



**ANNUAL REPORT
2001-2002**

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Ennore Foundries Limited



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**Ennore Foundries Limited**

Board of Directors**R.J. Shahaney**
Chairman**P.K. Choksey****Dheeraj G. Hinduja****H. Klingele****S. Ragothaman****F. Sahami****R. Seshasayee****Marc Petit****J. Joseph****R. Jagannath**
Director-in-charge
(From 23.7.2001)**Assistant Secretary****N. Kumaraswamy****Bankers**State Bank of India
Standard Chartered Grindlays Bank
Standard Chartered Bank
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				
	1997-98	1998-99	1999-00	2000-01	2001-02
Income and Dividend					
Sales / Operating Income	11028	10401	13547	13147	12448
Operating Profit	5	27	1446	903	917
Profit / Loss (-) Before Tax	-1095	-1135	501	110	123
Profit / Loss (-) After Tax	-1095	-1135	501	110	95
Dividend including Tax	—	—	—	—	—
Retained Earnings	—	—	501	110	95
Assets Employed					
Net Fixed Assets @	4038	3893	3950	4175	4115
Net Current Assets	2517	2570	2091	1949	2742
Other Assets	191	237	273	334	159*
Total	6746	6700	6314	6458	7016
Financed by					
Net worth @	2597	2900	3350	3420	3475
Borrowed Funds	4149	3800	2964	3038	3529
Deferred Tax liability	—	—	—	—	12
Total	6746	6700	6314	6458	7016
General					
Sales Units - Tonnes	30458	25720	33704	33031	29248
Earnings per share - Rs.	—	—	7.37	1.62	1.40
Dividend per share - Rs.	—	—	—	—	—
Book value per share - Rs.	38.25	20.63	27.25	28.28	29.09
@ Includes addition on Revaluation of Fixed Assets	1079	1017	966	926	886



Ennore Foundries Limited

NOTICE

NOTICE is hereby given that the Fortysecond Annual General Meeting of the Members of Ennore Foundries Limited will be held at Narada Gana Sabha, 254, T T K Road, Chennai 600 018 at 10.30 a.m. on Saturday, July 27, 2002 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, 2002 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 P K Choksey, who retires by rotation under Article 106 of the Articles of Association of the Company and who, being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Mr H Klingele, who retires by rotation under Article 106 of the Articles of Association of the Company and who, being eligible, offers himself for reappointment.
4. To appoint a Director in the place of Mr D G Hinduja, who retires by rotation under Article 106 of the Articles of the Association of the Company and who, being eligible, offers himself for reappointment.
5. To appoint Auditors and fix their remuneration. The retiring Auditor Messrs Fraser & Ross, Chartered Accountants, Chennai are eligible for reappointment.

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

"Resolved that Messrs Fraser & Ross, Chartered Accountants, Chennai be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration of Rs.2,50,000/- (Rupees Two lakh fifty thousand only) in addition to reimbursement of out of Pocket expenses".

As Special Business

6. To appoint a director in the place of Mr R Jagannath who was appointed in the casual vacancy caused by the resignation of Mr B D Punjabi and 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 Jagannath for the office of the Director and for that purpose to move the following resolution as an ordinary resolution:

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

7. To appoint a director in the place of Mr S Ragothaman who vacated office on October 23, 2001 as nominee of M/s ICICI Limited and who was appointed as an independent Director in the resulting vacancy and 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 S Ragothaman for the office of the Director and for that purpose to move the following resolution as an ordinary resolution:

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

8. 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 R Jagannath be and is hereby appointed as "Manager", and designated as "Director-in-Charge" from July 23, 2001 with such powers and functions as the Board of Directors may from time to time require him to exercise".



To pass the following resolution as a Special Resolution:

9. To consider and if thought and fit, to pass with or without modification(s), the following resolution as a Special Resolution:
 "RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below:
 1. In clause 2 (f) the existing definition of "Member" shall be substituted by the following definition:
"Member": "Member" means the duly registered holder from time to time of the shares of the Company of any class and includes every person whose name is entered as a beneficial owner in the records of the depository, but does not include the bearer of a share warrant of the company issued in pursuance of section 114 of the Act".
 2. The following clauses shall be inserted after clause 2 (p)
"Beneficial Owner" : (q) "Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996".
"Depository" (r) "Depository" shall mean a Depository as defined under Clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996". **"Depository Act, 1996"**: (s) "Depositories Act, 1996" shall include any statutory modification or reenactment thereof".
"Securities & Exchange Board of India" (SEBI): (t)
"Securities and Exchange Board of India (SEBI)" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992".
 3. The following shall be inserted as Article 2 A after Article 2
"Meanings": "Words and expressions used and not defined in this Act but defined in the Depositories Act, 1996 shall have the same meanings respectively assigned to them in that Act".
 4. The following new clause 5 (a) be inserted after the existing clause 5
 5(a) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto, shall be governed by the Provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification thereto or reenactment thereof".
 5. The following new clause 5 (b) shall be inserted after clause 5 (a)
 5(b) "Power to Company to dematerialise and rematerialise:
 The Company shall be entitled to dematerialise its existing shares, debentures and other securities, rematerialise its shares, debentures and other securities held in the Depositories and/or offer its fresh shares & debentures and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any".
 6. The following new clause 5 (c) shall be inserted after clause 5 (b)
 5(c) Option for investors: Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by



the law, in respect of any security in the manner provided by the Depositories Act, 1996, and the company shall, in the manner and within the time prescribed issue to the beneficial owner the required Certificates of Securities.

7. The following new clause 5(d) shall be inserted after clause 5(c)
- 5(d) Securities in Depositories and Beneficial Owner: All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
8. The following new clause 5(e) shall be inserted after clause 5(d):
- 5(e) Rights of Depositories and Beneficial Owners:
 - (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
 - (b) Save as otherwise provided in (a) above the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
 - (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities of his securities which are held by a depository.
9. In Article 19, after clause 19 (4) the following shall be inserted as clause (5)
- 19(5) Intimation to Depository: Notwithstanding anything contained in this clause, where securities are dealt with in a depository, the Company shall intimate the details of allotment of securities to depository immediately on allotment of such securities.
10. The following Article 24 (a) shall be inserted after Article 24
- 24(a) Applicability of Articles 19 to 24 : Articles 19 to 24 will be applicable only to Shares and Securities issued in physical form; shares and securities issued and/ or held in electronic medium in fungible form, will be governed by the provisions of the Depositories Act, 1996.
11. The following Article 40 (f) shall be inserted after Article 40 (e)
- Effect of Depositories Act, 1996: Articles 38, 39 and the powers of Directors under Article 40 shall be subject to the provisions of the Depositories Act, 1996.
12. The existing Article 42 shall be substituted with the following Article:

Register and Index of Members: The Company shall cause to be kept at the Registered Office or at such other place as may be approved, a Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Act, and the Depositories Act, 1996 with the details of shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be Register and Index of members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India a branch Register of members resident in that state or country.
13. The following Article 182 (a) shall be inserted after Article (182)



Ennore Foundries Limited

Service of documents on the Company: Where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

The existing Article 19 of the Articles of Association be altered by inserting the following sub-clause 19 (1), 19 (2) & 19 (3) respectively immediately after Article 19.

ARTICLE 19 (1)

Nothing contained in sub-clause 19 (1) to 19 (3) shall apply to shares held in the Depository form.

ARTICLE 19 (2)

The Company shall be entitled to dematerialise its shares and other securities pursuant to the Depositories Act, 1996, and offer its shares and other securities for subscription in the dematerialised form. In such case the Company shall make allotment of shares and securities to the Depository and no certificate will be issued. In case of any request for rematerialisation of shares, the Company will be entitled to charge suitable amount from the members.

ARTICLE 19 (3)

Nothing contained in Section 187 (C) of the Companies Act, 1956 shall apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

The existing Article 39 of the Articles of Association be renumbered as Article 39 (a) and the following Article 39 be inserted immediately before Article 39 (a).

ARTICLE 39

The shares shall be freely transferable, subject to the provisions of Section 111 and 111A of the Act.

No instrument of transfer would be required and the provisions of Section 108 of the Act will not apply if the transfer of shares is effected by the transferor and transferee, both of whom are entered as beneficial owners in the records of the Depository.

The following clause be inserted as Article 44 (a) immediately after Article 44:

ARTICLE 44 (a)

Notwithstanding anything contained in the Articles of Association, in the case of transfer of shares or other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.

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By Order of the Board

Chennai
May 7, 2002

N Kumaraswamy
Assistant 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 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 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from July 9, 2002 to July 27, 2002 (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 1994-95 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 period 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 years ended March 31, 1996 and 1997 respectively (paid on 7th & 1st September 1996 and 1997) shareholders who have not encashed the dividend warrants for the said periods are requested to write to the Company immediately.

6. Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund.
7. Shareholders wishing to appoint a nominee for the shares held by them may send the nomination particulars in the prescribed Form 2B. For this purpose, documents such as Will, Succession Certificate, Legal Heirship Certificate etc. are not required.
8. Shares of the Company are listed in Madras, Mumbai and Delhi Stock Exchanges and the listing fees have been paid for the year 2002-2003.
9. The shares are under dematerialisation and can be held on depository mode only as per SEBI regulations. The ISIN Number allotted is : INE 291F01016.


Ennore Foundries Limited

As per Clause 49 of the Listing Agreement with Stock Exchanges, the brief background, functional expertise of the directors proposed for appointment/reappointment are furnished below along with details of companies in which they are Directors and the Board Committees of which they are members:

Mr. P. K. Choksey, aged about 79 years is a distinguished Chartered Accountant, having retired as a senior partner of M/s Price Waterhouse. He has been a Director of the Company from 29.04.1983 and Chairman of the Audit Committee since 30.09.1988.

Details of other Directorships/Committee Memberships held by him:

Directorship	Committee Membership
Chairman : Fosco India Limited Sericol India Private Limited Director: Ashok Leyland Limited Indian Aluminium Company Ltd Kesoram Industries Limited Zensar Technologies Ltd	Audit Committee (Chairman) Audit Committee (Chairman) Remuneration Committee Share Transfer Committee Corporate Governance Committee Audit Committee - (Chairman) Audit Committee Audit Committee Investors' Grievance Committee

Mr. H Klingele aged about 71 years, has been a Director of the Company since 08.02.1988 Mr. Klingele is an Engineer with wide ranging experience in the engineering industry in various capacities. He has served on various assignments in Europe for over 30 years. He also has considerable experience in international trade in the automobile / engineering industry. He is presently a Director of LRLIH Limited, UK who are the major shareholders of the Company.

Details of other Directorships/ Committee Memberships held by him:

Directorship	Committee Membership
Director: Ashok Leyland Limited Hinduja Lufthansa Cargo Holding B.V. LRLIH Limited, U.K. Machen Holdings Limited Mailrate Limited, UK Sangam Limited, UK	Nil

Mr. D G Hinduja aged about 31 years is a Graduate in Business Management and has experience in International business affairs. He has been associated with the Company as a Director since 5.9.1998 and is a member of the Hinduja Family.