

MD	✓	BKC	✓
CS	✓	NP	✓
RO	✓	NA	✓
TRA	✓	✓	✓
AGM	✓	✓	✓
YE	✓	✓	✓



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ANNUAL GENERAL MEETING

Tuesday, 15th June, 1999 at 11.30 A.M. at
Indian Merchants Chamber Conference Hall
(Walchand Hirachand Hall)
76, Veer Nariman Road,
Near Churchgate Station,
Mumbai - 400 020

Members attending the Meeting are requested
to bring their Admission Card as well as their
copy of the Annual Report

Board of Directors

Dr. S. Ganguly	Chairman
Mr. J. Stiévenart	Managing Director
Mr. Philippe Coens	Director
Mr. J. Jasienski	Director
Mr. T.M.M. Nambiar	Director
Dr. N.K. Sengupta	Director
Mr. D.C. Shroff	Director

Management Committee

Mr. J. Stiévenart	Managing Director
Dr. N. Balasubramanian	Director (R&TD)
Mr. A.K. Batra	Director (Finance)
Mr. S.K. Kathpalia	Director (Manufacturing)
Mr. K.K. Malik	Director (Sales)
Mr. S. Chawla	General Manager (HR)

Company Secretary

Mr. Suresh Menon

Auditors

A.F. Ferguson & Co.

Bankers

State Bank of India
Deutsche Bank
Bank of America

Solicitors

Crawford Bayley & Co.

Registered Office :

Block 'D', Shivsagar Estate,
Dr. Annie Besant Road, Worli,
Mumbai-400 018

Head Office :

Ashok Bhawan, 93, Nehru Place,
New Delhi - 110 019

Share Transfer Agents :

MCS Limited, Sri Venkatesh Bhawan,
212-A, Shahpur Jat,
New Delhi - 110 049

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MEMBER OF THE BELGIAN ETEX GROUP

Eternit Everest Ltd. is a part of the Belgian Etex group, the world's largest manufacturer of fibre cement products and well diversified into a wide range of building materials. The association provides access to world class technology, international expertise and product innovation, right here in India.

The company pioneered the fibre cement industry in India in 1934. Over the sixty years of its presence, in the country, it has been offering quality products and services to its customers and has an endless list of satisfied clients as its medallions.

The company has changed face over time to move from a single product company, when it started, to one providing range of solutions in roofing products, interiors and fire protection today. All this is backed up by a nation wide sales and service network, that goes beyond just supply, into areas of custom-design, material selection, post installation follow-up and more.

The company, in all spheres of its activities, has been ever committed to...

EXCELLENCE PROVEN WORLDWIDE



Eternit Everest Ltd.

NOTICE

Notice is hereby given that the Sixty-sixth Annual General Meeting of the Members of Eternit Everest Limited will be held at the Indian Merchants Chamber Conference Hall (Walchand Hirachand Hall), 76, Veer Nariman Road, Near Churchgate Station, Mumbai 400 020, on Tuesday, 15th June, 1999 at 11.30 A.M. to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st December, 1998 and the Profit and Loss Account for the year ended on that date, the Auditors Report thereon and the Directors' Report.
2. To appoint a Director in place of Mr. Philippe Coens, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. T.M.M.Nambiar, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors until the conclusion of the next Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

The Company has received a Special Notice u/s 225 of the Companies Act, 1956 proposing the candidature of M/s. BSR & Co., Chartered Accountants, in place of the retiring auditors M/s. A.F Ferguson & Co.

"RESOLVED that M/s. BSR & Co., Chartered Accountants, be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at the remuneration to be determined by the Board of Directors of the Company."

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, as Ordinary Resolution, the following:
"RESOLVED THAT Mr. Jean Jasienski, who was appointed as an Additional Director of the Company w.e.f. 10.6.98, pursuant to Article 117(a) of the Articles of Association of the Company, who holds the office upto the date of this Annual General Meeting and being eligible has offered himself for reappointment and in respect of whom a notice in writing alongwith requisite fees pursuant to Section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation."
6. To consider and, if thought fit, to pass, with or without modification(s), as Special Resolution, the following:
"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below:
 - a) Article 2 of the Articles of Association shall include the following definitions at the appropriate places:-
 "Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
 "Depository" shall mean a Depository as defined under clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.
 "Depositories Act, 1996" shall mean Depositories Act, 1996 and any rules, regulations and bye laws made thereunder and any statutory modification or re-enactment thereof for the time being in force.
 "Securities and Exchange Board of India" means the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992.
 "Security" means such security as may be specified by the Securities and Exchange Board of India.
 Words and expressions used and not defined in the Companies Act, 1956, Securities Contracts (Regulations) Act, 1956 and Securities and Exchange Board of India Act, 1992 (Acts), but defined in the Depositories Act, 1996, shall have the same meaning respectively assigned to them in those Acts.
 - b) In Article 2 of the Articles of Association of the Company, the following definitions be modified as under:
 "Member" means the duly registered holder from time to time of the shares of the Company including the subscriber to the Memorandum of the Company and includes every person whose name is entered as a beneficial owner in the records of the Depository.
 "Register of Members" means the Register of Members to be kept pursuant to the Act and shall include the Register of Beneficial Owners maintained by Depository.



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- c) Article 11 of the Articles of Association of the Company be substituted as follows:
The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act, and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depository Act, 1996 shall be deemed to be Register and Index of Members for the purpose of this Act.
- d) In Article 13, the following proviso be inserted at the end:
Provided that the provisions relating to progressive numbering shall not apply to the shares of the Company held in Depository.
- e) In Article 21(a), the following words shall be added in the beginning:
Except where shares of the Company are held in Depository.
- f) Article 22(a) of the Articles of Association of the Company be substituted as follows:
No certificate of any share or shares shall be issued either in exchange for those which are subdivided or consolidated or rematerialised or in replacement of those which are defaced, torn or old, decrepit, worn out or where the columns on the reverse for recording transfers have been fully utilised unless the certificate in lieu of which it is issued is surrendered to the Company. However surrender of certificates will not be applicable in the case of rematerialisation.
The Company shall be entitled to charge such fees, not exceeding Rupees two per certificate, issued, on splitting or consolidation of share certificate or rematerialisation or any replacement of share certificate that are defaced or torn, as the Board thinks fit, provided that if share certificate or letter of allotment are split or consolidated into marketable lots prescribed by the Stock Exchange(s) on which the shares of the Company are quoted, no fees shall be charged.
- g) Article 22(b) of the Articles of Association of the Company be substituted as follows:
When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is "Issued in lieu of share certificate No.....sub-divided/ replaced/ on consolidation of shares or rematerialised" as the case may be.
- h) A new Article 22 (j) be inserted as under:-
Notwithstanding anything to the contrary herein, the Company shall be entitled to dematerialise its existing shares, debentures and other securities, rematerialise its shares, debentures and other securities held in Depositories and/or offer its fresh shares, debentures and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and rules framed thereunder, if any.
- i) Article 23 of the Articles of Association of the Company be substituted as follows:
Except as ordered by a court of competent jurisdiction or as required by law, the Company shall not be bound to recognise any equitable contingent, future or partial interest in any share or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these articles, in the person from time to time registered as the holder thereof or whose name appears as the beneficial owner of shares in the records of the Depository; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
Depository as the registered owner of the securities shall not have other membership rights in respect of the securities held by it. Every person holding securities of the Company and whose name is entered as the beneficial owner in the register maintained by a depository shall be deemed to be a member of the Company. The beneficial owner of securities shall alone be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held in the depository mode in which he is the beneficial owner.
- j) In Article 29, the following words shall be added in the beginning:
The words 'Twenty One days' shall be substituted with the words 'Thirty days'
- k) Article 53 of the Articles of Association of the Company be substituted as follows:
The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share or debenture except those held in a Depository.



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- l) Article 54 of the Articles of Association of the Company be substituted as follows:
Except in case of transfer of shares in Depository mode, an instrument of transfer shall be used which shall be in writing and all the provisions of Section 108 of the Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of all transfer of shares and registration thereof. The transfer of shares held in a Depository shall be effected in accordance with the provisions of the Depositories Act.
- m) Article 70 of the Articles of Association of the Company be deleted.
- n) Article 76 of the Articles of Association of the Company be substituted as follows:
The Company shall, if at any time it issues debentures, keep a Register and Index of Debentureholders in accordance with Section 152 of the Act and the Depositories Act, 1996. The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Debentureholders for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Debentureholders resident in that state or Country.

BY ORDER OF THE BOARD

Mumbai
April 29, 1999

SURESH MENON
Company Secretary

Notes

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business set out under item 5 & 6 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 1st June 1999 to 15th June 1999, both days inclusive.
4. Members attending the Meeting are requested to bring the Admission Cards as well as their copy of the Annual Report.
5. Pursuant to Section 205A(5) of the Companies Act 1956, dividends upto the financial year ended 31st March 1995 which remained unpaid or unclaimed has been transferred to the General Revenue Account of the Central government. Members who have valid claim to unclaimed dividend referred to above may claim the same from the Registrar of Companies, Maharashtra, 2nd Floor, Hakoba Compound, Bombay Cotton Mills Estate, Dataram Lad Marg, Lalbaug, Kala Chowki, Mumbai 400 033. In case any assistance is required, please write to the Company.
6. Members may consider availing the facility of holding shares in electronic form by dematerialisation of share certificates by opening an account with any of the recognised Depository Participant. Members may write to the Company Secretary for any guidance/assistance in this regard.
7. Members wishing to seek further information or clarification on the Annual Accounts or operations of the Company at the Meeting are requested to send their queries at least a week in advance of the date of the Meeting addressed to the Company Secretary at the following address:

ETERNIT EVEREST LIMITED,
Ashok Bhawan,
6th & 7th Floors,
93, Nehru Place,
New Delhi - 110 019



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EXPLANATORY STATEMENT

Explanatory Statement in terms of Section 173(2) of the Companies Act, 1956 annexed to and forming part of the Notice convening the sixty-sixth Annual General Meeting.

Item No.5

Mr. Jean Jasienski, was appointed as an Additional Director of the Company by Board of Directors w.e.f. 10.6.98 in terms of Article 117(a) of the Articles of Association of the Company and Section 260 of the Companies Act 1956, to hold office as an Additional Director upto the date of ensuing Annual General Meeting and is also eligible for reappointment. As required by Section 257 of the Companies Act, 1956, a notice has been received from a member alongwith requisite deposit signifying his intention to propose Mr. Jasienski as candidate for the office of Director liable to retire by rotation.

Mr. Jasienski is an Industrial Engineer and has been associated with the Etex Group since 1979.

None of the Directors, except Mr. Jasienski is concerned or interested in the Resolution.

Item No. 6

The members are aware that the Company has signed an Agreement with National Securities Depository Limited and its shares are dematerialised w.e.f. 28th December 1998. Consequent upon the enactment of the Depositories Act, 1996 and also keeping in view the current trend in corporate sector and bring in line with corresponding provisions of the Companies Act, 1956 and Securities Contracts (Regulations) Act, 1956 pertaining to issue, transfer and dealing in shares and other securities have been amended for implementing Depository System. Accordingly, relevant Articles as contained in the Notice are being amended/added/deleted/substituted in order to bring the said provisions of Articles of Association of the Company in conformity with the provisions of the aforesaid Acts.

Your Directors recommend the Resolution for approval.

None of the Director is concerned or interested in the Résolution.

Inspection

A copy of the Memorandum & Articles of Association of the Company together with the proposed alteration will be available for inspection to the members at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on any working day of the Company and also be available at the venue of the meeting.

BY ORDER OF THE BOARD

Mumbai
April 29, 1999

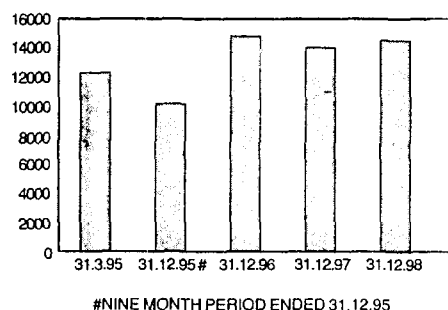
Suresh Menon
Company Secretary


Eternit Everest Ltd.

DIRECTORS' REPORT

TO THE MEMBERS OF ETERNIT EVEREST LIMITED

SALES
(Rs. LACS)



Your Directors are pleased to present their Sixty-sixth Annual Report together with the Audited Accounts of the Company for the year ended 31st December 1998.

Financial Results

	(Rs. in lacs)
Profit before Taxation	155
Deduct :	
Provision for Taxation	15
Add:	
Balance brought forward	500
Amount available for appropriation	640

Appropriation

Balance Carried to Balance Sheet	640
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Operations

The performance of the Company during the year was adversely affected by three factors - continued depressed economic conditions which affected industrial activity, excess capacity in the industry resulting in huge inventory, and the pressure on margins.

An important feature of the performance of the Company in the year under review was the improvement in the sales volume despite the strike at Lakhmapur works. The sales were higher by 10% at 190265 tonnes, as against 172917 tonnes in the previous year which resulted in improved market share for the Company's products.

The initiatives taken by the Company to improve operating efficiencies, control costs, reduce working capital and sell the Company's products in a depressed economic environment has resulted in the Company achieving financial performance, which, though significantly lower than the previous year, may be considered satisfactory in light of the performance of the asbestos cement industry in particular.

The Company is continuing its drive for increased efficiency and improved productivity by introducing value added products and better product mix with a view to achieve enhanced profitability.

Dividend

In view of the steep fall in profits during the year, the adverse market conditions being faced by the industry and with a view to conserve resources for funding the on-going modernisation of the Company's factories, the Board regrets that it is not in a position to recommend any dividend.

Labour Relations

It was another year of good industrial harmony in all the factories, except Lakhmapur Works. Industrial relations at Kymore, Calcutta and Podanur Works remained cordial during the year.

During the year the Company entered into a landmark productivity linked wage settlement with the Union at Podanur Works.

The strike at the Lakhmapur Works, which commenced in September, 1997 was called off by the Union unconditionally on 18th January, 1999 and normalcy has been restored.

Health & Safety

In pursuit of its continuing commitment, the Company accorded the highest priority to safety and environment improvement programmes at all levels.

Self-regulation in the management of safety, health and environment is accorded the highest priority in the manufacturing units of the Company. A mandatory audit developed by the Etex Group, aimed at improving the safety, health and environmental performance in the supply chain of the business is in operation.

**PROFIT BEFORE TAX AND
PROFIT AFTER TAX**
(Rs. LACS)

