



Foseco India Limited

Year
2004



***Solutions Partner to the
Expert Foundryman***

48th Annual Report & Accounts

Board of Directors

R. A. Savoor

Chairman

D. G. Hussey

Vice Chairman

D. O. Hughes

Managing Director

D. P. Mehta

Director

P. N. Ghatalia

Director

J. M. Weeks

Alternate Director

R. Balakrishnan

Company Secretary

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Registered Office

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

Factories

Sanaswadi, Pune
Pondicherry

Bankers

- Standard Chartered Bank
- ICICI Bank Ltd.
- IDBI Bank Ltd.

Auditors

S R Batliboi &
Associates

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 eighth annual general meeting of **FOSECO INDIA LIMITED** will be held on Tuesday 26 April 2005 at 1400 hours (IST) at the registered office of the company at Gat Nos. 922/923, Sanaswadi, Taluka Shirur, District Pune 412 208 to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt the audited balance sheet of 31 December 2004 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 2004
3. To appoint a director in place of Mr. D P Mehta who retires by rotation and is eligible for reappointment
4. To appoint auditors to hold office for the period from the conclusion of this meeting until the conclusion of the next annual general meeting of the company and to fix their remuneration

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

"Resolved that pursuant to Section 309(2) of the Companies Act, 1956 read with Clause 49 of the 'Listing Agreement' with stock exchanges and Article 141 (c) of the Articles of Association of the company, the board of directors is authorized to decide the payment of sitting fees to the directors other than the managing director, whole-time directors, special directors and foreign Foseco-nominated directors of the company for attending the meeting of the board of directors or any committee thereof, up to a maximum of Rs.20,000 (Rupees twenty thousand) per meeting."

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 12 April 2005 to Tuesday 26 April 2005 (both days inclusive).
3. The dividend declared at the meeting will be made payable on or after 01 May 2005 to those members whose names are on the register of members on 26 April 2005.
4. Members holding shares in physical form are requested to notify any change of address, bank mandates, if any, to the Registrar & Transfer Agent and / or the Company Secretary by 12 April 2005 or to their respective depository participants if the shares are held in electronic form.
5. Pursuant to Section 205A of the Companies Act, 1956 read with the Investors Education and Protection Fund (Awareness and Protection of Investors) Rules 2001, all unclaimed / unpaid dividend up to the financial year ended 31 March 1997 has been transferred to the Investor Education and Protection Fund set up by the Central Government account and no claim can be admitted in respect of this Fund. Members are therefore requested to encash their dividend warrants immediately for subsequent financial years. Members are requested to write to the Company and / or Share Transfer Agents, if any dividend warrant is due and pending to be paid so that fresh / revalidated warrants could be issued by the Company.
6. As a measure of economy, copies of the annual report will not be distributed at the annual general meeting.
7. Members are requested to affix their signature at the space provided on the attendance slip annexed to the proxy form and to hand over the slip at the entrance to the meeting.
8. To ensure that shareholders' queries are answered in full, please, forward any queries to the Company Secretary at the registered office *no later than one week before the meeting.*
9. Profile of Mr. D P Mehta, the director retiring by rotation:

Mr. D P Mehta holds a B.A. from Bombay University, LLB from Pune University and LLM from Harvard University. He has been a partner in Little & Co., a leading firm of Mumbai solicitors, from 1962. Mr. Mehta has been on the board of directors of Foseco India Limited since 1976 and is a member of the Board of Governors of the Indo-French Chamber of Commerce & Industry. He holds 400 qualification shares in Foseco India Ltd. jointly with the holding company. Other than this, Mr. Mehta does not hold any shares in his personal capacity. Mr. D P Mehta is a director and committee member in the following companies:

Company	Designation
GCL International Ltd.	Director
GKN Driveshafts (India) Ltd.	Director
Goa Carbon Ltd.	Director and member - Audit Committee
Kirloskar Copeland Ltd.	Director
S Kumars Nationwide Ltd.	Director
Tata BP Solar India Ltd.	Director and member - Audit Committee

None of the directors except Mr. D P Mehta is interested in the resolution.

By Order of the Board of Directors

R. Balakrishnan

Company Secretary &
Legal Services Manager

Place : Pune
Date : 10 February 2005

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

The revised Clause 49 of the 'Listing Agreement', applicable by 1 April 2005, states that all fees and compensation paid to non-executive directors, including independent directors, shall be fixed by the board of directors and shall require prior approval of shareholders at a general meeting.

Members will recall that payment of commission to non-whole-time directors up to 31 December 2008 has already been approved at the 47th annual general meeting, held on 24 June 2004.

Regarding sitting fees paid to non-whole-time directors, members are advised that the company is paying sitting fees up to Rs.10,000 (Rupees ten thousand) per meeting, whereas, the maximum sitting fee that could be paid pursuant to Government notification GSR 580(E), dated 24 July 2003, is Rs.20,000 (Rupees twenty thousand) per meeting.

For the purpose of administrative convenience members are requested to authorise the board of directors to decide the quantum of sitting fees payable to non-whole-directors up to a limit of Rs.20,000 (Rupees twenty thousand) per meeting after taking into consideration the expertise and the knowledge they bring to the company and their contribution to the performance of the company.

The resolutions set out in item 5 and the respective explanatory statement may be treated as a memorandum of understanding under Section 302 of the Companies Act, 1956.

None of the directors except Mr. R A Savoor, Mr. D P Mehta and Mr. P N Ghatalia, is interested in this resolution.

By Order of the Board of Directors

Place : Pune
Date : 10 February 2005

R Balakrishnan
Company Secretary
& Legal Services Manager





MANAGEMENT DISCUSSION AND ANALYSIS

I. Foseco's Approach to Business

Foseco's Vision is to become;

- *the preferred partner to the foundry industry providing greatest value.*
- *a highly respected industry leader with which all stakeholders are proud to be associated.*

All suppliers provide some form of value to their customers - Foseco aspires to be the partner of choice for its foundry industry customers through providing value to its customers greater than other options. Foseco has a wide range of stakeholders including its shareholders, the investment community, customers, suppliers, employees and their families and the local community within which its operations are situated. Foseco strives to run itself with such professionalism that all its stakeholders are proud of their relationship with the company.

The business strategy that will take the company towards its Vision is:

To improve our customer's business performance;

- *By being the supplier providing greatest value*
- *Achieved through a solutions partnering approach delivering improved foundry processes and casting quality*
- *Based upon world class proprietary technology, foundry process and product application expertise and excellence in customer service*

The only true and ultimate measure of Foseco's success is the extent to which it improves the business performance of its customers. The way in which Foseco strives to achieve that is through its Solutions Partner strategy wherein Foseco and its customers:

- Work in partnership to address those performance improvement opportunities of highest priority to the customer.
- Combine the customer's expertise with Foseco's proprietary technology, foundry process and product application knowledge.

In addition to its Vision and Business Strategy, at the core of Foseco's approach to business is:

An Organisational Culture Based on Key Values

All Foseco employees strive to "live" the company's set of values:

1. **Customer Always First** - everyone owns customer satisfaction and acts to deliver it.
2. **High Performance** - an ambitious organisation in which everyone aspires for excellence.
3. **Employee Focus** - an organisation that provides fulfillment, stretch and development for its employees.
4. **Responsiveness** - employees respond with speed, proactiveness and a sense of urgency to satisfy external and internal customers.
5. **Teamworking** - our collective knowledge and experience when harnessed through strong teamworking results in higher performance and customer satisfaction.
6. **Empowerment** - decentralisation and delegation supports faster and better decision making.
7. **Lead by Example** - everyone is a leader.
8. **Deliver the Promise** - a commitment made is a personal promise to be delivered on-time and first-time right.
9. **Continuous Improvement** - the pursuit of excellence and the highest standards of quality through learning, innovation and the search for best practice is a journey without end.
10. **Safety, Health and the Environment** - the protection of the health and safety of all people who have a relationship with Foseco is critical. Foseco must ensure that its activities have no negative impact on the environment in which its products are manufactured or used.

Total Quality Management

The very foundation of Foseco's activities is Total Quality Management. TQM means that all employees strive for excellence in every aspect of the company's operations. Foseco strives to be an organisation constantly seeking improved ways of doing things to improve quality, efficiency and to reduce cost and therefore ultimately to provide greater customer satisfaction. TQM will be part of every activity and every process that the company operates, an integral part of the way that every employee works. The company is accredited to the international QS9000 quality and ISO14001 environmental management standards.

II. Performance Review

During the year the company's principal markets were generally favourable. The passenger car segment grew output to pass one million cars produced whilst the commercial vehicle market continued to grow driven by the replacement of older vehicles and infrastructure spend. The agricultural machinery market started to recover from the lows of 2003 with the railway foundry segment also increasing activity as container wagon orders increase.

India has been identified by a number of the automotive OEMs and component manufacturers as a potential source of high quality yet reasonably priced components. There has been a definite increase in sourcing and purchasing activity by international buyers and the Indian foundry industry is starting to benefit from the calibre of its engineering expertise and investments in productivity and quality. Foseco is well positioned to benefit from these trends through the implementation of the Solutions Partner strategy, supported by the global Foseco network and the access to foundry process best-practice that it provides.



Key features of the company's performance during the year were:

- Record turnover and profits.
- A continued strong focus on expense and cost control.
- The tight management of working capital, in particular receivables.
- Strong cash generation which after having made sufficient provision for future investments in growth, enabled the company to reward its shareholders with record dividends.

III. Risks & Concerns

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

- Passenger cars and SUVs
- Commercial vehicles
- Agricultural machinery
- Construction and mining
- 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 those segments related to infrastructure spend such as construction and mining are expected to benefit from generally positive overall economic performance. The fortunes of the petrochemical industry is strongly linked to those of the oil industry and currency movements.

IV. Internal Control Systems

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. The role of the Audit Committee is discussed in more detail in the Corporate Governance report.

V. Human Resources

During the year progress has continued in the company's supply chain operations as employees strengthen teamwork, collaboration and become multi-skilled - being able to contribute to all parts of the production process.

Kaizen and 5S activities continued with enthusiastic participation - the challenge in 2005 being to further embed these valuable concepts.

At the very heart of Foseco's success and its ability to deliver customer satisfaction is the considerable skill and motivation of its employees. On behalf of all the company's stakeholders who benefit from the hard work of the employees, the Board would like to express its sincere appreciation and gratitude.



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Foseco strives to adopt the highest standards of excellence in corporate governance, reflected in the following key areas of the company's approach to business and its stakeholders:

I. Nature and Role of the Board of Directors

The company's board comprises individuals with considerable experience and expertise across a range of disciplines including general management, business strategy, finance and accounting and law. All board members have a significant breadth of international business experience.

II. Company's Vision

The company's vision is to become:

- The preferred partner to the foundry industry providing the greatest value.
- A highly respected industry leader with which all stakeholders are proud to be associated.

III. Business Strategy

The company's business strategy is to improve its customer's business performance:

- By being the partner providing the greatest value.
- Achieved through a solutions partnering approach delivering improved foundry processes and casting quality.
- Based upon world class proprietary technology, foundry process and product application expertise and excellence in customer service.

IV. Company Values

All employees are committed to living the company's values:

- Customer Always First
- High Performance
- Employee Focus
- Responsiveness
- Teamworking
- Empowerment
- Lead by Example
- Deliver the Promise
- Continuous Improvement
- Safety, Health and the Environment

V. Integrity of Financial Reporting

The company ensures that adequate controls are in place to provide accurate and timely financial statements. The internal audit process is supervised by the audit committee of the board and is undertaken by an external firm of qualified accountants.

VI. Disclosure of Information to Investors

Foseco ensures the timely disclosure of all material information in compliance with applicable laws.

VII. Insider Dealing Policy

The company's shares are listed on the Pune, Bombay, Kolkata and National Stock Exchanges in accordance with the relevant listing agreements.

With the intention of preventing insider dealing in the securities of the company, the company has implemented an insider dealing policy in accordance with the terms of the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations 1992, as amended.

As part of the policy, the company's specified executives are advised of the closed periods in respect of dealing prior to the announcement of the quarterly, half-yearly and annual results and other price sensitive information.

VIII. Investor Services

Performance measures have been established in respect of all aspects of investor services. Results are monitored regularly and improvements made where required.

IX. Performance Management

Foseco places considerable importance on the management of performance, the purpose being to support all employees to perform to peak potential. The process includes the regular and transparent review of the performance of all employees against agreed objectives. Employee remuneration is strongly linked to individual and company performance.

2. BOARD OF DIRECTORS

I. Composition and Category of Directors

The board comprises 5 members - 1 executive director and 4 non-executive directors, of which 3 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. For the non-executive, dependant director who resides overseas, an alternate non-executive, dependant director has been nominated.

Composition of the Board of Directors

Category	No. of directors	Percentage of total number of directors
Promoter		
- Executive director	1	20%
- Non-executive director	1	20%
Non-executive / independent directors	3	60%
Total	5	100%

The background of each director is summarised below:

(a) Mr. R A Savor, Non-executive Chairman and Independent Director

Mr. R A Savor joined the board of Foseco India Limited as an additional director on 24 July 2002 and was appointed as a director by members in their meeting held on 13 May 2003. Mr. R A Savor holds a B.Sc. (Chemistry) from Ruia College and completed a 3 year course in Chemical Technology from the University Department of Chemical Technology at Mumbai. In July 1968, Mr. R A Savor started his career with Castrol India Ltd. as a management trainee. He worked there in various capacities and after 34 years retired on 24 April 2002 as Chief Executive Officer, a position he held for 12 years. Under his leadership, Castrol India Ltd. grew from being a minor oil company to the number two lubricant company in India and the second largest Castrol company worldwide. Mr. R A Savor is also a director in Castrol India Ltd. and E.I.D. Parry Ltd. Mr. R A Savor holds 200 qualification shares jointly with Foseco Ltd. and 1000 shares in his personal capacity.

(b) Mr. D G Hussey, Non-executive Vice-chairman and Director

Mr. D G Hussey represents Foseco Ltd., UK as a nominee director and has been on the board of directors since July 1998. He holds a B.Sc (Civil Engineering) from City University London. He commenced employment with the Foseco group on 1st September 1992 when he was appointed Director of Industry for Burmah Oil (Deutschland) GmbH. In June 1998 he was appointed CEO of Foseco International Limited. He is the chairman of the Foseco Foundry Executive Committee. Mr. D G Hussey also represents the Foseco group as a member of the boards of both Foseco Ltd. and Foseco (UK) Ltd. In addition, he is a director of Foseco Holding Ltd. and 17 other Foseco operating subsidiaries around the world. Mr. D G Hussey holds 400 qualification shares jointly with Foseco Ltd.

(c) Mr. David Hughes, Managing Director

David Hughes represents Foseco Ltd., UK as a nominee director. He was appointed as managing director, for a period of three years from 01 November 1999 and was re-appointed as managing director for a further period of three years from 01 November 2002. David Hughes holds an M.A. (Natural Sciences) from Cambridge University, UK and is a holder of the Certified Diploma in Accounting & Finance from the UK Association of Chartered Certified Accountants. David Hughes joined the Foseco group in 1981 working with Foseco International Ltd., UK in product development until 1983. Then he transferred to Foseco Inc. USA as a Product Manager. In 1985 he moved to Foseco Singapore Pte. Ltd., as Technical Sales Manager and after 3 years relocated to Foseco Philippines Inc., as President of the company. In 1992 David Hughes became Chief Executive of Foseco Asean based in Thailand. In 1996 he returned to the UK as Chemical Controller with Foseco's parent company, Burmah Castrol Chemicals Ltd. and then in 1997 returned to the Foseco group in a head office role working on acquisitions and disposals. Then in late-1999 David Hughes took over the role of managing director of Foseco India Ltd. Mr. David Hughes does not hold directorships in any other company and holds 200 qualification shares jointly with Foseco Ltd., UK.

(d) Mr. D P Mehta, Non-executive and Independent Director

Mr. D P Mehta has been on the board of directors of Foseco India Limited since 1976. He holds a B.A from Bombay University, LLB from Pune University and LLM from Harvard University. Since 1962 he has been a partner in Little & Co., a leading firm of Mumbai solicitors. He is a member of Board of Governors of the Indo-French Chamber of Commerce & Industry. Mr. D P Mehta is also a director in G.K.N. Driveshafts (India) Ltd., Goa Carbon Ltd., GCL International Ltd., Kirloskar CopeLand Ltd., S Kumars Nationwide Ltd. and Tata BP Solar India Ltd. Mr. D P Mehta holds 400 qualification shares jointly with Foseco Ltd., UK.

(e) Mr. P N Ghatalia, Non-executive and Independent Director

Mr. P. N. Ghatalia joined the board of Foseco India Limited as an additional director on 13 February 2003 and was appointed as a director by members in their meeting held on 13 May 2003. He holds a B.Com. from Bombay University and is 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. Mr. P N Ghatalia is a director in NRC Ltd., Gulf Oil Corporation Ltd., Star Paper Mills Ltd., Schenectady Herdillia Ltd., Kamat Hotels (India) Ltd. and Ennore Foundries Ltd. Mr. P N Ghatalia is holding 5 qualification shares.

(f) Mr. J M Weeks, Alternate Director to Mr. D G Hussey

Mr. J M Weeks has been on the board of Foseco India Ltd. as an alternate director to Mr. D G Hussey since 1999. He holds a B.Sc. (Hon's) (Chemistry) from the University of Sussex, is a Chartered Chemist and a member of the Royal Society for Chemistry and holds management certificates from INSEAD and the University of the Witwatersrand. Mr. Weeks has worked with the Foseco group of companies since 1991 in various capacities including Operations Director and Chief Executive of Foseco South Africa and as Managing Director, Foseco India Ltd., from June 1996 to November 1999. Prior to his employment with Foseco, he worked with May & Baker Pharmaceuticals, UK as a Senior Chemist (1976-77), Roan Consolidated Copper Mines, Zambia as Section Chemist (1977-81), Matthey Rustenburg Refineries, South Africa as Production Superintendent (1981-87) and Plate Glass, South Africa as Works Manager (1987 - 91). Mr. J M Weeks is currently Regional Director (India, Middle-East & Africa) for Foseco and the Chief Executive Officer of Foseco South Africa (Proprietary) Ltd. He holds directorships in three companies outside India. Mr. J M Weeks is not holding any shares of the company.

II. Board Meetings & Attendance of Directors

A total of six board meetings were held during the year on the following dates:

	17 February 24 June	20 April 27 July	13 May 20 October	
Name of Director	Number of meetings held during his tenure	Number of meetings attended	% of total meetings attended	AGM attendance
Mr. R A Savoor	6	6	100	Yes
Mr. D G Hussey or his alternate Mr J M Weeks	6	3	50	Yes
Mr. D O Hughes	6	6	100	Yes
Mr. D P Mehta	6	5	83	No
Mr. P N Ghatalia	6	5	83	Yes

III. Board and Committee Memberships

Name of director	Indian public company memberships on 31 December 2004	
	Boards (excluding Foseco India Ltd.)	Board Committees (excluding Foseco India Ltd.)
Mr. R A Savoor	2	3
Mr. D G Hussey	None	None
Mr. D O Hughes	None	None
Mr. D P Mehta	6	2
Mr. P N Ghatalia	6	5

IV. Code of Conduct

The board of directors at its meeting on 10 February 2005 agreed to implement a Code of Conduct to be applicable to all directors and employees.

V. Directors Seeking Reappointment

The required information regarding the details of directors who are seeking appointment or reappointment is set out in the notes to the notice.



VI. Disclosure of Director's Interests in Transactions With the Company

None of the non-executive directors had any pecuniary relationship or transaction with the company pursuant to the provisions of Clause 49 VII(D) of the Listing Agreement. However some commercial transactions have taken place with some of the companies where Foseco non-executive directors also hold directorships. Such transactions have taken place on a wholly arms length basis, have been disclosed to the board in accordance with the provisions of the Companies Act, 1956 and have been entered in the register of contracts and approved by the board in accordance with Section 301 of the Companies Act, 1956.

3. AUDIT COMMITTEE

I. Terms of Reference

The audit committee of the company was constituted in August 2001 and has been mandated with the same terms of reference as specified in Clause 49 II of the Listing Agreements with stock exchanges, as revised by SEBI on 29 October 2004, 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.

The audit committee reviews with management and both the statutory and internal auditors all aspects of the financial results, effectiveness of internal audit processes, taxation matters and the company's risk management strategy.

II. Composition

The audit committee comprises 3 non-executive, independent directors - Mr. P N Ghatalia, Mr. D P Mehta and Mr. R A Savoor. The chairman is Mr. P N Ghatalia who as a chartered accountant, has considerable financial expertise and experience. The chief financial officer, the head of internal audit (the position held by the company secretary), the managing director, the internal auditor and the statutory auditor are permanent invitees to the committee. The company secretary acts as the secretary to the committee.

III. Attendance

Four meetings were held during the year and were attended by the all members of the committee.

4. COMPENSATION COMMITTEE

I. Terms of Reference

The compensation committee reviews and recommends the remuneration and performance linked bonuses of executive directors and the payment of commission to non-executive directors 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 individuals.

II. Composition

The committee comprises four directors - Mr. R A Savoor, Mr. P N Ghatalia (both non-executive, independent directors), Mr. D O Hughes, executive director and Mr. D G Hussey, non-executive, dependant director. Mr. R A Savoor is the Chairman of the committee and was present in the last AGM. The company secretary acts as secretary to the committee.

III. Attendance

The committee met once during the year and was attended by all committee members or in the case of Mr. D G Hussey, his nominated alternate.

IV. Remuneration Policy

(a) Whole-time Directors

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

- a fixed component consisting of salary and perquisites in accordance with company policy.
- a performance bonus linked to company performance subject to the limits approved by the shareholders and defined by Schedule XIII of the Companies Act, 1956.

During the year 2004 the company had only one whole-time director, the managing director, whose remuneration is:

1. Salary and bonus	Rs.4,160,684
2. Total perquisites	Rs.2,607,488
3. Total	Rs.6,768,172

The managing director has a three year contract with the company starting from 01 November 2002 to 31 October 2005, terminable with a mutually agreed notice period and with no severance fees payable.

(b) Non-executive Directors

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

Non-executive, independent directors receive a commission which in total does not exceed 1% of the net profits computed under Section 198(4) of the Companies Act, 1956. The amount of the commission is based on the overall financial performance of the company.

This is the only remuneration paid to non-executive directors and is summarised below:

Director	Sitting Fees (Rs.)	Commission Payable (Rs.)
Mr. R A Savoor	65,000	600,000
Mr. D P Mehta	60,000	600,000
Mr. P N Ghatalia	63,000	600,000

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

I. Terms of Reference

In order to give the appropriate level of focus to shareholder and investor related matters a Shareholders'/Investors' Grievance committee was formed in February 2002. The committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of any shareholder or investor concerns.

II. Composition

The committee comprises Mr. D P Mehta, a non-executive, independent director as chairman, Mr. D O Hughes, Mr. R A Savoor and Mr. P N Ghatalia. The company secretary acts as secretary to the committee.

III. Attendance

The committee met four times during the year with all members attending each meeting except Mr D O Hughes who attended three meetings.

IV. Compliance Officer

Mr. R Balakrishnan, Company Secretary and Legal Services Manager has been appointed as the compliance officer.

V. Analysis of Complaints

Nature of Complaint	Opening Balance	Complaints Received During the Year	Received From			Closing Balance
			Share Transfer Agents or Direct	S.E.B.I.	Stock Exchanges	
Non receipt of share certificate	NIL	6	3	3	-	NIL
Non receipt of dividend warrant	NIL	70	58	7	5	NIL
Non furnishing of annual report / information	NIL	4	-	2	2	NIL
Total	NIL	80	61	12	7	NIL

All complaints have been resolved to the satisfaction of shareholders within a reasonable time.

6. GENERAL BODY MEETINGS

I. Meeting Details

Financial Year	Location	Date and Time	Number of Shareholders Attending	% of Shareholders Attending	Resolutions Passed
2003	Foseco India Ltd. Gat Nos. 922/923 Sanaswadi, Taluka Shirur, District Pune	24 June 2004 1200H.	20	0.3% Proxy present for 66% shares	O - 4 S - 3
2002	At the same venue as stated above	13 May 2003 1400H.	21	0.3% Proxy present for 66% shares	O - 4 S - 4
2001	At the same venue as stated above	02 May 2002 1500H.	18	0.3% Proxy present for 58% shares	O - 4

II. Resolutions

The details of ordinary and special resolutions passed in the previous 3 AGMs are shown in the last column of the above table where "O" denotes ordinary resolutions and "S" denotes special resolutions.

III. Postal Ballot

During the financial year under review, no postal ballot was conducted by the company and no special resolution is proposed to be conducted through postal ballot by the company.

7. DISCLOSURES

I. Related Party Transactions

There have been no materially significant related party transactions with the company's subsidiaries, promoters, directors, management or their relatives which may have a potential conflict with the interests of the company. Members may refer to the notes to the accounts for details of other related party transactions.

II. Compliance With Regulations

The company has complied fully 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.

III. Accounting Standards

The company has rigorously followed the accounting standards, laid down by the Institute of Chartered Accountants of India.

IV. Risk Management

The audit committee regularly reviews the risk management strategy of the company to ensure the effectiveness of risk management policies and procedures.

V. CEO / CFO Certificate

The managing director and the chief financial officer of the company have furnished the requisite certificate to the board of directors under Clause 49VII of the Listing Agreement.

8. COMMUNICATION APPROACH

The company's financial results are published in the Indian Express and Financial Express in English and Loksatta in Marathi and on the SEBI internet site www.sebidifar.nic.in

9. GENERAL SHAREHOLDER INFORMATION

I. 48th Annual General Meeting

The 48th annual general meeting will be held on 26 April 2004 at the registered office of the company at 1500H.

II. Financial Reporting Calendar

Financial Reporting 2005	From	To	Date
1st Quarter	January	March	26 April
2nd Quarter	April	June	20 July
3rd Quarter	July	September	19 October
4th Quarter	October	December	February 2006
Annual General Meeting	January	December	April 2006

III. Book Closure

The date of closure is from 12 April to 26 April 2005.

IV. Dividend Payment

Interim dividend payments were made on the following dates:

1. First interim - 20 May 2004
2. Second interim - 20 August 2004
3. Third interim - 09 November 2004
4. Fourth interim - 08 February 2005

The final dividend, subject to shareholder approval will be paid during May 2005.

V. Stock Exchange Listing

Stock Exchange	Stock Code	Listing Fees Paid Upto	ISIN
Pune Stock Exchange	FOSECO	31.3.2005	NE519A01011
Bombay Stock Exchange	150	31.3.2005	
Kolkata Stock Exchange	FOSECO	31.3.2005	
National Stock Exchange	FOSECOIND	31.3.2005	