



# 70th ANNUAL REPORT

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**Board of Directors**

Mr. T.M.M. Nambiar	Chairman
Mr. M.L. Gupta	Managing Director
Dr. N. K. Sengupta	Director
Mr. D.C. Shroff	Director
Mr. P.K. Sinor	Director
Mr. A.K. Jain	Director
Mr. Manish Sanghi	Executive Director (Marketing)

**Company Secretary**

Mr. Suresh Menon

**Auditors**

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

**Bankers**

State Bank of India  
ICICI Banking Corporation Limited

**Solicitors**

Crawford Bayley & Co.

**Registered Office :**

The ACC Ltd., Research & Consultancy Directorate  
CRS Complex, LBS Marg,  
Thane (West) - 400 604, Maharashtra.

**Head Office :**

E-62, Greater Kailash-I  
New Delhi - 110 048

**Website :**

www.eterniteverest.com

**Share Transfer Agents :**

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

**Date of Annual General Meeting :**

Friday, the 20th June, 2003 at 11.30 A.M. at  
Voltas Thane Works Auditorium  
2nd Pokhran Road, Subhash Nagar,  
Thane (West) - 400601, Maharashtra  
(Members are requested to kindly bring their  
copies of the Annual Report to the Meeting)

**Eternit Everest Ltd.****NOTICE**

Notice is hereby given that the Seventieth Annual General Meeting of the Members of Eternit Everest Limited will be held at Voltas Thane Works Auditorium, 2<sup>nd</sup> Pokhran Road, Subhash Nagar, Thane (W) – 400601 (Maharashtra) on Friday, the 20<sup>th</sup> June, 2003 at 11.30 A.M to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Directors Report and audited Profit & Loss Account for the 15 months period ended as at 31<sup>st</sup> March 2003 and the Balance Sheet as at that date.
2. To appoint a Director in place of Mr. T.M.M. Nambiar, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. P.K. Sinor, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution :-  
 "RESOLVED THAT M/s. Deloitte Haskins & Sells, Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at the remuneration to be determined by the Audit Committee/ Board of Directors of the Company."

**SPECIAL BUSINESS**

5. To consider and, If thought fit, to pass, with or without modification, the following Resolution as a special Resolution:  
 "RESOLVED THAT subject to the approval of the Central Government pursuant to section 21 of the Companies Act, 1956, the name of the Company be and is hereby changed from 'Eternit Everest Limited' to 'Everest Industries Limited' or any other name as may be made available by the Registrar of Companies, Maharashtra and acceptable to the Company.  
 RESOLVED FURTHER THAT the name 'Eternit Everest Limited' wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the new name 'Everest Industries Limited' or any other name as may be made available by the Registrar of Companies, Maharashtra and acceptable to the Company."
6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr.M.L.Gupta, whose term of office as an Additional Director pursuant to Section 260 of the Companies Act, 1956 expires at the Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director be and is hereby appointed a Director of the Company.  
 "RESOLVED FURTHER THAT pursuant to the provisions of Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modifications or re-enactment thereof and subject to the approval of the Central Government if any required, Mr.M.L.Gupta be and is hereby appointed as Managing Director of the Company for a period of two years with effect from 8<sup>th</sup> July, 2002 on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during Mr.M.L.Gupta's tenure) as set out in the draft Agreement submitted to this meeting and signed by the Chariman for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr.Gupta and also detailed hereunder :  
 (i) Salary : Rs.60,000 per month upto 31.3.2003 and Rs.72,000 w.e.f. 1.4.2003 (in the grade Rs.40,000 - Rs.80,000).  
 (ii) Perquisites & Allowances :  
 In addition to the salary, the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, personal accident insurance and such other perquisites and allowances as may be agreed to by the Board of Directors and the Managing Director; such perquisites and allowances will be subject to a maximum of Rs.1,20,000/- per month.  
 Perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.  
 Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.  
 (iii) Provident Fund, Superannuation/Annuity Fund  
 Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.  
 (iv) Performance Incentive  
 Such remuneration by way of performance incentive in addition to the salary, perquisites and allowances payable, in a particular financial year as may be determined by the Board of Directors of the Company or the Remuneration Committee at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act,

1956. The specific amount payable to the Managing Director will be decided by the Board or the Remuneration Committee of the Board entirely at its discretion.

(v) Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified above, after ensuring compliance with the requirements of Section II of Part II of Schedule XIII appended to the Companies Act, 1956.

(vi) Annual Leave

Thirty (30) days for every completed year of service. Unavailed leave may be accumulated upto 180 days. Encashment at the end of the tenure will not be included in the computation of the ceiling on perquisites.

7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr.Manish Sanghi, whose term of office as an Additional Director pursuant to Section 260 of the Companies Act, 1956 expires at the Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director be and is hereby appointed a Director of the Company.

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modifications or re-enactment thereof and subject to the approval of the Central Government if any required, Mr.Manish Sanghi be and is hereby appointed as wholetime Director and designated Executive Director - Marketing of the Company for a period of two years with effect from 8<sup>th</sup> July, 2002 on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during Mr.Manish Sanghi's tenure) as set out in the draft Agreement submitted to this meeting and signed by the Chairman for the purpose of identification, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr.Sanghi and also detailed hereunder :

- (i) Salary: Rs.50,000 per month upto 31.3.2003 and Rs.58,000 w.e.f. 1.4.2003 (in the grade Rs.30,000 - Rs.70,000).

(ii) Perquisites & Allowances :

In addition to the salary, the Wholtime Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, personal accident insurance and such other perquisites and allowances as may be agreed to by the Board of Directors and the Wholtime Director; such perquisites and allowances will be subject to a maximum of Rs.1,00,000/- per month.

Perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

(iii) Provident Fund, Superannuation/Annuity Fund

Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure shall not be included in the computation of limits for the remuneration or perquisites as aforesaid.

(iv) Performance Incentive

Such remuneration by way of performance incentive in addition to the salary, perquisites and allowances payable, in a particular financial year as may be determined by the Board of Directors of the Company or the Remuneration Committee at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956. The specific amount payable to the Wholtime Director will be decided by the Board or the Remuneration Committee of the Board entirely at its discretion.

(v) Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Wholtime Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites as specified above, after ensuring compliance with the requirements of Section II of Part II of Schedule XIII appended to the Companies Act, 1956.

(vi) Annual Leave

Thirty (30) days for every completed year of service. Unavailed leave may be accumulated upto 180 days. Encashment at the end of the tenure will not be included in the computation of the ceiling on perquisites.



**Eternit Everest Ltd.****NOTES**

1. The Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business set out under items 5 to 7 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 A PROXY NEED NOT BE A MEMBER, PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 14.6.2003 to 20.6.2003 (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 31<sup>st</sup> 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, 2<sup>nd</sup> 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 Secretary.
6. Shareholders are hereby informed that after the amendment of the Companies Act, 1956, the Company is obliged to transfer any money lying in the Unpaid Dividend Account in respect of dividend for the year 31.3.1996 and onwards, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("the Fund") established by the Central Government. In accordance with Section 205C of the Act, no claim shall lie against the Company or Fund in respect of Individual amounts of dividend remaining unclaimed or unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.
7. As per the provisions of the Companies Act, 1956, the facility for making nominations is now available to the shareholders in respect of the equity shares held by them. Nomination forms can be obtained from the Company's Registrars and Share Transfer Agents, viz. MCS Ltd., Sri Venkatesh Bhawan, 212-A, Shahpur Jat, Behind Panchsheel Club, New Delhi-110049.
8. Members wishing to seek further information or clarification on the Annual Accounts or operations of the Company at the Meeting are requested to send their queries at least a week in advance of the date of the Meeting addressed to the Company Secretary at the following address:

Eternit Everest Limited,  
 Everest House, E-62, Greater Kailash – I,  
 New Delhi - 110 048.

By Order of the Board  
 For ETERNIT EVEREST LIMITED

Mumbai  
 25 April, 2003

**Suresh Menon**  
 Company Secretary

**EXPLANATORY STATEMENT**

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

**Item No.5**

"Eternit" is the registered trademark of the former Co-promoter M/s Etex Group of Belgium. The Shareholders may be aware that with effect from 12th February 2002, The Associated Cement Companies Limited (ACC) have taken over the entire 50% shareholding of the former Co-promoter and now holds 76.01% shareholding in your Company. Your Board felt that the name of the Company should be changed to 'Everest Industries Limited' or such other name as may be made available by the Registrar of Companies, Maharashtra and acceptable to the Company as stated in the Resolution.

None of the Directors is interested in the Resolution.

**Item No.6**

Mr.M.L. Gupta was appointed Whole-time Director designated as Managing Director with effect from 8<sup>th</sup> July, 2002 for a period of two years, subject to approval of the shareholders of the Company. The Remuneration Committee of the Board of Directors of the Company in its meeting held on 25<sup>th</sup> April, 2003 increased the salary of Mr.M.L.Gupta from Rs.60,000 to Rs.72,000 w.e.f. 1.4.2003.

The appointment and payment of remuneration including minimum remuneration in case of loss or inadequacy of profits payable to Mr.Gupta as Whole-time Director during his tenure are being placed before the Members in General Meeting for approval as required under section 198, 269 and 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956.

As per the provisions of Section 260 of the Companies Act, 1956, Mr.M.L.Gupta hold office upto the conclusion of the ensuing Annual General Meeting.

Due notice under Section 257 of the Companies Act 1956 have been received from the member proposing to appoint Mr. Gupta as Director of the Company. Requisite consent under Section 264(1) of the Companies Act 1956 has already been filed by Mr. Gupta.

The abstract of the appointment of Mr.Gupta under section 302 of the Companies Act, 1956 has already been sent to the shareholders. As regards the revision in the salary of Mr.Gupta w.e.f. 1<sup>st</sup> April, 2003 is concerned, this may be considered as abstract under section 302 of the Companies Act, 1956.

No Director of the Company other than Mr.Gupta is concerned or interested in the Resolution.

**Item No.7**

Mr.Manish Sanghi was appointed Whole-time Director designated as Executive Director (Marketing) with effect from 8<sup>th</sup> July, 2002 for a period of two years, subject to approval of the Members of the Company. The Remuneration Committee of the Board of Directors of the Company in its meeting held on 25<sup>th</sup> April, 2003 increased the salary of Mr.Manish Sanghi from Rs.50,000 to Rs.58,000 w.e.f. 1.4.2003.

The appointment and payment of remuneration including minimum remuneration in case of loss or inadequacy of profits payable to Mr.Sanghi as Whole-time Director during his tenure are being placed before the Members in General Meeting for approval as required under section 198, 269 and 309 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956.

As per the provisions of Section 260 of the Companies Act, 1956, Mr.Manish Sanghi hold office upto the conclusion of the ensuing Annual General Meeting.

Due notice under Section 257 of the Companies Act 1956 have been received from the member proposing to appoint Mr. Sanghi as Director of the Company. Requisite consent under Section 264(1) of the Companies Act 1956 has already been filed by Mr. Sanghi.

The abstract of the appointment of Mr.Sanghi under section 302 of the Companies Act, 1956 has already been sent to the shareholders. As regards the revision in the salary of Mr.Sanghi w.e.f. 1<sup>st</sup> April, 2003 is concerned, this may be considered as abstract under section 302 of the Companies Act, 1956.

No Director of the Company other than Mr.Sanghi is concerned or interested in the Resolution.

**Inspection of Documents**

The Memorandum & Articles of Association of the Company and the terms of appointment of Mr.M.L.Gupta and Mr.Manish Sanghi are available for inspection of the Members at the Registered Office of the Company on any working day between 11.00 AM and 1.00 PM and shall also be accessible for inspection throughout continuance of the Seventieth Annual General Meeting.

By Order of the Board  
For ETERNIT EVEREST LIMITED

**Suresh Menon**  
COMPANY SECRETARY

Mumbai, April 25, 2003

Registered Office:

The ACC Ltd.,

Research & Consultancy Directorate,

CRS Complex, LBS Marg,

Thane (West) – 400604

Maharashtra.

**Eternit Everest Ltd.**

## DIRECTORS' REPORT

### TO THE MEMBERS OF ETERNIT EVEREST LIMITED

Your Directors are pleased to present their Seventieth Annual Report together with the Audited Accounts of the Company for the fifteen-months period ended 31<sup>st</sup> March 2003.

#### Financial Results

	Current Period (Rs.in lakhs)	Previous Year (Rs.in lakhs)
Profit before Taxation	1,507.01	(314.22)
Deduct:		
Provision for Taxation		
- Current	119.00	-
- Deferred	437.29	(96.74)
Profit after Taxation	950.72	(217.48)
<b>Add:</b>		
Balance brought forward.	1,641.74	1,840.87
<b>Amount available for appropriations</b>	2,592.46	1,623.39
<b>Appropriations:</b>		
General Reserve	95.08	-
Proposed Dividend	444.00	-
Tax on proposed dividend	56.89	-
Excess provision for Tax on Dividend written back.	-	(18.35)
Balance Carried to Balance Sheet	1,996.49	1,641.74

#### Proposed Dividend

Your Directors are pleased to recommend dividend payment at the rate of Rs.2 per share and an additional special dividend of Rs.1 per share in view of improved performance and extended accounting period.

#### Operations

The Company witnessed a significant turn around in its operational performance during the year under review due to various initiatives undertaken by the Management. Your Company's sales volume recorded an increase of 30.3% in 2002-2003 over the previous accounting period. Despite continuous fall in selling price, the overall profitability showed a major increase because of several productivity improvements and cost reduction measures. Continued focus on promotion of traditional and new products enabled the Company to record a larger volume of sales and thus regain market share in the highly competitive roofing segment.

The high value added asbestos free building boards – E-Board, E-Board Ply Plus and E-Board Classic in thickness varying from 4mm to 20mm and positioned as superior substitute to reconstituted wood

based products, particle boards, medium density fibre boards and ply wood continued to evoke encouraging response. Your Company witnessed a growth of 7.8 % over last year, in this business segment.

#### Mulund Land

As you are aware, as per the Arbitration Award both M/s. Lok Housing & Constructions Ltd. (Lok) and your Company were required to comply with certain obligations. Your Company had already complied with all its obligations, but Lok defaulted in fulfilling its obligation. Your Company was then forced to take legal proceedings before the Hon'ble High Court of Bombay. The Hon'ble High Court after hearing the matter directed Lok not to remain on the property and also instructed the Court Receiver to take custody of the land if need be and hand over the possession to your Company as prayed by the Company in its application.

#### Labour Relations

It was another year of good Industrial harmony at all the 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

Your Company's record on Safety & Health continued to be of the highest standards set internationally. Fibre counts & emission levels were well within the permissible levels acceptable in the similar industry internationally.

#### Quality

All the products manufactured & marketed by your Company continue to enjoy the premium position in the market due to its superior quality. All works of your Company successfully re-certified for IS/ISO: 9001:2000. Kymore Works and Podanur Works of your Company were certified under IS/ISO: 14001 also. Your Company got BIS marking for the non-asbestos boards for the first time in India.

#### Modernisation

Your company has taken on hand projects for debottlenecking and modernisation at Kymore works, Podannur works and Kolkatta works. These are likely to be

completed by end of the financial year. All these investments would contribute towards further improvement in quality of the product, in reducing pollution load as also automation of the plants for further improving overall productivity.

#### Directors

During the year Mr.M.L.Gupta, was appointed the Managing Director of your Company w.e.f 8.07.2002 in place of Mr.A.K.Batra, former Managing Director who had resigned from your Company. Mr. Manish Sanghi was elevated to the Board as Executive Director (Marketing) w.e.f. 8.07.2002. Your Company seeks confirmation of their appointment from you at the forthcoming seventieth Annual General Meeting in respect of the appointment of Mr. M.L. Gupta and Mr. Manish Sanghi.

Mr. N.H Italia also resigned from the Board of Directors of your Company w.e.f. 14.10.2002. The Board of Directors has placed on record its warm appreciation of the valuable services rendered by both Mr.A.K.Batra & Mr.N.H.Italia during their tenure.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. T.M.M Nambiar and Mr. P.K.Sinor 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, as amended regarding employees forms part of this report.

#### Director's Responsibility Statement

To the best of their knowledge and belief



and according to the information and explanations obtained by them, your Directors make the following statement in terms of section 217 (2AA) of the Companies Act, 1956 :

- 1) that in the preparation of the Annual Accounts for the period ended 31<sup>st</sup> March, 2003, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- 2) that such accounting policies as mentioned in Note 2 of Schedule 17 have been selected and applied consistently and judgements and estimates have been made 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 period ended 31<sup>st</sup> March, 2003 and of the profit and loss of the Company for the said period.
- 3) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) that the Annual Accounts for the period ended 31<sup>st</sup> March, 2003, have been prepared 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 Delloitte Haskins & Sells, Chartered Accountants, the existing Auditors of your Company retire at the end of this meeting and are eligible for re-appointment. They have under Section 224 (1B) of the Companies Act 1956 furnished the necessary certificate of their eligibility if they get re-appointed.

#### **Acknowledgement**

The Board places on record its sincere gratitude to the Company's valued customers, 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  
25 April 2003

#### **ANNEXURE REFERRED TO IN THE DIRECTORS' REPORT ON THE ACCOUNTS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2003.**

#### **Conservation of 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 implementing improvements in templates oiling & cleaning machines at all works, your Company saved demoulding oil to the tune of Rs. 30 lakhs during the period under review.

<b>Expenditure on R&amp;D</b>	<b>Rs. in lakhs</b>
(a) Capital	0.40
(b) Recurring	18.52
Total	<u>18.92</u>
(c) Total R&D expenditure as percentage of turnover	0.09%

#### **Technology Absorption, Adaptation and Innovations**

Alternate cheaper source has been developed for flocculent a substance used for non-asbestos product mix. Low cost reliable thickness measurement and control system has been developed for CBS. Jointing compound has been developed in house as a supporting product. A pulp batching system available at Lakhmapur works have also been successfully commissioned at Podanur works utilizing in-house resources thus saving on technical know-how and expenditure.

#### **Imported technology**

Your Company continued to be assisted by REDCO (an affiliate of earlier promoter Etex Group) in accordance with the Technical Assistance Agreement entered into between REDCO and your Company.

#### **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.

**Eternit Everest Ltd.****DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT  
IN FORTHCOMING ANNUAL GENERAL MEETING**

<b>Name of Director</b>	Mr.T.M.M. Nambiar	Mr. P.K. Sinor	Mr. M.L. Gupta	Mr.Manish Sanghi
<b>Date of Birth</b>	29.05.1937	21.07.1939	03.02.1941	04.02.1963
<b>Date of appointment/ re-appointment</b>	20.6.2001	12.02.2002	08.07.2002	08.07.2002
<b>Expertise in specific functional areas</b>	Finance/Gen. Management	Legal/Secretarial	Technical/Gen. Management	Marketing
<b>Qualifications</b>	B.Com., ACA	B.Com., FCS	B.Tech. (Hons.)	B.E. (Mech.), PGDM(IIM)
<b>List of Public Companies in which outside Directorship held as on 31<sup>st</sup> March, 2003</b>				
	1) ION Exchange (India) Ltd.	1) The Associated Cement Cos. Ltd. 2) Bulk Cement Corporation (India) Ltd. 3) ACC Nihon Castings Ltd. 4) The Cement Marketing Co. of India Ltd.	N.A.	N.A.
<b>Chairman/Member of the Committees of the Board of Public Companies on which he/she is a Director as on 31<sup>st</sup> March, 2003.</b>	N.A.	1) ACC Nihon Castings Ltd. Audit Committee (Chairman)	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 PERIOD ENDED 31<sup>ST</sup> MARCH, 2003**

<b>A - Employed for full period</b>							
S.No.	Name	Designation & Nature of duties	Remuneration Gross (Rs.)	Qualifications	Date of Commencement of Employment	Age in years	Last Employment
1.	Sanghi Manish*	Executive Director Marketing	34,49,111.00	B.E. (Mech.), PGDM (IIM)	16-01-2001	40	Delphi Automotive Systems Ltd.
<b>B - Employed for a part of the period</b>							
1.	Batra Arun Kumar*	Managing Director	37,08,555.00	A C A	16-06-1996	47	Beckton Dickinson India Pvt. Ltd.
2.	Malik K K	Marketing Director	44,28,525.00	M A	18-01-1982	53	Microcomp Ltd.
3.	Gupta M L*	Managing Director	27,21,496.00	B.Tech. (Hons.)	08-07-2002	62	A C C Limited

- 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 and incentives to senior executives.
- (ii) In addition to the above remuneration, employees are entitled to gratuity, medical benefits etc. in accordance with the company's rules.
- (iii) All the employees have adequate experience to discharge the responsibilities assigned to them.
- (iv) \*Indicates that the nature of the employment was/is contractual.