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**THIRTEENTH
ANNUAL REPORT
2002-2003**



ENKEI CASTALLOY LTD.
(Formerly known as Pegasus Castalloy Ltd.)

ENKEI CASTALLOY LIMITED**BOARD OF DIRECTORS**

Mr. Shailendrajit Rai Chairman & Managing Director
 Mr. Junichi Suzuki
 Mr. Tetsuro Masui
 Mr. V. Gandikota
 Mr. A. D. Harolikar
 Mr. S. C. Khanna

BANKERS :

Bank of Maharashtra
 Industrial Finance Branch, Pune

The Shamrao Vitthal Co-op Bank Ltd
 Deccan Gymkhana Branch, Pune

AUDITORS :

M/s Engineer & Mehta

REGISTERED OFFICE & WORKS :

Survey No.1426
 Village Shikrapur,
 Taluka Shirur,
 Dist. Pune - 412 208.
 Maharashtra
 Tel: (02137) 272597 / 272642 / 272644
 Fax: (02137) 272643
 E-mail : ecl@enkeicastalloy.co.in

SHARE TRANSFER AGENTS :

MONDKAR COMPUTERS PVT LTD
 21, Shakil Niwas,
 Mahakali Caves Road,
 Andheri, (E) Mumbai.
 Tel.: 022 - 825 76 41 / 836 97 04
 E-mail : mcplrt@bom7.vsnl.net.in

Contents

	Page No. (s)
• Notice	1 & 2
• Notes	3
• Annexure To The Notice	4 & 5
• Appointment / Reappointment of Directors	6
• Director's Report	7 to 9
• Annexure to Director Report	10 & 11
• Corporate Governance Report	12 to 18
• Management Discussion & Analysis	19 & 20
• Auditor's Report	21 & 22
• Annexure to The Auditor's Report.....	23 & 24
• Balance Sheet	25
• Profit & Loss Account	26
• Cash Flow	27
• Schedules	28 to 32
• Notes to Accounts	33 to 39
• Balance Sheet Abstract	40

ENKEI CASTALLOY LIMITED

Corrigendum

We regret to inform that some typographical errors are noticed in the Annual Report after it is printed. Shareholders are requested to please take note of the following corrections in the Annual Report.

Page No.	Particulars.
1	Time of the meeting should be read as 11.30 A.M.
3	In Clause c, instead of Item Nos.6 to 10,it should be read as Item Nos. 5 to 8 and in place of Item Nos.3, 4, 6 & 7, it should be read as Item Nos. 3, 5 & 6.
12	Date of last A.G. M. should be read as 30/09/2002 instead of 29/09/2002.
13	Note No.3 regarding commission to Managing Director, be deleted.
13	Clause c Investors/Shareholders Grievances Committee - in place of Mr.S. Rai, Chairman, Mr. A. D. Harollikar Chairman should be read.
13	After last para, following para should be added: No. of complaints received during the year - 9 No. of complaints solved - 9 No. of complaints pending - Nil
37	Item No. 14 – Earning per Share- Clause IV - should be read as earning per share based on 4164832 weighted average equity shares.

In proxy form and in attendance slip instead of 12th Annual General Meeting it should be read as 13th Annual General Meeting and the date of A.G.M. as 29th September 2003.

For **ENKEI CASTALLOY LTD.**

S.RAI
Chairman & Managing Director

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Company will be held on Monday, the 29th September, 2003, at Gat No. 1426, Village Shikrapur, Taluka Shirur, Dist. Pune, Maharashtra, to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2003, Profit and Loss accounts for the year ended on that date, together with the Reports of the Directors and Auditors.
2. To declare dividend.
3. To appoint a Director in the place of Mr. V. Gandikota, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Junichi Suzuki, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Tetsuro Masui, who was appointed by the the Board of Directors as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. A.D.Harolikar, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."



ENKEI CASTALLOY LTD.

NOTICE

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

RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed thereunder, Listing Agreements, Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (including any statutory modification (s) or re-enactment there of the time being in force and as may be enacted here in after) and all other applicable laws, rules, regulations and guidelines and subject to all such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed and imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (herein after referred to as "the Board"), which term shall be deemed to include any Committee there of for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company's Ordinary (Equity) Shares from the Ahmedabad Stock Exchange."

30th July 2003

By Order of the Board of Directors

S. RAI
Managing Director

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REGISTERED OFFICE
Gat No. 1426,
Village Shikrapur,
Taluka Shirur,
Dist. Pune 412 208
Maharashtra.

NOTES

- a. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- b. The instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- c. The relative Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, in respect of item nos.6 to 10 and the relevant details in respect of item nos. 3,4,6, & 7 above, pursuant to Clause 49 of the Listing Agreements are annexed hereto.
- d. Members are requested to notify immediately change in their addresses, pin code numbers, e-mail addresses and telephone number(s), if any, to the company at its Registered Office by quoting their folio numbers. In respect of shares held in electronic mode, the same should be communicated to the respective Depository Participant (DP).
- e. All Requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and Share Certificates should preferably be sent directly to the Company's Registrars and Transfer Agents.
- f. Section 109A of the Companies Act, 1956, has extended nomination facility to individuals holding shares in Companies. Shareholders, in particular, those holding shares in single name, are requested to avail of the above facility by furnishing to the company the particulars of their nomination.
- g. Members of the Company who have multiple accounts in identical names of joint accounts in the same order are requested to send all the share Certificates to the Registrar and Share Transfer Agent (Mondkar Computers Pvt. Ltd.) or to the Registered Office of the Company for consolidation of all such shareholdings in to one account to facilitate better service.
- h. The register of Members and Share Transfer Book of the Company will remain closed from Thursday, the 25th September 2003 to Monday, the 29th September 2003, both days inclusive.
- i. If the dividend on shares as recommended by the Directors is passed at the meeting, payment of such dividend will be made on and after 1st October 2003 to those shareholders whose names are on the Company's Register of Members on 29th September 2003. In respect of shares held in the electronic form, the dividend will be payable to the beneficial owners of such shares as at the close of business hours on 24th September 2003 as per details furnished by the depositories for this purpose.
- j. Shareholders desiring any information as regards the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

Place : Shikrapur
Date : 30th July 2003

ON BEHALF OF THE BOARD OF DIRECTORS

Shailendrajit Rai
Chairman & Managing Director

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ItemNo. 5 & 6

Enkei Corporation, Japan has nominated Mr. Junuchi Suzuki and Mr. Tetsuro Masui on the Board of Directors of the Company. The Board had co-opted Mr. Suzuki and Mr. Masui in its meeting held on 29/10/2002. Pursuant to the Provision of Section 260 of the Companies Act 1956, Mr. Junuchi Suzuki and Mr. Tetsuro Masui will be vacating the office of Directors in the forthcoming Annual General Meeting. The Company has received a Notice from some of its members under Section 257 of the Companies Act, 1956 signifying their intention to propose the candidature of Mr. Junuchi Suzuki and Mr. Tetsuro Masui for the Office of Director.

Mr. Suzuki aged 54 years has a professional qualification in the field of engineering. He is on the Board of various subsidiaries of Enkei Corporation, Japan.

Mr. Tetsuro Masui aged 54 years is an Economics Graduate and is on the Board of various subsidiaries of Enkei Corporation, Japan.

Mr. Junichi Suzuki and Mr. Tetsuro Masui may be deemed to be interested in their respective appointments as Director. No other Directors is interested or in any way concerned in the resolution.

Item No. 7

The Board of Directors in its meeting held on 29/01/2003 had appointed Mr. A. D. Harollikar as an Independent Director. Pursuant to the Provisions of Section 260 of the Companies Act, 1956 Mr. Harollikar will be vacating his office at the forthcoming Annual General Meeting. The Company has received a Notice from some of its members under Section 257 of the Companies Act, 1956 signifying their intention to propose the candidature of Mr. A. D. Harollikar for the office of Director.

Mr. Harollikar aged 53 has a professional qualification in the field of engineering (Metallurgy) and by occupation is a Banker. Presently he is Executive Director of SICOM Home Finance Ltd. The Board considers it desirable that the Company should continue to avail his services and recommend the resolution under Item No. 7.

Mr. A. D. Harollikar may be deemed to be interested in his appointment. None of the Directors is concerned or interested in the resolution.

Item No. 8

The Company's Equity Shares are presently listed on the Stock Exchanges, Mumbai (BSE) and the Stock Exchange, Ahmedabad, (ASE)

Consequent to the recent rapid changes in the capital market and with the availability of nationwide trading facility coupled with wide and extensive networking of centres of BSE, investors have access to on-line dealing in the Company's Equity Shares across the country. The substantial volume of trading is carried out through BSE. The trading volume on ASE is nil and does not justify the payment of listing fees to them. The Company believes that

ANNEXURE TO THE NOTICE

no particular benefit is available to the Shareholders of the Company by continuing the listing with the ASE. The company is therefore, contemplating the de-listing of its Equity Shares from ASE.

As per the recent Delisting of Securities Guidelines, 2003 issued by Securities and Exchange Board of India (SEBI), an exit opportunity need not be provided to the shareholders of the Company on delisting of its Ordinary (Equity) Shares from ASE, provided the Ordinary (Equity) Shares of the Company continue to be listed on BSE.

The proposed voluntary delisting of the Company's Ordinary (Equity) Shares from ASE will, apart from the savings resulting from the non payment of annual listing fees, also reduces a lot of administrative work & cost. The delisting will not adversely affect any inventory including the Shareholders located in the regions where the ASE is situated. Pursuant to the guidelines issued by SEBI on voluntary delisting by Companies of their securities from the stock Exchanges, it is proposed to seek the Shareholders approval by way of a Special Resolution for voluntary delisting the Company's Equity Shares from the ASE as set out in the Resolution at Item No.8

The Directors recommend the passing of the Resolution at Item No.8 as a Special Resolution.

None of the Directors of the Company is concerned or interested in this item of business.

By order of the Board.

S. Rai
CHAIRMAN & MANAGING DIRECTOR

Registered Office:
Gat No. 1426,
Shikrapur,
Taluka Shirur,
Dist. Pune 412 208
Date: 30th July 2003

APPOINTMENT / REAPPOINTMENT OF DIRECTORS

Information pursuant to Clause 49 of the Listing Agreement regarding appointment / reappointment of Directors.

Name of Director	Mr. Junichi Suzuki
Date of Birth	25/01/1948
Date of Appointment	29/10/2002
Special Expertise	Engineering & Management
Qualifications	Engineer
Director in other Companies incorporated in India	Nil
Chairman/Member of Committees of Companies	Nil

Name of Director	Mr. Tetsuro Masui
Date of Birth	25/01/1948
Date of Appointment	29/10/2002
Special Expertise	Finance & Management
Qualifications	Economics
Director in other Companies incorporated in India	Nil
Chairman/Member of Committees of Companies	Nil

Name of Director	Mr. A. D. Harolika
Date of Birth	04/12/1949
Date of Appointment	29/01/2003
Special Expertise	Industrial Finance
Qualifications	B.E. (Metallurgy)
Director in other Companies incorporated in India	SICOM Home Finance Ltd.
Chairman/Member of Committees of Companies	Nil

Name of Director	Mr. V. Gandikota
Date of Birth	09/07/1945
Date of Appointment	25/01/1999
Special Expertise	Management
Qualifications	M.B.A.
Director in other Companies incorporated in India	Nil
Chairman/Member of Committees of Companies	Nil

DIRECTOR'S REPORT

To the members,

Your Directors are pleased to present their Thirteenth Annual Report together with the audited Accounts for the year ended 31st March 2003.

Financial Results

	For the year ended 31-03-2003 Rs.in lacs	For the year ended 31-03-2002 Rs.in lacs
Sales & Other Income	2270.04	1755.05
Operating profit before financial expenses		
Depreciation and preliminary expenses	414.51	373.60
Financial expenses	129.74	126.78
Gross Profit	289.15	246.82
Less: Depreciation	142.46	130.96
Less: Preliminary expenses	1.91	1.91
Profit before Taxation	140.40	113.95
Provision for taxation	40.86	30.34
Profit after taxation	99.54	83.60
Dividend - final	40.00	30.00
Provision for tax on dividend	5.12	-

Dividend

Your Directors have recommended a dividend of 10% subject to the members' approval at the Annual General Meeting. The total amount of dividend outflow (including dividend tax) will be Rs 45.12 lacs. Dividend in the hands of the members will be free of tax.

Operations

For the year under review, your Company has recorded higher sales and production, both in terms of volume and value compared to previous year. The total income for the year was Rs 2270.05 lacs, an increase of 29% in comparison of previous year. The Company recorded a pre-tax profit of Rs.140.40 lacs as against Rs.113.95 lacs for the previous year.

The company has consolidated its position in manufacturing Cylinder heads for 2 wheelers with 4 stroke engines. Strong performance from the OEMs has been encouraging.