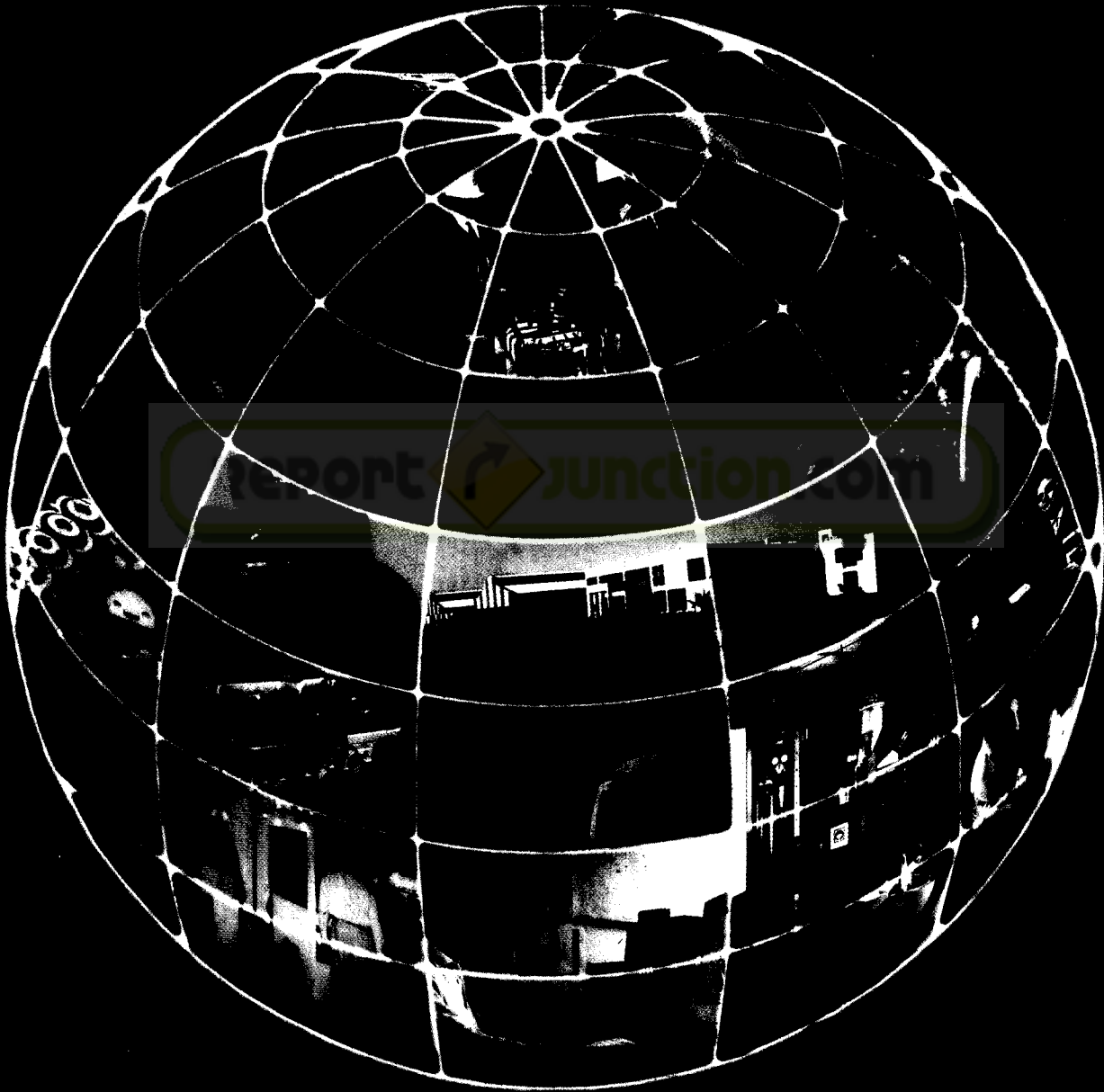




Foseco India Limited



46th Annual Report & Accounts Year 2002

Board of Directors

P. K. Choksey

Chairman

D. G. Hussey

Vice Chairman

D. O. Hughes

Managing Director

D. P. Mehta

Director

F. A. A. Jasdanwalla

Director

R. A. Savoor

Director

P. N. Ghatalia

Director

J. M. Weeks

Alternate Director

R. Balakrishnan

Company Secretary

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Financial HighlightsInside back cover

Registered Office

Gat No. 922 & 923,
Sanaswadi, Taluka Shirur,
Dist. Pune 412 208

Factories

Sanaswadi, Pune
Pondicherry

Regional Sales Offices

- Sanaswadi, Pune
- New Delhi
- Kolkata
- Chennai

Bankers

- Standard Chartered Bank
- Syndicate Bank

Auditors

Sharp & Tannan

Solicitors

Crawford Bayley & Co.
Sandersons & Morgans

Registrars and Transfer Agents

MCS Limited
116/118, Akshay Complex,
Off Dhole Patil Road,
Near Ganesh Mandir, Pune 411 001

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the forty sixth annual general meeting of FOSCO INDIA LIMITED will be held on Tuesday 13 May 2003 at 1400 hrs (IST) at the registered office of the company at Gat Nos. 922/923, Sanaswadi, Taluka Shirur, District Pune to transact the following business:

ORDINARY BUSINESS :

1. To receive and adopt the audited balance sheet of 31 December 2002 and the profit & loss account for the year ending on that date together with the reports of the directors and the auditors thereon.
2. To declare a final dividend on 63,86,459 equity shares for the year ending 31 December 2002.
3. Mr. P K Choksey a director of the company who retires by rotation does not seek re-election and the company does not intend to fill up the vacancy .
4. To consider and if thought fit, to pass with or without modification, the following as an ORDINARY RESOLUTION:
RESOLVED THAT S.R. Batliboi & Associates, Chartered Accountants, be and hereby appointed auditors of the company in place of the retiring auditors Sharp & Tannan, Chartered Accountants to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting.
RESOLVED FURTHER THAT the board of directors be and is hereby authorised to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification, the following as an ORDINARY RESOLUTION:
"RESOLVED THAT Mr. R A. Savoor who was appointed as an additional director of the company pursuant to Section 260 of the Companies Act, 1956 read with Article 137 of the articles of association of the company and who holds office as such up to the date of the forthcoming annual general meeting and in respect of whom the company has received a notice proposing his candidature for the office of director under Section 257 of the Act, 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 as an ORDINARY RESOLUTION:
"RESOLVED THAT Mr. P. N. Ghatala who was appointed as an additional director of the company pursuant to Section 260 of the Companies Act, 1956 read with article 137 of the articles of association of the company and who holds office as such up to the date of the forthcoming annual general meeting and in respect of whom the company has received a notice proposing his candidature for the office of director under Section 257 of the Act, 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 as a SPECIAL RESOLUTION:
"RESOLVED THAT pursuant to Section 198, 269, 309 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956, (including any amendment or modification thereof) the consent of the company be and is hereby accorded to the reappointment and terms of remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits during the period of tenure) of Mr. D. O. Hughes, managing director of the company for a further period from 1 November 2002 to 31 October 2005, as set out in the draft agreement placed before this meeting and initialed by the chairman for the purpose of identification."
"RESOLVED FURTHER THAT the board of directors be and are hereby authorised to alter and vary the terms and conditions of the said appointment and/or agreement in such manner as may be agreed to by the directors and Mr. D. O. Hughes."
8. To consider and if thought fit, to pass, with or without modification, the following as a SPECIAL RESOLUTION:
"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, Article 140 which reads as follows be deleted & the following new Article be adapted and numbered as Article 132A after Article No. 132."

Article 140

"The qualification of a director (other than a debenture director or director not liable to retire by rotation) shall be the holding of shares, solely or jointly with another or others and whether beneficially or as a trustee for any person or persons or otherwise howsoever, of the nominal value of at least Rupees 1,000/-. Every director, not being a technical director or a director appointed by the Central or State Government, shall within two months after his appointment, file with the company a declaration specifying the qualification shares held by him"

"FURTHER RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the following new Article be adapted and numbered as Article 132A after Article No. 132."

Article 132A

"Fosco shall be further entitled to nominate additional directors and such additional directors appointed in excess of the one-third permanent non-retiring directors are to be known as "Fosco Retiring Directors". The total number of Fosco Directors appointed under these articles 132 and 132A shall not exceed one-half of the total number of directors. Fosco Retiring Directors shall be liable to retire by rotation under article 153. Fosco shall be entitled to remove such Directors from time to time and on a vacancy being caused in such office from any cause, whether by resignation, death or by virtue of any of the applicable provisions of the Act or otherwise, Fosco shall be entitled to nominate a person or persons in writing to be the Fosco Retiring Director in place of the vacating Fosco Retiring Director or Fosco Retiring Directors."

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The register of members and share transfer books will remain closed from Tuesday 29 April 2003 to Tuesday 13 May 2003 (both days inclusive)
3. The dividend declared at the meeting will be made payable on or after 19 May 2003 to those members whose names are on the register of members on 13 May 2003.
4. Members are requested to notify change of address to the Company Secretary so as to reach on or before 29 April 2003.
5. Pursuant to Section 205 of the Companies Act, 1956, all unclaimed / unpaid dividend up to the financial year ended 31 March 1996 has been transferred to the general revenue account of the Central Government. Members who have not yet encashed the dividend warrants for the said period are requested to claim the amount in the prescribed Form No. II under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 from the "Registrar of Companies, Pune", 3rd Floor, PMT Building, Deccan Gymkhana, Pune 411 004.
6. Members may note that by virtue of Section 205 A and 205 C of the Companies Act, 1956, the amount of dividend for subsequent years and remaining unpaid / unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up in this behalf and no payments shall be made in respect of any such claims out of this fund. Members are, therefore requested to encash their dividend warrants immediately.
7. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting. Members are requested to bring their copies of the annual report to the meeting.
8. Members are requested to affix their signature at the space provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance to the meeting.
9. To ensure that shareholders' queries are answered in full, please forward any queries you would like answered to the Company Secretary at the registered office no later than one week before the meeting.

By Order of the Board of Directors

R Balakrishnan

Company Secretary

& Legal Services Manager

Place : Mumbai

Date : 13 February 2003

Report Junction.com

EXPLANATORY STATEMENTS AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956**Item No. 5.**

Mr. R.A. Savoor was appointed as an additional director at the meeting of the board of directors held on 24 July 2002. By virtue of Section 260 of the Companies Act, 1956 read with Article 137 of the Articles of Association of the company, he shall hold the office only up to the date of the forthcoming Annual General Meeting of the company.

Mr. R.A.Savoor retired on 1 May 2002 after working with Castrol India Ltd. for 34 years, 12 of these as Chief Executive and Managing Director. Mr. R.A.Savoor worked in various capacities in the company, starting as a management trainee in July 1968 and working his way up to CEO. Under his leadership Castrol India Ltd. grew from being a minor oil company to becoming the number two lubricant company in India and the second largest Castrol company worldwide. Born in Madras in April 1944, Ram Savoor did his schooling in Bombay and he graduated from Ruia College with a B.Sc. in Chemistry, followed by a 3 year course in Chemical Technology from UDCT (University Department of Chemical Technology) at Bombay.

Directorship in Other Companies :

Castrol India Limited.
Tata Honeywell Limited.
E I D (India) Limited.
Divgi Warner Private Limited.

The Company has received a notice in writing from a member under Section 257 of the Act proposing Mr. R A Savoor's candidature for the office of a director of the company. Your directors, therefore, recommend the resolution.

None of the directors, except Mr.R.A.Savoor, has an interest in the resolution.

Item No. 6.

Mr. Pravin N. Ghatalia was appointed as an additional director at the meeting of the board of directors held on 13 February 2003. By virtue of Section 260 of the Companies Act, 1956 read with Article 137 of the Articles of Association of the company, he shall hold the office only up to the date of the forthcoming Annual General Meeting of the company.

Mr. P. N. Ghatalia, aged 62 years, is a Commerce Graduate from Mumbai University and a Chartered Accountant. In 1967 he joined Price Waterhouse, a firm of Chartered Accountants. During 1976 he worked in the London office of the firm and in 1978 was admitted as a Partner.

He has been a member of the Advisory Board of Societe Generale, a French Bank, on recommendation by the Reserve Bank of India and presently is a member of the following organizations:

Accounting Standards Committee of the Securities and Exchange Board of India (SEBI),
Bombay Chamber of Commerce & Industry,
Indian Merchant's Chamber,
Indo-American Chamber of Commerce,
Indo-German Chamber of Commerce,
Indo-Italian Chamber of Commerce and,
Indo-Swiss Business Committee

Directorship in Other Companies :

1. Duncan Industries Limited
2. GULF OIL Corporation Limited
3. NRC Limited

The Company has received a notice in writing from a member under Section 257 of the Act proposing Mr. P N Ghatalia's candidature for the office of a director of the company. Your directors, therefore, recommend the resolution.

None of the directors, except Mr. P. N. Ghatalia, has an interest in the resolution.

Item No. 7.

Members will recall that at the meeting on 27 April 2000, Mr. D. O. Hughes was appointed as managing director, for a period of three years with effect from 1 November 1999. The board of directors in its meeting held on 22 October 2002, reappointed him as the managing director for a further period of three years with effect from 1 November 2002. The terms and conditions of the reappointment and remuneration shall be subject to the approval by resolution of members in the annual general meeting. Section 309 of the Companies Act, 1956 also requires that the remuneration payable to the managing director shall be determined by a resolution passed by the company in a general meeting. The reappointment is made in accordance with the conditions specified in Part I and Part II of Schedule XIII of the Companies Act, 1956.

David Hughes holds an MA (Natural Sciences) from Cambridge University, UK and a Certified Diploma in Accounting & Finance from the UK Association of Chartered Certified Accountants. Mr. Hughes has been with the Foseco group since 1981. Between 1981 & 1983 he worked with Foseco International Ltd., UK in product development, from 1983 to 1985 with Foseco Inc. USA as Product Manager, between 1985 & 1988 with Foseco Singapore Pte. Ltd., as Technical Sales Manager, between 1988 & 1991 with Foseco Philippines Inc., as President of the company, between 1992 & 1995 with Foseco Asean, Thailand as Chief Executive, between 1995 & 1997 with Burmah Castrol Chemicals Ltd., UK as Chemicals Controller, between 1997 & 1999 with Foseco International Ltd., UK and Burmah Castrol Chemicals Ltd., UK working on acquisitions and disposals. From 1 November 1999 onwards, he is working with Foseco India Limited as managing director. Mr. Hughes is a member of the compensation committee, the shareholders / investment grievance committee and a member of the subcommittee of directors for share transfers of Foseco India Limited.

Your board of directors in the meeting of the board held on 22 October 2002, has reappointed Mr. Hughes as managing director subject to the approval of the members as per the terms of contract as under with effect from 1 November 2002 for a term of three years.

Your board seeks the approval of the members for the reappointment and remuneration payable to him for a further period starting from 1 November 2002 to 31 October 2005.

PROPOSED TERMS & CONDITIONS FOR MR. D. O. HUGHES REAPPOINTED AS THE MANAGING DIRECTOR

- a. **Salary:** Rs.26,45,400/- per annum subject to review by the board of directors but not exceeding Rs.36,00,000/- per annum.
- b. **Performance Linked Bonus:** Not exceeding 50 percent of the salary, payable annually as may be decided by the Board of Directors.
- c. **Perquisites:** Will be allowed in addition to salary. These will be restricted to Rs.20,00,000/- per annum.

Part A

- i. **Housing :** Rent free furnished accommodation shall be provided by the company.

Explanation: Expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.

- ii. **Medical Reimbursement:** Expenditure incurred for self and family subject to ceiling of one month's salary in a year or three months' salary over a period of three years.

- iii. **Club Fees:** Subject to a maximum of one club. This will not include admission and life membership fees.

Part B

In addition to the perquisites specified in part A above Mr. D. O. Hughes shall be eligible for the following perquisites which shall not be included in the computation of the ceiling of remuneration.

i. Education Allowance: For two children not exceeding Rs.5,00,000/- per annum.

ii. Annual Leave Travel: Return passage to the home country for self and family in accordance with the rules specified by the company.

Part C

Provision of car for use on the company's business and telephone at residence will not be considered as perquisites. However personal long distance telephone calls and use of car for private purpose shall be billed by the company.

Other Terms

The aggregate of the total of salary, performance linked bonus and perquisites as stated in part A shall be subject to the overall ceiling laid down in Sections 198 and 309 of the Companies Act, 1956.

Where in any financial year during his tenure the company's profits are inadequate, Mr. D. O. Hughes will be entitled subject to the approval of the Central Government, to the remuneration as per the terms of this agreement notwithstanding that the same be in excess of maximum remuneration permitted to be paid to him under the applicable provisions of the Companies Act, 1956 for the time being and from time to time in force.

The resolutions set out in item 7 and the related explanatory statement may be treated as a memorandum of understanding under Section 302 of the Companies Act, 1956.

A draft of the terms & conditions referred to in item 7 will be available for inspection by members of the company at the registered office on any working day of the company prior to the date of the meeting between 10.00 am and 12.00 noon and at the meeting.

None of the directors except Mr. D. O. Hughes has an interest in the resolution

Item No. 8

The Article number 140 of the Articles of Association of the company required to be deleted since a qualification share is no more a mandatory requirement for directors.

None of the directors has an interest in the resolution except to the extent of shares already held by them.

A new Article is proposed to be adopted for operational convenience and better representation of Foseco Limited, UK, who are the two third shareholder.

No Director of the Company is concerned or interested in the resolution except Mr. D. O. Hughes and Mr. D. G. Hussey who are the Foseco Directors.

A company may by a special resolution alter its articles as provided in Subsection (i) of Section 31 of the Companies Act, 1956. Accordingly resolution No. 8 has been proposed as a special resolution.

By Order of the Board of Directors

Place : Mumbai
Date : 13 February 2003

R Balakrishnan
Company Secretary
& Legal Services Manager

MANAGEMENT DISCUSSION & ANALYSIS

Business Review

Foseco is the leading supplier of metallurgical chemicals for the ferrous and non-ferrous foundry industry. The company adds value to its customers through the provision of products and expertise that improves the customer's manufactured quality and productivity. The process is usually one of partnership whereby personnel from both Foseco and the customer cooperate.

During the year the company's principal markets had mixed fortunes. The passenger car segment grew output 11%, a slower growth than in recent years. The commercial vehicle market started to recover with production growth in the calendar year of 24%, driven predominantly by increased infrastructure spend and the replacement of aging vehicles. The agricultural machinery markets, along with the railway foundry segment, continued the decline seen in 2001.

However despite the mixed environment, the strategy of continuously striving to add greater value to customers resulted in sales growth of 5.3% in the Foundry business. Customer liquidity remained tight as pressure from the casting purchasers constrained the extent to which foundries were able to pass-on input cost increases. Consequently the company's sales growth was tempered by the need to protect the quality of working capital.

In addition to the sales growth achieved in an unsupportive market, the year's highlights included;

- The accreditation of the Sanaswadi quality system to the international QS9000 standard in January 2002.
- Significant progress towards the accreditation of the entire company's environmental management system to the international ISO14001 standard (fully achieved by February 2003)
- The progress made by the Pondicherry Feeding Systems manufacturing cell towards QS9000 accreditation (achieved in March 2003).
- The commissioning of additional sleeve manufacturing capacity in Pondicherry.

Tight expense management continues to be a vital role for all employees and it is pleasing to note that operating expenses (excluding interest and the amortised project Navodaya prior period charges) decreased 11%, despite the increased sales volumes.

All prior and current period project Navodaya costs were fully charged in the year, a total of Rs.329 lacs, completing the process of amortising the project costs.

The net fixed asset base reduced by 21% to Rs.1593 lacs as no further significant investments took place. Working capital reduced from Rs.3350 lacs to Rs.2939 lacs as a result of the tight control over debtors, further improvements in inventory management and the exit from the Steel business announced and fully implemented last year.

Net operating cash flow in the year was a positive Rs.2278 lacs, of which Rs.700L was utilised to fully repay the fixed term loan undertaken in 1998 to fund project Navodaya.

Risks & Concerns

The company's products are sold both directly and indirectly to the following domestic industrial segments;

- Passenger cars and S.U.V.s
- Commercial vehicles
- Agricultural machinery
- Construction and general purpose steel
- Textile machinery
- Steel, petrochemical and food industry valves and pumps
- Two and three wheelers

Therefore the company is exposed to a range of industrial segments each with its own drivers of demand. The outlook for the various segments of the Indian vehicle industry has been extensively reported in the press whilst the steel valve segment, being export oriented, is most exposed to global demand and currency movements.

Internal Control Systems & Their Adequacy

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of its business. These procedures are designed to ensure the following;

- that all assets and resources are used efficiently and are adequately protected.
- that all internal policies and statutory guidelines are complied with.
- the accuracy and timing of financial reports and management information.

All internal audit reports and the progress in implementing any matters arising from them are reviewed by the Audit Committee of the Board.

Material Developments in Human Resources

Industrial relations at the company's manufacturing plants at Pondicherry and Sanaswadi, Pune were harmonious.

The achievements mentioned earlier in this report could only have been delivered through the dedication, skills, team effort and hard work of all employees.

At year end the company had 161 employees.

CORPORATE GOVERNANCE REPORT

1) COMPANY'S APPROACH

The highest standards of corporate governance is one of the key objectives of Foseco, deriving from the company's vision of being a highly respected company with which all stakeholders are proud to be associated. Your board of directors fully supports the broad principle of corporate governance and in particular places great importance on transparency, accountability and integrity.

2) BOARD OF DIRECTORS

a. Composition

The board comprises 7 members, 1 executive director and 6 non-executive directors, of which 5 are independent. The whole time director and one non-executive director are nominated by Foseco Ltd. UK as provided in the articles of association of the company. The chairman of the board is a non-executive independent director.

Since the date of the last director's report, Mr. C K Srinivasan ceased to be a director of the company with effect from 22 October 2002 and Mr. R A Savoor was appointed as an additional director with effect from 24 July 2002.

b. Board Meeting and AGM Attendance Summary

Name of Director	Category of directorship	Meetings attended	% of total meetings attended
Mr. P K Choksey	NED	7	100
Mr. D G Hussey or his alternate			
Mr. J M Weeks	ND	5	71
Mr. D O Hughes	MD, ND	7	100
Mr. F A A Jasdanwalla	NED	6	86
Mr. D P Mehta	NED	5	71
Mr. R A Savoor	NED	3	100
Mr. C K Srinivasan	ED	6	86

NED - Non-executive director,

MD - Managing director

ND - Nominee director of Foseco Ltd.,

ED - Executive director

c. Other Responsibilities of Directors

Name of the director	Indian listed company memberships as on 31 December 2002	
	Boards (excluding Foseco India Ltd.)	Board committees (excluding Foseco India Ltd.)
Mr. P K Choksey	5	7 (3 as chairman)
Mr. D G Hussey	None	None
Mr. D O Hughes	None	None
Mr. F A A Jasdanwalla	10	5
Mr. D P Mehta	6	2
Mr. R A Savoor	4	3 (1 as chairman)

d. Board Meetings

Seven board meetings were held during the year 2002 on the following dates:

21 February, 28 March, 27 April, 2 May, 24 July 29 August & 22 October

3) AUDIT COMMITTEE

a. Constitution

The audit committee of the company was constituted in August 2001 and has been mandated the same terms of reference as specified in Clause 49 II of the Listing Agreements with stock exchanges as well as those stipulated by the SEBI guidelines. The current terms of reference also fully conform to the requirements of Section 292A of the Companies Act, 1956.

b. Composition

The audit committee comprises 4 non-executive directors - Mr. P K Choksey, Mr. D P Mehta, Mr. F A A Jasdanwalla and Mr. R A Savoor with the chief financial officer, the internal auditor (the position held by the company secretary), the managing director and the statutory auditors being the permanent invitees to the committee. The company secretary acts as the secretary to the committee.

The chairman of the committee, Mr. P K Choksey, and other members are independent directors.

c. Meetings and Attendance

Four meetings were held during the year with the attendance of each member summarised below:

Name of the director	Number of meetings attended	% of total meetings attended during the tenure as a director
Mr. P K Choksey	4	100
Mr. D P Mehta	3	75
Mr. F A A Jasdanwalla	3	75
Mr. R A Savoor	2	100

The statutory auditors of the company are invited to join audit committee meetings to discuss the quarterly unaudited accounts, the half-yearly audited accounts, the annual audited accounts, the annual internal audit plan, matters relating to the compliance with accounting standards, their observations arising from the audit of the company's accounts and other related matters.

The audit committee during its four meetings reviews with management and the auditors (both external and internal) all issues which are required to be reviewed by the audit committee pursuant to the listing agreement with the stock exchanges and the Companies Act, 1956.

The audit committee also reviews the observations of the internal and statutory auditors in relation to all areas of operation of the company including internal control systems. In addition, the committee examines all taxation matters including related legal cases and the company's risk management strategy.

4) COMPENSATION COMMITTEE

a. Terms of Reference

The compensation committee recommends remuneration and promotions of the executive directors to the board for consideration within the limits approved by the shareholders. Such recommendations are based on the overall performance and financial results of the company

during the financial year and on the assessment of the personal contribution and achievements of the concerned directors.

b. Composition

The committee comprises 1 non-executive director, Mr. P K Choksey, Chairman (an independent director) and 1 executive director, Mr. D O Hughes, the managing director.

c. Attendance

One meeting, attended by both committee members, was held during the year.

d. Remuneration Policy

i. For whole time directors

The total remuneration, subject to shareholders' approval, comprises:

■ a fixed component consisting of salary and perquisites in accordance with the company's rules.

■ a performance bonus linked to the performance of the company and that of the individual director subject to the limits approved by the shareholders and defined by Schedule XIII of the Companies Act, 1956

ii. For non-executive directors

Non-executive directors are paid sitting fees for attending board and committee meetings plus reimbursement of actual travel and out-of-pocket expenses incurred for attending such meetings.

Commission payable to non-executive directors does not exceed 1% of the net profits computed under Section 198 (4) of the Companies Act, 1956.

These comprise the only remuneration paid to non-executive directors.

e. Director's Remuneration

i. Non-executive directors

Name of the director	Sitting fees paid (Rupees)	Commission payable (Rupees)
Mr. P K Choksey	26,000	145,303
Mr. F A A Jasdanwalla	24,000	145,303
Mr. D P Mehta	20,000	145,303
Mr. R A Savor	14,000	64,091

ii. Executive Directors

Details	Managing director Mr. D O Hughes (Rupees)	Director - Steel Mr. C K Srinivasan (Rupees)
a. Salary	2,645,400	782,009
b. Contribution to Provident, Superannuation and Gratuity Fund	nil	434,793
c. Other Perquisites	1,911,282	543,094
Total	4,556,682	1,759,896

The agreement with Mr. D O Hughes is for a period of three years or the normal retirement date whichever is earlier. Each party to the agreement is able to terminate the agreement by serving a defined period of notice. There are no severance fees payable.

Mr. C. K. Srinivasan retired on 22 October 2002 and no severance fees were paid.

5) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

a. Constitution

As required under Clause 49VIC of the listing agreement entered into between the company and the stock exchange, Pune, Mumbai and Kolkata the Shareholders/Investors Grievance Committee has been formed with effect from 21 February 2002.

b. Composition

The committee is chaired by Mr. F A A Jasdanwalla with Mr. D P Mehta, Mr. D O Hughes and Mr. R A Savor as members.

c. Meeting and Attendance

Three meetings were held during the year and the attendance of each member is given below:

Name of the director	Number of meetings attended	% of total meetings attended during the tenure as a director
Mr. F A A Jasdanwalla	2	67
Mr. D P Mehta	2	67
Mr. D O Hughes	3	100
Mr. R A Savor	2	100

■ The company secretary who is the compliance officer for secretarial compliance is nominated as compliance officer.

■ The committee reviews the system of dealing with and responding to correspondence from shareholders. Details of complaint letters received from stock exchanges, SEBI, and the Department of Company Affairs and responses thereto are reviewed by the committee.

■ The company would like to report that there has been no complaints received from the Investors and or Regulating Bodies.

■ During the year, four letters each from SEBI and the Bombay Stock Exchange and 113 letters from investors were received and dealt with satisfactorily.

■ All enquiries received during the year have been attended to as on 31 December 2002.

■ The authority relating to share transfers has been delegated to the share transfer committee comprising the four non-whole time directors and the managing director. The board had authorised the share transfer agents MCS Limited to approve all routine transfers and transmissions of shares. Presently, transfers and transmissions are effected within 12 - 15 days.

■ As on December 31, 2002 there were no requests pending for transfer of shares.

6) GENERAL BODY MEETINGS

a. The last three AGMs were

Location	Date	Time
Mahratta Chamber of Commerce and Industries, Pune.	27.4.2000	3.00 p.m.
Mahratta Chamber of Commerce and Industries, Pune.	24.5.001	3.00 p.m.
Foseco India Limited Gat Nos. 922 / 923, Sanaswadi, Taluka Shirur, District Pune	2.5.2002	1.00 p.m.
(b) Special resolutions put to postal ballot during 2002.	A resolution under Section 293(1)(a) of the Companies Act, 1956, proposing the sale of the Company's Tundish Products business was passed by majority of shareholders through postal ballot. The postal ballot was conducted by the company secretary and a scrutiniser appointed in accordance with the provisions of Section 192A read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001.	
(c) Polls proposed to be conducted through postal ballot in 2003.	No resolutions requiring postal ballot have been placed for shareholders' approval at the meeting.	

b. Certain special resolutions were approved at the above meetings.

7) DIRECTORS SEEKING RE-APPOINTMENT

The required information regarding the details of directors who are seeking appointment or reappointment is set out in the explanatory statement as required under Section 173 of the Companies Act, 1956 annexed to the notice to shareholders.

8) DISCLOSURES

There have been no materially significant related party transactions with the company's promoters, directors, management, subsidiaries or relatives which may have potential conflict with the interests of the company at large. The company has advanced a secured loan of Rs.500 lacs to one of its associate group companies in India, Chem Trend Chemicals Company Private Limited. The loan is secured through a charge over working capital assets of Rs.350 lacs. and a guarantee of Rs.150 lacs provided by the parent company, Foseco Holding Limited, UK.

The company has complied with the requirements of the regulatory authorities on capital markets.

There have been no instances of non compliance by the company on any matters related to the capital markets, nor has any penalty or stricture been imposed on the company by the stock exchange, SEBI or any other statutory authority for the last three years.

9) MEANS OF COMMUNICATION

a. The half yearly report is not being sent to shareholders since the half yearly report and quarterly results are published in the Indian Express, Financial Express in English and Loksatta in Marathi. The quarterly results are also displayed on the company's notice boards in all locations.

b. The company is also filing a range of information including its financial results for posting on the web site of SEBI, www.sebiedffar.nic.in

c. A Management Discussion and Analysis report is enclosed separately as a part of this annual report

10) GENERAL SHAREHOLDER INFORMATION

a. 46th Annual General Meeting -Date -Time -Venue	May 13, 2003 14.00Hrs. Foseco India Ltd. Gat Nos. 922/923, Sanaswadi Taluka Shirur, District Pune
b. Financial Calendar Unaudited results for the quarter ending March 31, 2003	Tuesday 29 April 2003
Audited results for the half year ending June 30, 2003	Monday 4 August 2003
Unaudited results for the quarter ending September 30, 2003	Tuesday 21 October 2003
Audited results for the year ending December 31, 2003	During February 2004
c. Book closure date	From April 19, 2003 to May 13, 2003
d. Dividend payment date	From May 19, 2003 onwards.
e. a) Listing of Equity Shares	1. Pune Stock Exchange 2. Mumbai Stock Exchange 3. Kolkata Stock Exchange and Permitted trading at 4. National Stock Exchange, Mumbai
The Listing Fee has been paid up to date, to all the Stock Exchange	
f. Stock Code a) Trading Symbol at b) Demat ISIN Numbers in NSDL & CDSL Pune	Pune Stock Exchangeno trading Bombay Stock ExchangeFoseco Calcutta Stock ExchangeFoseco National Stock ExchangeFoseco INE519A01011

g. Stock Market Data

The company's high and low prices recorded on the Bombay Stock Exchange and the National Stock Exchange are:

Month	Share Price		The Stock Exchange Mumbai		National Stock Exchange	
	High (Rs.)	Low (Rs.)	Sensex		88P CNX Nifty	
Jan. 02	101.40	65.00	3466.73	3,236.76	1,121.75	1,052.05
Feb. 02	74.75	67.00	3,758.11	3,290.00	1,205.95	1,069.40
Mar. 02	73.50	66.10	3,758.27	3,454.27	1,201.10	1,117.85
Apr. 02	100.80	68.00	3,538.49	3,296.88	1,163.30	1,073.30
May 02	95.00	70.00	3,478.08	3,097.73	1,136.55	1,020.10
Jun. 02	93.00	74.10	3,377.82	3,148.57	1,102.05	1,029.25
Jul. 02	122.00	85.25	3,366.74	2,932.35	1,087.40	943.60
Aug. 02	96.25	83.50	3,186.08	2,931.78	1,012.75	935.55
Sept. 02	94.85	83.00	3,227.62	2,973.97	1,024.65	960.20
Oct. 02	89.00	82.00	3,038.92	2,828.48	983.60	920.10
Nov. 02	98.50	83.25	3,245.98	2,928.63	1,057.45	946.40
Dec. 02	111.80	92.00	3,413.83	3,186.62	1,103.95	1,034.10

(Source:- Reuters)