 2003 (both days inclusive).
4. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under Item 6 of the adjoining Notice is attached.
5. The Company's shares have been activated for dematerialisation both with National Securities Depository Ltd. and Central Depository Services Ltd. Members can hold their shares in dematerialised form through any of the depositories as above.
6. Members holding shares in identical order of names in more than one folio are requested to write to the Company's Registrars and Share Transfer Agents **Messrs Intime Spectrum Registry Ltd., 1/17, Prince Golan Mohammed Road, Kolkata-700 026**, enclosing their original share certificates to enable them to consolidate their holdings into one folio.
7. Members are once again requested to surrender their old share certificates held in the erstwhile Modi Cement Limited ["MCL"] to the Company's Registrars and Share Transfer Agents enclosing their original share certificates to enable them to issue new share certificates in exchange thereof in accordance with the rehabilitation scheme sanctioned by the BIFR. It may please be noted that the old share certificates of MCL have been cancelled and these are not acceptable for dematerialisation.

**EXPLANATORY STATEMENT**

[Pursuant to Section 173(2) of the Companies Act, 1956]

**In respect of Item No. 6**

The Equity Shares of the Company are presently listed at the following Stock Exchanges :

1. The Madhya Pradesh Stock Exchange, Indore (hereinafter referred to as "MPSE")
2. The Stock Exchange, Mumbai (hereinafter referred to as "BSE")
3. The Delhi Stock Exchange Association Ltd. (hereinafter referred to as "DSE")

The Company has already obtained the in-principle approval for delisting of its equity shares from the Bhubaneswar Stock Exchange and it has completed the required formalities for this purpose.

Other than at the BSE, trading volumes in the Company's shares at MPSE and DSE are either nil or insignificant. Continued listing on these Stock Exchanges would not serve the interests either of the members / investors or that of the Company.

In view of the above, the Board of Directors have recommended for approval of the members the proposal to voluntarily delist the Company's equity shares from the DSE and MPSE. The Company's shares will, however, continue to be listed at the BSE. Delisting of the Company's shares from the above Exchanges would lead to reduction in costs in the form of listing fees apart from yielding to administrative convenience.

In accordance with the SEBI (Delisting of Securities ) Guidelines, 2003, consent of the members by special resolution is being sought for voluntary delisting from the above Exchanges.

None of directors are interested or deemed to be interested in the above resolution.

By order of the Board of Directors

Place: Kolkata  
Date: 1st August, 2003

R. Kalidas  
Company Secretary

**BRIEF RESUME OF DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE 21ST ANNUAL GENERAL MEETING :****A : Shri A L Kapur**

Shri Kapur is a Graduate in Arts, a Chartered Accountant and Cost Accountant. He joined the Board of Directors in August, 1999. He has over 45 years of experience in Industry occupying various senior positions including that of CEO. He is closely associated with the cement Industry for more than two decades.

He is a whole-time director of Gujarat Ambuja Cements Ltd. He is also on the Board of the following companies :-

- i. The Associated Cement Companies Ltd.
- ii. Ambuja Cement India Ltd.

Shri A. L. Kapur would function as a Non-executive director on the Board of the Company, if re-appointed at the Meeting.

**B : Shri P B Kulkarni**

Shri Kulkarni is a Mechanical Engineer having 37 years of experience. He joined the Board of Directors in December, 1997.

He is a whole-time director of Gujarat Ambuja Cements Ltd. He is also on the Board of the following companies :

- i. Ambuja Cement India Ltd.
- ii. Indo-nippon special Cement Ltd.
- iii. Midigama Cements (P) Ltd.
- iv. Ambuja Cement Foundation

Shri P. B. Kulkarni would function as a Non-executive director on the Board of the Company, if re-appointed at the Meeting.



# DIRECTORS' REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

## To The Members

We have pleasure in presenting to you the 21st Annual Report together with Audited Statement of Accounts of the Company for the corporate financial year ended 30th June 2003.

The year 2002-03 was in many ways a watershed in the annals of the Company which witnessed our people achieving significant milestones - highest ever output of clinker and cement, highest sales both in terms of volume and value, by far the highest level of profitability and operating margins of 24.8%, which compares favourably with the best in the industry.

We have also cut down interest costs by 24.3% over the previous year, improved our market share in the major market of West Bengal. All this is a testimony to the unstinted efforts of our people and embodiment of their commitment to the task that they have set out for themselves.

While we feel enthused and emboldened by what we have achieved, we realise that a lot more needs to be done. We need to bring down operational costs further, optimise cost of power, improve the run factor and finally improve shareholder value. All the above areas will engage our attention and we hope to improve upon the performance parameters in the coming year.

## FINANCIAL RESULTS

The operating and financial results for the financial year ended 30th June 2003 are as follows :

	2002-03 Rs. in lacs	2001-02 Rs. in lacs
Sales (Net of Excise Duty)	36520.55	31423.71
Operating Profit	9076.42	5547.36
Interest & Finance Charges	1703.43	2252.72
Gross Profit	7372.99	3294.64
Depreciation & Amortisation	2472.21	2700.10
Profit before exceptional item & Taxation	4900.78	594.54
Exceptional item - Cess written back	—	588.62
Profit after exceptional item but before taxation	4900.78	1183.16
Provision for Tax		
a) Current Tax	—	—
b) Deferred Tax	(7169.21)	—
Profit after Tax	12069.99	1183.16
Transfer (from)/ to-Debenture Redemption Reserve	(1920.00)	1000.00
Balance brought forward from previous year	(18681.09)	(18864.25)
Balance carried to Balance Sheet	(4691.10)	(18681.09)

## REVIEW OF PERFORMANCE

### Production

Our production of clinker for the year was 10.63 lac MT against 10.37 lac MT in the previous year, representing a marginal increase of 2.5%. The total production of cement from Bhatapara and Sankrail units aggregated to 14.83 lac MT, representing an increase of 3.2% over the previous year. Although the above represents the highest production that we have achieved since inception, we realise that we need to improve the Kiln productivity at Bhatapara. Necessary steps in this direction are under way and we hope to achieve some improvement in this area in the near future.

In Sankrail we were able to increase the fly ash addition and the Sankrail unit also achieved its highest monthly production of 1.03 lac MT during the year.

### Marketing

Our sales for the year was Rs.42039 lacs, an improvement of 15% over the previous year. In volume terms, we sold 14.72 lac MT of cement, which was marginally higher than what we had achieved in the last year. With the Sankrail unit having become fully operational in the last year, our major markets lie in Eastern India. In spite of the fact that demand growth in West Bengal during the year was flat, we increased our despatches to the State by 6.5% over the previous year resulting in an improvement in our market share by 1.6%. Our despatches to North Eastern States also improved appreciably as compared to the previous year.

In the Eastern region, consumer preference has tilted towards PPC and keeping in view the fact that our Sankrail unit is in such close proximity to the West Bengal market, it is but logical that the Sankrail unit should become the fulcrum of our future line of activity. We are also happy to report that the confidence that the customer has reposed on the "Ambuja" brand remains undiminished. We continue to be price leaders in several of our markets.

### Quality Control & Customer Satisfaction

Our quest towards achieving excellence in quality is an unending process. The Sankrail Unit, we are happy to report, achieved ISO 14001 certification in February 2003 for environment management system. This is only a reinforcement of our commitment towards maintaining appropriate quality standards as also our concern for protecting our environment.

Ambuja Technical Services Cell continued its complementary efforts in improving consumer awareness and enhancing confidence. Mason meets were a regular feature throughout the year. We have also set up a Concrete Testing Laboratory in Kolkata, which has brought us more close to the customers.

## Cost Reduction

We realise that the key to our success lies in exercising greater control over costs. The dynamics of the market environment make it impossible to make any conjuncture as to its stability or otherwise. Hence cost reduction is a continuous endeavour with us and we have achieved some degree of success.

We made major savings in interest costs by 24%. Administrative overheads were also kept under control.

Despite volatility in fuel prices, fuel costs were under control.

Optimisation efforts are being continued in the areas of freight and distribution costs and in the cost of other inputs.

## ECONOMY AND BUSINESS ENVIRONMENT

At the macro level, the cement industry achieved a growth rate of 8.5% and the industry benefited from increased demand emanating from the housing and infrastructure sectors.

In West Bengal, which constitutes our major market, we expect that in the coming year demand in the rural areas will pick up in the face of a favourable monsoon. We believe that overall demand will improve, given the need for infrastructure building. With no significant additions to capacity on the anvil, we believe that the supply-demand mismatch will ease considerably. With the continued thrust of the Government towards infrastructure building and on the housing sector, we believe that there exists a great potential for growth in the industry and we stand to benefit from such eventualities.

## RISK AND CONCERNS

Availability of cement in the state of West Bengal having increased over the previous year, competition has intensified further, which will exert greater pressure on margins.

The proposed introduction of Value Added Tax (VAT) during the year was an event which was being anticipated by Industry with some trepidation, given the distortions that exist presently in the system, such as multiplicity in tax rates, existence of other taxes such as entry tax, non-availability of tax credits on inter-state movement etc. If VAT has to usher in better administration, transparency and lead to elimination of the cascading effect - a virtue which is associated with indirect taxation, it is imperative that the above distortions needed to be obliterated to ensure it functions efficiently.

The Cement Industry depends heavily on the involvement of the Government in infrastructural outlay and it is imperative therefore that the Government continues to lay emphasis on infrastructural development.

## HUMAN RESOURCES

The importance of human resources for steering the fortunes of a corporate need hardly to be emphasised. Being conscious of

this aspect, our endeavour is to continuously motivate our employees and improve their skills. For this purpose, training programmes were organised at different levels through out the year. The thrust of such programmes has been on attitude training as opposed to skill training with the focus being on developing leadership, team building, communication etc. HR audit was also carried out from an independent agency and the feedback received will greatly help in evolving further initiatives during the current year. Restructuring exercises were carried out with a view to provide job enrichment and facilitate succession planning. We firmly believe that we need to usher in a quality work culture, which would form the cornerstone of our success.

The Industrial Relations within the Company as well as with public agencies were most cordial.

## INTERNAL CONTROL SYSTEM

The Company is constantly striving towards improving the standards of internal controls in various areas. It also believes in the virtues of transparency and sound corporate governance and for this purpose there has been a constant attempt to improve the quality of control systems and to benchmark ourselves against the best industry practices. The Company's Internal Audit Department is headed by a senior Chartered Accountant. The Audit Department is responsible for implementing proper systems and controls for all the activities of the Company, ensuring close monitoring thereof and to strengthen and modify the same from time to time to meet the requirements of the Company. The Department also maintains a regular inter-face with the Statutory Auditors. The major findings and suggestions of the Department are reported to the Audit Committee of the Board on a quarterly basis or earlier as deemed necessary. The Audit Committee of the Board which meets regularly also monitors the adequacy and comprehensiveness of the Internal Audit and Control Process.

## FIXED DEPOSITS

The Company has not received any fixed deposits from the shareholders /public during the year under review.

## BIFR SCHEME - IMPLEMENTATION

The implementation of the rehabilitation scheme has progressed as scheduled. The Company has made payments to both the secured and unsecured creditors as per stipulations contained in the scheme.

## DIRECTORS

During the year BIFR withdrew the nomination of Shri R.S.Rathore, as Special Director consequent upon his attaining the age of 65 years. Shri Rathore had been associated with the Company since the year 1994 and the Board as also the Company has benefited greatly from his wise counsel. The Board of Directors place on record their sincere appreciation of the valuable contribution

made by Shri Rathore during his tenure of association with the Company.

Shri Subhash M. Bathe has been nominated by BIFR as a Special Director with effect from 11th June 2003.

In accordance with the provisions of the Companies Act 1956, Shri A.L. Kapur and Shri P.B. Kulkarni being longest in office retire by rotation and being eligible, offer themselves for reappointment.

### CORPORATE GOVERNANCE CODE

A separate Report on corporate governance is annexed and forms an integral part of this report.

### AUDITORS

M/s Lodha & Co., joint Statutory Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment.

M/s N M Raiji & Co., joint Statutory Auditors who retire at the ensuing Annual General Meeting have not offered themselves for re-appointment. The Company has received a Notice u/s 190 of the Companies Act, 1956, from a Member, proposing the candidature of M/s S. R. Batliboi & Associates for appointment as joint Statutory Auditors from the conclusion of the ensuing Annual General Meeting to the conclusion of the next Annual General Meeting.

M/s S. R. Batliboi & Associates have confirmed that their appointment, if made, shall be in accordance with the provisions of Sections 224(1B) and 226(3)(e) of the Companies Act, 1956.

M/s N Radhakrishnan & Co., Cost Accountants, have been re-appointed as Cost Auditors of the Company for the year 2003-04, subject to the approval of the Central Government.

You are requested to appoint the Auditors and to fix their remuneration.

### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 217(2AA) of the Companies Act, 1956, your directors have:

- a) followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures;
- b) selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view

of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;

- c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities, and
- d) prepared the Annual Accounts on a going concern basis.

### ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto marked Annexure-I and forms part of this Report.

### EMPLOYEES

Labour relations continued to be cordial at the plants. Information required to be given pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 is annexed hereto and marked Annexure II and forms part of this report.

### ACKNOWLEDGEMENTS

We are extremely thankful to the Government of West Bengal and Chhattisgarh for their continued cooperation and support.

Our grateful thanks also go to the Financial Institutions and Banks for their active support and encouragement.

We place on record our sincere appreciation of the total commitment, dedication and hard work put in by all the employees of the Company.

We also thank our shareholders, the BIFR and various Departments of Central and State Governments and local authorities for their continued support.

For and on behalf of the Board

Place: Kolkata  
Date: 1st August, 2003

Suresh Neotia  
Chairman

## ANNEXURE – I

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

## A) CONSERVATION OF ENERGY

## a) Energy Conservation Measures Taken:

**Bhatapara Unit :**

1. Installation of High Efficiency Fans for Pre-heater, Kiln ESP & Cooler ESP.
2. Installation of Air Dryer in Compressor House.
3. Installation of Slag Dryer in Cement Mill.

**Sankrail Unit :**

1. Reduction in idle running at Packing Plant Circuit and Fly Ash Unloading Circuit.
2. Optimization of Fly Ash and Cement Transport/Cement Silo Aeration System.
3. Lighting Circuit optimization by using timer mode.
4. Switching under loaded Motors from direct on line to Star mode.
5. Optimization of water supply circuit.

## b) Additional investment and proposals, being implemented for reduction of consumption of Energy:

**Bhatapara Unit :**

1. Charger Air Filtration System in DG Sets.
2. Fly Ash Feeding System for Cement Mills.
3. Programmable Logic Controller for Limestone Reclaimer to Clinkerisation.
4. Close Circuiting of Cement Mill No.2.

**Sankrail Unit :**

1. Mill Optimization package.
2. Compressed air conservation.

Total investment on the above is estimated at Rs.350 lacs.

## c) Impact of the measures of (a) &amp; (b) above for reduction of energy consumption &amp; consequent impact on the cost of production of goods :

Measures referred to (a) and (b) above, will result in saving in power and fuel cost.

## d) Total Energy Consumption and Energy Consumption per unit of production :

Information is given in the prescribed Form A annexed.

## B) TECHNOLOGY ABSORPTION

Efforts made in technology absorption are given in prescribed Form B annexed.

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO

## a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans :

Clinker exports for the year were 4606.50 tonnes against 17205 tonnes in the previous year. FOB value of exports was Rs.70.41 lacs against Rs. 257.08 lacs in the previous year. Volumes were lower as cement prices in the domestic markets were more remunerative.

## b) Total Foreign Exchange used and earned :

	2002-2003 (Rs. in lacs)	2001-2002 (Rs. in lacs)
Used	423.41	142.94
Earned	70.41	257.08



**FORM A**

Form for disclosure of particulars with respect to Conservation of Energy

**(A) POWER AND FUEL CONSUMPTION**

	Current Year 2002-2003	Previous Year 2001-2002
<b>1. Electricity</b>		
a) Purchased		
Unit (Lac - KWH)	1,056.63	424.88
Total Amount (Rs. in Lacs)	3,436.77	1,659.28
Rate/Unit (Rs.)	3.25	3.91
b) Own Generation		
i) Through Diesel Generator		
Net Units (Lac / KWH)	427.54	926.02
Unit/Ltr. of LDO/Furnace Oil (KWH)	3.87	3.81
LDO/Furnace Oil-Cost/Unit Generated (Rs./KWH)	3.03	2.45
ii) Through Steam Turbine/General		
Units	Nil	Nil
Unit/Ltr. of Fuel	Nil	Nil
Oil/Gas Cost/Unit	Nil	Nil
<b>2. Coal (B &amp; C Grade) and other fuels</b>		
Quantity (Million K. Cal)	909,019	855,332
Total Cost (Rs. in Lacs)	2,799.38	2,679.53
Average Rate (Rs./Million K. Cal)	307.96	313.27
<b>3. Light Diesel Oil/High Speed Oil</b>		
Quantity (K.Ltr)	550.15	585.22
Total Cost (Rs. in Lacs)	90.28	88.87
Average Rate (Rs./K. Ltr)	16,411	15,186
<b>4. Other/Internal Generation</b>		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil

**(B) CONSUMPTION PER UNIT OF PRODUCTION**

	Industry Norms	Current Year 2002-2003	Previous Year 2001-2002
Electricity (KWH/T of Cement)*	110-115	98	93
LDO/HSD/(Ltr./T of Clinker)	N.A.	0.52	0.56
Coal and Other Fuels (K.Cal/Kg. of Clinker)	850	851	823

\* Does not include electricity consumption in township which is 0.83 KWH/T of Cement (Previous Year 0.75 KWH/T of Cement)

**FORM B**

(See Rule 2)

Form for disclosure of particulars with respect to Absorption

**A) RESEARCH & DEVELOPMENT (R&D)****1. Specific areas in which R&D was carried out by the Company :**

- Effect of Slag drying chamber in cement grinding mills & the effect of varying mill inlet gas temperature on mill performance.
- Optimisation of grinding media in Cement Mill.

**2. Benefits derived as a result of above R & D :**

- Reduction in energy consumption in cement mill
- Increase in slag usage.

**3. Future plan of action :**

To study the impact of finer crushing of Limestone on the performance of the vertical rolling mill for raw grinding.

**4. Expenditure in R&D :**

	2002-2003 (Rs. in lacs)	2001-2002 (Rs. in lacs)
a) Capital Expenditure	NIL	NIL
b) Recurring expenditure	15.05	27.45
c) Total expenditure	15.05	27.45
d) Total R&D expenditure as a percentage of total turnover	0.04%	0.07%

**B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION****1. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation :**

- Raw Mill ESP fan & Pre-heater fan retrofitted with new designed impellers.
- Cooler Induced Draft (ID) fan replaced with new high efficiency fans.
- New Digital Control System (DCS) based PLC Control System installed.

**2. Benefits derived as a result of above efforts :**

- Reduction in energy consumption by fans.
- Reduction in breakdown and improved run factor of plant.

**3. Information regarding technology imported during last five years :**

- Technology Imported :
  - LV Technology in Raw Mill
  - MANN Technology in DG Sets
  - DCS based PLC Control System
- Year of Import : 2000 and 2002
- Has technology been fully absorbed : Yes
- If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action : Not applicable

**ANNEXURE – II**

PARTICULARS OF EMPLOYEES AS PER 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 YEAR ENDED 30TH JUNE, 2003

Name & Age (Years)	Designation/ Nature of duties	Remuneration (Rs.)	Qualifications	Experience	Date of commencement of employment	Last employment
<b>EMPLOYED THROUGHOUT THE FINANCIAL YEAR :</b>						
Neotia, Harshavardhan (41 years)	Managing Director	38,72,422	B.Com (Honours), Owner President Management Programme (Harvard Business School)	19	9.12.97	Whole Time Director – Gujarat Ambuja Cements Limited

- NOTES : 1. Remuneration includes salary, allowances and perquisites as approved by the Central Government.  
2. The above appointment is contractual.