



MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	NA
RO	<input checked="" type="checkbox"/>		DIV	NA
TRA	NA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
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ANNUAL REPORT

1997-98

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Ennore Foundries Limited







ENNORE FOUNDRIES LIMITED

Registered Office: Ennore, Chennai 600 057.

NOTICE

NOTICE is hereby given that the Thirty Eighth Annual General Meeting of the Members of Ennore Foundries Limited will be held on Saturday the September 5, 1998 at Sathguru Gnanananda Hall, Narada Gana Sabha, 254 T T K Road, Chennai, 600 018 at 10.30 a.m. to transact the following business:

As Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 1998 and the Profit and Loss Account for the year ended on that date annexed thereto and the Reports of Directors and Auditors attached thereto.
2. To appoint a Director in the place of Mr F Sahami, who retires by rotation under Article 106 of the Articles of Association of the Company and who, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr B D Punjabi, who retires by rotation under Article 106 of the Articles of Association of the Company and who, being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

As Special Business

5. To appoint a Director in the place of Mr R Sorce, who vacates office at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a Member proposing the candidature of Mr R Sorce for the office of a Director and for that purpose to move the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr R Sorce be and is hereby appointed as a Director of the Company".

6. To appoint a Director in the place of Mr R Seshasayee, who vacates office as Additional Director at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a Member proposing the candidature of Mr R Seshasayee for the office of a Director and for that purpose to move the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr R Seshasayee be and is hereby appointed as a Director of the Company".

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

"RESOLVED THAT pursuant to Section 269 and other applicable provisions of the Companies Act, 1956 Mr J Joseph be and is hereby appointed as "Manager" and designated as "Director-in-charge" for a period of two years effective November 26, 1997 with such powers and functions as the Board of Directors may from time to time require him to exercise".

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

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company as and by way of Second Charge of all the immovable and movable properties of the Company wherever situate, present and future, and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of State Bank of India (SBI), ANZ Grindlays Bank (GB), Bank of America (BOA) and Union Bank of India (UBI) to secure as and by way of second charge for working capital facilities aggregating to Rs.2700 lakhs (Rupees Two Thousand Seven Hundred Lakhs Only) lent and advanced / agreed to be lent and advanced by SBI, GB, BOA and UBI to the Company together with interest at the agreed rates, additional interest, liquidated damages, commitment charges, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to SBI, GB, BOA and UBI in terms of Loan Agreement / Hypothecation Agreement entered into/to be entered into by the Company in respect of the said facilities ; and to the Board of Directors of the Company for agreeing with the said Banks in terms of the Loan Agreement / Hypothecation Agreement to reserve a right to take over the management of business and concern of the Company in certain events".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with SBI, GB, BOA and UBI the documents for creating the aforesaid mortgage and/or charge and for reserving the aforesaid right and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution".

By Order of the Board

Chennai
June 30, 1998

C P Sounderarajan
Company Secretary

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 the proxy or proxies so appointed need not be a member or members as the case may be of the Company. Proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for holding the meeting.
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the special business under item nos. 5 to 8 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 1, 1998 to September 5, 1998 (both days inclusive).
4. Members are requested to:
 - a) Notify immediately any change in their address to the Company.
 - b) Bring the copy of the Annual Report to the meeting.
5. Pursuant to section 205 A of the Companies Act, 1956 all unpaid/unclaimed dividend upto the financial year 1993-94 have been transferred to General Revenue Account of the Central Government within the prescribed time.

Shareholders who have not encashed the dividend warrants for the said periods are requested to claim the amount from the Registrar of Companies, Tamil Nadu, 26, Haddows Road, Chennai 600 006.

In respect of the unpaid/unclaimed dividend for the financial year ended March 31, 1995 (paid on 18th September 1995) the same will be transferred during October 1998 to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period, are requested to write to the Company immediately.

**EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT, 1956
TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE**

Items 5 and 6

In the vacancy caused by the resignation of Mr R Borsa, the Board appointed Mr R Sorce as a Director at its meeting held on December 19, 1997 to hold office upto the date of the ensuing Annual General Meeting, pursuant to Article 100 of the Articles of Association of the Company. Mr R Seshasayee was appointed by the Board as Additional Director at its meeting held on March 30, 1998. Notices have been received from Members as required by Section 257 of the Companies Act, 1956 along with a deposit of Rs.500/- proposing Mr R Sorce and Mr R Seshasayee as candidates for the offices of Director and for that purpose to move at this Annual General Meeting, the resolutions set out in items 5 and 6.

Interest of Directors

Mr R Sorce and Mr R Seshasayee, Directors of the Company are interested or concerned in the resolutions set out in items 5 and 6 as being persons to be appointed Directors.

Item 7

Consequent to the resignation of Mr J Srinivasan as Managing Director, the Board appointed Mr J Joseph as "Manager" and designated as "Director-in-charge", at its meeting held on November 26, 1997 effective that date for a period of two years.

Mr Joseph was Director-in-charge of the Company between July 1993 and March 1996, during which period the Company turned around after the losses incurred in 1992-93. The Board considered it advisable to avail of Mr Joseph's services for a period of two years effective November 26, 1997, subject to the approval of the Company in General Meeting.

The said appointment is in accordance with Schedule XIII of the Companies Act, 1956. Approval of the Shareholders is requested and for this purpose it is sought to move the resolution set out in item 7 of this Notice.

This explanation, together with the accompanying notice may be regarded as "Abstract of the Agreement and Memorandum of Interest" under Section 302 of the Companies Act 1956.

Interest of Directors

None of the Directors is concerned or interested in this resolution except Mr J Joseph.

Item 8

The Company had approached Consortium of Banks consisting of State Bank of India as the Lead Bank, ANZ Grindlays Bank, Bank of America and Union Bank of India for enhanced working capital limit of Rs. 2700 lakhs which has been sanctioned.

The said facility will be secured by a mortgage and/or charge as and by way of second charge on the immovable/movable properties of the Company, both present and future and the whole of the undertaking with power to take over the management of the business and concern of the Company in certain events.

As per Section 293(1) (a) of the Companies Act, 1956 the Board of Directors of the Company shall not without the consent of the Company in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. Since the mortgaging/charging by the Company of its immovable/movable properties as aforesaid in favour of Consortium of Banks may be regarded as disposal of the Company's properties/undertakings, it is necessary for the Members to pass a resolution as contained in item 8 of the notice.

Interest of Directors

None of the Directors is concerned or interested in this resolution.

By Order of the Board

Chennai
June 30, 1998

C P Sounderarajan
Company Secretary

**ENNORE FOUNDRIES LIMITED**

Regd. Office: Ennore, Chennai - 600 057

FOLIO NO :**ADMISSION SLIP***(To be handed over at the entrance of the Meeting Hall)*

I certify that I am a Registered Shareholder of the Company and hold..... Shares.

I hereby record my presence at the **Thirty Eighth Annual General Meeting** held on Saturday, the 5th September 1998 at Narada Gana Sabha Auditorium, 254, T.T.K. Road, Chennai-600 018, at 10.30 A.M.

NAME OF THE MEMBER IN BLOCK LETTERS**NAME OF THE PROXY (IF ANY) IN BLOCK LETTERS***Member's Signature**Proxy's Signature*

- Note:** 1. A Member / Proxy attending the meeting must complete this Admission Slip and hand it over at the entrance.
2. Member intending to appoint a proxy, should complete the Proxy Form below and deposit it at the Company's Registered Office, atleast 48 hours before the meeting.

**ENNORE FOUNDRIES LIMITED**

Regd. Office: Ennore, Chennai - 600 057

PROXY FORM

I/We.....

being a Member/Members of **ENNORE FOUNDRIES LIMITED**, hereby appoint

of

or failing him.....

of

as my/our proxy to attend and vote for me/us on my/our behalf at the **Thirty Eighth Annual General Meeting** of the Company to be held at 10.30 A.M. on Saturday, the 5th September 1998 and at any adjournment thereof.

Signed

AFFIX
30 PAISE
REVENUE
STAMP

No Gifts will be distributed at the Annual General Meeting





Ennore Foundries Limited

Board of Directors

Mantosh Sondhi

Chairman

R.J. Shahaney

Deputy Chairman

J. Srinivasan

Managing Director

(Upto 31.10.1997)

R. Borsa

(Upto 18.12.1997)

P. K. Choksey

H. Klingele

(Alternate : S.C. Chawla)

B.D. Punjabi

S. Ragothaman

F. Sahami

R. Seshasayee

(From 30.03.1998)

R. Sorce

(From 19.12.1997)

J. Joseph

Director -in-charge

Company Secretary

C.P. Sounderarajan

Bankers

State Bank of India

ANZ Grindlays Bank Ltd

Bank of America

Union Bank of India

Auditors

Fraser & Ross

Chartered Accountants

Registered Office & Works

Ennore, Chennai - 600 057



Ennore Foundries Limited

A Five Year Review

	Rs. Lakhs				
	1993-94	1994-95	1995-96	1996-97	1997-98
Income and Dividend					
Sales / Operating Income	9334	9411	11086	12126	11028
Operating Profit	1169	1208	1663	1552	5
Profit / Loss (–) Before Tax	285	407	803	609	–1095
Profit / Loss (–) After Tax	285	407	512	367	–1095
Dividend including Tax	93	136	170	224	—
Retained Earnings	192	271	342	143	—
Assets Employed					
Net Fixed Assets @	4115	4000	4073	4113	4038
Net Current Assets	2101	2430	2472	2611	2517
Other Assets	45	49	47	46	191
Total	6261	6479	6592	6770	6746
Financed by					
Net worth @	3467	3581	3787	3804	2597
Borrowed Funds	2793	2898	2805	2966	4149
Deferred Liability	1	—	—	—	—
Total	6261	6479	6592	6770	6746
General					
Sales Units - Tonnes	29645	34110	38122	38781	30458
Earnings per share - Rs.	4.58	6.00	7.54	5.40	—
Dividend per share - Rs.	1.50	2.00	2.50	3.00	—
Book value per share - Rs.	51.05	52.74	55.78	56.02	38.25
@ Includes addition on Revaluation of Fixed Assets	1611	1453	1317	1191	1079