



July 23, 2020

BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai-400 051

Scrip Code: 500150

Scrip Code: FOSECOIND

Dear Sirs,

Sub: Amended Audit Report of the Statutory Auditors

Ref: BSE Scrip Code: 500150, NSE Symbol: FOSECOIND, ISIN: INE519A01011

As intimated by us on 27 May 2020, that the Board of Directors, in its meeting held on that date, had decided to fully withdraw its recommendation on payment of a final dividend for the financial year ended 31 December 2019.

In accordance therewith, the Statutory Auditors have issued an Amended Audit Report dated 23 July 2020, to take cognizance of the withdrawal of the final dividend. The Amended Audit Report was taken on record by the Board in its Meeting held today i.e., 23 July 2020.

In compliance with Regulation 33(3)(d) of the SEBI (LODR), as amended from time to time, the Board of Directors have declared that Statutory Auditors of the Company have issued an Amended Audit Report with unmodified opinion on the Annual Audited Financial Results of the Company for the year ended 31 December 2019.

In this regard, we are submitting herewith the following documents:-

- a) The Audited Financial Results of the Company for the quarter and year ended 31 December 2019; and
- b) The Amended Report of the Statutory Auditors on the Financial Results.

Please take note that due to the withdrawal of the final dividend and issue of an Amended Audit Report by the Auditors, there is no change in the Audited Financial Results, submitted earlier with the Stock Exchanges.

The Meeting of the Board of Directors commenced at 1530 hours and concluded at 1815 hours.

You are requested to take the above information on record.

Thanking you,

Yours faithfully,

For FOSECO INDIA LIMITED



Mahendra Kumar Dutia
Controller of Accounts and Company Secretary



Foseco India Limited

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 Tele: +91 2137 668100, Fax: +91 2137 668160
 Website: www.fosecoindia.com, E-mail ID: investor.grievance@vesuvius.com
 Corporate Identity Number: L24294PN1958PLC011052

Statement of financials results for the quarter and year ended 31 December 2019

(All figures in Rupees Lakhs)

Sr. No.	Particulars	Current 3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Current Accounting Year Ended	Previous Accounting Year Ended
		31-Dec-2019 Unaudited (Refer note-2)	30-Sep-2019 Unaudited	31-Dec-2018 Unaudited (Refer note-2)	31-Dec-2019 Audited	31-Dec-2018 Audited
1	Income from Operations					
	a Revenue from Operations (refer note 4)	7,332.32	7,893.34	8,916.40	32,252.39	36,215.58
	b Other Income	236.20	197.72	119.13	781.26	442.70
	Total Income from Operations (a to b)	7,568.52	8,091.06	9,035.53	33,033.65	36,658.28
2	Expenses					
	a Cost of materials consumed	4,594.95	4,323.23	4,904.01	17,975.93	20,883.51
	b Purchase of Stock in Trade	108.37	117.26	153.86	523.36	608.80
	c Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(557.95)	(27.78)	62.86	(489.40)	20.62
	d Employee benefit expense	694.13	916.79	977.44	3,413.44	3,448.18
	e Finance cost	-	-	0.83	0.13	20.87
	f Depreciation and amortisation expense	113.80	109.07	102.04	419.70	453.90
	g Other expenses	1,621.25	1,431.42	1,694.56	6,227.71	6,215.14
	Total Expenses (a to g)	6,574.55	6,869.99	7,895.60	28,070.87	31,651.02
3	Profit before tax	993.97	1,221.07	1,139.93	4,962.78	5,007.26
4	Tax Expense					
	- Current Tax (net)	263.20	185.51	449.96	1,362.03	1,841.96
	- Deferred Tax charge/ (credit)	88.79	13.96	(12.27)	147.46	(38.35)
	Total Tax Expense	351.99	199.47	437.69	1,509.49	1,803.61
5	Net Profit for the Period / Year	641.98	1,021.60	702.24	3,453.29	3,203.65
6	Other comprehensive Income, net of income tax					
	a Items that will not be reclassified to profit or loss					
	i Remeasurement of defined employee benefit plans	(89.27)	(7.23)	(87.76)	(110.96)	(124.51)
	ii Tax relating to remeasurement of defined benefit plan	22.37	1.85	30.71	27.93	43.51
	Total other comprehensive income, net of tax	(66.90)	(5.38)	(57.05)	(83.03)	(81.00)
7	Total comprehensive Income for the period / year (5 +/- 6)	575.08	1,016.22	845.19	3,370.26	3,122.65
8	Paid up Equity Share Capital (Face Value Rs. 10/- per share)	638.65	638.65	638.65	638.65	638.65
9	Earnings per equity share (not annualised)					
	Basic and diluted earnings per share (in INR)	10.05	16.00	11.00	54.07	50.16
10	Reserves Excluding Revaluation Reserve as per Audited Balance Sheet of Previous Accounting Year				16,500.18	14,972.15

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Statement of Assets and Liabilities as at December 31, 2019

(All figures in Rupees Lakhs)

Particulars		Current Accounting Year Ended 31-Dec-2019 Audited	Previous Accounting Year Ended 31-Dec-2018 Audited
A ASSETS			
1	Non-Current Assets		
(a)	Property, plant and equipment	3,432.37	1,970.04
(b)	Capital work-in-progress	161.83	595.95
(c)	Intangible assets	-	-
(d)	Financial Assets		
i.	Loans	81.35	65.43
(e)	Deferred tax assets	185.60	305.13
(f)	Income tax assets (net)	295.50	300.03
(g)	Other non-current assets	94.48	182.87
Total Non-Current Assets		4,251.13	3,418.25
2	Current assets		
(a)	Inventories	1,939.95	2,097.82
(b)	Financial assets		
i.	Trade receivables	7,284.64	8,700.95
ii.	Cash and cash equivalents	11,107.60	9,239.08
iii.	Bank balances other than cash and cash equivalents	77.79	78.82
iv.	Loans	15.52	13.40
v.	Other financial assets	55.92	26.55
(c)	Income tax assets (net)	24.54	167.04
(d)	Other current assets	108.82	104.97
Total Current Assets		20,614.78	20,426.63
TOTAL ASSETS		24,865.91	23,845.88

B EQUITY AND LIABILITIES			
EQUITY			
(a)	Equity share capital	638.65	638.65
(b)	Other Equity	16,500.18	14,972.15
Total Equity		17,138.83	15,610.80
LIABILITIES			
1	Non-Current Liabilities		
(a)	Financial liabilities		
i.	Other financial liabilities	28.96	186.76
(b)	Provisions	51.84	47.21
Total Non-Current Liabilities		80.80	233.97
2	Current Liabilities		
(a)	Financial liabilities		
i.	Trade payables		
-	Total outstanding dues of micro enterprises and small enterprises	1.08	47.65
-	Total outstanding dues of creditors other than micro enterprises and small enterprises	6,418.22	6,486.88
iii.	Other financial liabilities	711.38	1,034.48
(b)	Other current liabilities	214.83	202.03
(c)	Current tax liabilities	89.13	-
(d)	Provisions	211.84	230.07
Total Current Liabilities		7,646.28	8,001.11
Total Liabilities		7,727.08	8,235.08
TOTAL EQUITY AND LIABILITIES		24,865.91	23,845.88



Statement of Cash Flow as at Financial Year Ended December 31, 2019

(All figures in Rupees Lakhs)

Particulars	Current Accounting Year Ended 31-Dec-2019	Previous Accounting Year Ended 31-Dec-2018
A. Cash flow from Operating activities		
Profit before tax	4,962.78	5,007.26
Adjustments for :		
Depreciation and Amortisation expense	419.70	453.90
Provision of Doubtful Debts	276.63	179.42
(Profit) on sale / disposal of property, plant and equipment	(8.92)	(2.13)
Finance cost	0.13	20.87
Interest income	(464.66)	(337.57)
Provision for doubtful debts written back	(201.77)	(49.38)
Unrealised exchange (gain) / loss (net)	(2.49)	4.44
Employee share based payment expense	35.71	-
Operating profit before working capital changes	5,017.11	5,276.81

Working capital adjustments for :		
(Increase) / Decrease in Trade Receivables	1,340.31	1,214.05
(Increase) / Decrease in Inventories	157.87	(426.67)
(Increase) / Decrease in Other financial assets	(26.38)	(5.71)
(Increase) / Decrease in Other assets	(3.85)	(25.85)
Increase / (Decrease) in Trade Payables	(111.61)	679.02
Increase / (Decrease) in Other financial liabilities	(433.99)	194.29
Increase / (Decrease) in Other liabilities	12.60	(185.51)
Increase / (Decrease) in Provisions	(124.56)	(32.65)
Cash generated from operations	5,827.50	6,687.78
Income taxes paid (net of refunds)	(1,125.87)	(1,977.69)
Net cash generated from operating activities (a)	4,701.63	4,710.09

B. Cash flow from Investing activities		
Payments for property, plant and equipment	(1,365.45)	(806.12)
Proceeds from disposal of property, plant and equipment	14.66	3.35
Redemption of bank deposits (with maturity more than three months)	0.40	0.52
Investment in bank deposits (with maturity more than three months)	-	(0.40)
Loans to employees granted	(18.04)	(18.84)
Interest income	460.30	337.57
Net cash used in investing activities (b)	(908.13)	(483.92)

C. Cash flow from Financing activities		
Repayment of sales tax deferral loan	-	(84.53)
Interest paid	(0.13)	(20.87)
Dividends paid	(1,596.62)	(1,724.35)
Tax on dividends	(328.23)	(352.93)
Net cash used in financing activities (c)	(1,924.98)	(2,162.68)

Net increase in cash and cash equivalents - (a+b+c)	1,868.52	2,063.49
Cash and cash equivalents at the beginning of the year	9,239.08	7,175.59
Cash and cash equivalents at the end of the year	11,107.60	9,239.08

Cash and cash equivalents comprise of :		
Cash on hand	1.30	1.51
Balances with banks		
- in current accounts	1,274.92	2,004.68
- in EEFC accounts	216.38	87.89
Deposit with maturity of less than three months	9,615.00	7,145.00
Total cash and cash equivalents	11,107.60	9,239.08

Note : The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow.

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NOTES:

- 1 The results have been reviewed by the Audit Committee and approved by the Company's Board of Directors at their respective meetings held on January 29th, 2020. The statutory auditors have carried out the audit for the year ended 31 December 2019 and have issued an unmodified opinion.
- 2 Figures of the quarter ended 31 December 2019 and 31 December 2018 are the balancing figures between audited figures in respect of the relevant full financial year and the published year to date figures up to third quarter of relevant financial year.
- 3 The Company has only one reportable segment, metallurgical products and services, in accordance with Ind AS 108 - "Operating Segments", notified pursuant to the Companies (Indian Accounting Standards) Rules, 2015.
- 4 Effective January 1, 2019, the Company has adopted Ind AS 115 - 'Revenue from Contracts with Customers, replacing existing revenue recognition standards viz. Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. Using the modified retrospective approach, there were no adjustments required to the retained earnings as at January 1, 2019. Also the adoption of Ind AS 115 did not have any material impact on the recognition and measurement of revenue and related items in the financial results of the Company.
- 5 The Board of Directors of the Company has recommended payment of a final dividend of Rs. 10/- (100%) on a paid-up equity share of Rs. 10/- each for the financial year ended 31 December 2019, subject to the Shareholders' approval at the forthcoming Annual General Meeting. This in addition to 2 interim dividends aggregating to Rs. 15/- (150%) per share, brings the cumulative dividend for the financial year to Rs. 25/- (250%) per share.
- 6 Pursuant to the announcement made by the Finance Ministry of the Government of India on September 20, 2019, the Company, basis their assessment opted for a lower corporate tax rate as per section 114BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from financial year 2019-20 onwards. Accordingly, the Company recognised Provision for Income Tax and remeasured the Deferred Tax Assets basis the revised lower tax rate and impact of the same was recognised in the year ended December 31, 2019.
- 7 Previous period / year figures have been regrouped/rearranged wherever considered necessary.

Date : 29th January 2020
Place : Pune

Sanjay Mathur
Managing Director
DIN : 00029868



Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Members of Foseco India Limited

Report on the audit of the financial statements

This report amends our earlier report dated January 29, 2020

Opinion

1. We have audited the accompanying financial statements of Foseco India Limited ("the Company"), which comprise the balance sheet as at December 31, 2019, and the statement of Profit and Loss ((including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 37 to the financial statements which describes the amendment to Note 34 (b) to the financial statements made subsequent to the approval of the financial statements by the Board of Directors in their meeting held on January 29, 2020, consequent to the withdrawal of the recommendation of final dividend by the Board of Directors in their Board Meeting held on May 27, 2020, for the reasons disclosed in the aforesaid Note. Our audit procedures on the subsequent events insofar as it relates to the amendment to note 34(b) are restricted solely to the aforesaid matter, and no effect has been given to any other events, if any, occurring after January 29, 2020 (being the date on which the financial statements were first approved by the Board of Directors of the Company and reported upon by us by our report of that date).
Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

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Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition</p> <p>Refer Note 1 (d) and 17 to the Financial Statements.</p> <p>Effective January 1, 2019, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The Company has opted for the modified retrospective approach and accordingly, reviewed its existing customer contracts in this regard. As mentioned in the note, adoption of the Ind AS 115 did not have any significant impact on the recognition and measurement of revenue and related items in the financial statements of the Company.</p> <p>Revenue from the sale of products is recognized when control of products being sold is transferred to customer and there is no unfulfilled obligation and it is measured at fair value of the consideration received or receivable, after deduction of any discounts and taxes or duties collected on behalf of the government such as goods and services tax etc.</p> <p>We have considered revenue recognition as a key audit matter since there is a risk of material misstatement; and additional disclosures are required to be made in the year of adoption in accordance with the applicable accounting standards.</p>	<p>Our testing of revenue transactions was designed to cover certain customer contracts. Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understanding, evaluating the design and testing the operating effectiveness of controls over revenue recognition process including contract monitoring, billings and approvals; • Evaluating the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised appropriately; • Testing whether the revenue recognition is in line with the terms of customer contracts; • Assessing whether fair value of consideration received, or receivable has been determined appropriately in terms of the customer contract, reviewing customer correspondence and verifying pre and post year end cut-off had been appropriately applied; • Testing of journal entries for unusual/irregular revenue transactions; and • Evaluating adequacy of the presentation and disclosures <p>Based on the above stated procedures, no significant exceptions were noted in revenue recognition including those relating to presentation and disclosures.</p>

Other Information

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

- The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on December 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 31 (a) to the financial statements;
 - ii. The Company has long-term contracts as at December 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at December 31, 2019.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended December 31, 2019.

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16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016



Amit Borkar
Partner
Membership Number: 109846
UDIN: 20109846AAAADP9602

Place: Pune

Date: January 29, 2020, except as to Note 37 to the financial statements, which is as of July 23, 2020

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Foseco India Limited on the financial statements for the year ended December 31, 2019.

This report amends our earlier report dated January 29, 2020

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Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Foseco India Limited ("the Company") as of December 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Price Waterhouse Chartered Accountants LLP, 7th Floor, Tower A – Wing 1, Business Bay, Airport Road Yerwada,

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Registered office and Head Office: Sucheta Bhawan, 11 AVishnu Digambar Marg, New Delhi – 110002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Foseco India Limited on the financial statements for the year ended December 31, 2019.

This report amends our earlier report dated January 29, 2020

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Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at December 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016



Amit Borkar
Partner
Membership Number: 109846
UDIN: 20109846AAAADP9602

Place: Pune

Date: January 29, 2020, except as to Note 37 to the financial statements, which is as of July 23, 2020

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Fosco India Limited on the financial statements as of and for the year ended December 31, 2019

This report amends our earlier report dated January 29, 2020

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- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties as disclosed in Note 3(a) - Property, plant and equipment to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year. In respect of inventories lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax as at December 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. lakhs)	Amount paid under protest (Rs. lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act	Income tax	129.36	129.36	1997-1998	Commissioner of Income-tax (Appeals)
Income Tax Act	Income tax	11.59	11.59	2012-2013	Income Tax Appellate Tribunal

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

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Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 15 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/ N500016



Amit Borkar
Partner
Membership Number: 109846
UDIN: 20109846AAAADP9602

Place: Pune

Date: January 29, 2020, except as to Note 37 to the financial statements, which is as of July 23, 2020